Don’t Let The Suit Fool You

5 Must-Haves When Screening High-Profile Job Candidates
Introduction

DID YOU KNOW

that the majority of corporate crime originates with people in high-profile positions?

According to the PricewaterhouseCoopers Economic Crime Survey, middle or senior management commit 58% of internal fraud and senior executives alone account for 26% of these crimes.¹

It’s the sales directors, the VPs, the C-level and, yes, the board of directors who are entrusted to lead your company. You cannot afford to hand the reins over to a crook. But it’s often in the hiring of these high-profile candidates where most companies and recruiting firms fail.

Candidates for senior and C-level positions often have extensive job histories, working for many years, with several companies and living and traveling throughout the world. A standard background check isn’t enough. You need to perform a full executive investigation. It’s a miniscule investment of time and money compared with how much is on the line.

REAL FAST: The 5 Must-Haves Of Executive Screening

1 Thorough, Unbiased Reporting

2 Top-Notch Primary Source Data

3 Experienced Investigators with Global Knowledge

4 Fast, Realistic Turnaround Times

5 100% Ethical, Compliant Methodologies

A solid third-party executive investigation costs on average $2,000. That’s a small investment compared to the average $30.2 million “golden parachute” promised in CEO contracts.²

This white paper explores the five essentials of a top-notch executive investigation and outlines what your company or recruiting firm can do to identify risks when vetting potential executives or board members.

Candidates for senior executive and C-level positions or for board of director appointments are almost always well known to a company, with many coming from the internal ranks. Obviously, the potential for bias and favoritism is high.

You may think you know the candidate and they may have even passed a standard background check that you run on all employees in the past. But there still may be critical elements that only an executive investigation can uncover, especially information not provided by the applicant directly.

That’s why **it is essential that you rely on an unbiased, well-established third party for executive investigations**. Any investigation must start “from scratch” and not originate from biased intelligence such as applicant-supplied information.

The investigation and its final report should also be tailored based on the unique needs of your industry, your company and the position being filled.

**WHY?**

**These are impressive, charismatic people.** Entrusting your executive screening to a respected third party is the best way to get past the charm.
MUST-HAVE #2:
TOP-NOTCH PRIMARY SOURCE DATA

A thorough executive screening starts—*but does not end*—with a full-service check of all available data on a candidate. This kind of extensive data search should not be a manual process and should only trusted to investigative firms with the ability to scour the multitude of data sources available and *direct access to primary source data*.

**It is essential for a thorough data search to include all of the following:**

<table>
<thead>
<tr>
<th>FULL IDENTITY VERIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address Verification</td>
</tr>
<tr>
<td>Professional Licenses</td>
</tr>
<tr>
<td><strong>Aliases</strong></td>
</tr>
<tr>
<td>Bankruptcies</td>
</tr>
<tr>
<td>Property Deeds &amp; Transfers</td>
</tr>
<tr>
<td>Tax Liens &amp; Judgments</td>
</tr>
<tr>
<td>Corporate Affiliations</td>
</tr>
<tr>
<td>UCC Filings</td>
</tr>
</tbody>
</table>

**MULTI-JURISDICTIONAL // 500+ million records including:**

- National Sex Offender Registry
- OFAC Blocked Persons List
- Debarred Persons List
- National Public Record Online Indexes
- Canadian OSFI List
- Dep. of Corrections/ Bureau of Prisons Records
- State Criminal Records
- Denied Persons List
- FBI Fugitive List
- Interpol Most Wanted List
- European Union Terrorism Sanctions List

**FINANCIAL ACTION REGULATORY REPORTS**

- FDIC
- FRB
- NFA
- FINRA
- NCUA
- OCC
- OTS
- SEC

**SOCIAL SECURITY TRACE**

- Address Summary and List ofAliases

**FELONY/MISDEMEANOR ARRESTS & CONVICTIONS**

- County Criminal Records Search (including Aliases & Secondary Addresses)

**COUNTY CIVIL**

- County Civil Records Search (including Aliases & Secondary Addresses)

**FEDERAL CRIMINAL HISTORY & CIVIL COURT CASES**

- Searches of National Criminal Records and Civil Records at Federal Level

**WHY?**

**If they’re lying, they’ve been lying for a long time.** 48% of internal crime is committed by professionals with 6+ years of experience.³ Your executive investigations must include extensive verification of past aliases and all known/possible addresses for your candidate.

---

This should be a no-brainer: Hiring a novice investigator to do your executive investigations is as bad as trying to do them yourself, or not doing them at all.

But there are also plenty of bad choices among larger and well-established investigative firms. How do you know if you’re working the right people with the right expertise?

Here are some essential things to look for in an executive investigator:

+ Decades of demonstrated experience in global markets
+ A clearly documented process for maintaining discretion
+ Each case is assigned to a dedicated investigator, not a team
+ Cases assigned based on investigator’s local-market expertise
+ Investigations are started “from scratch” and not based on applicant-supplied information
+ Reports are tailored to fit your company’s needs

WHY?

Many candidates for high-profile positions have lived and worked abroad. Your executive investigator must have the knowledge and connections to perform a thorough and discreet investigation in foreign countries.
When there is a vacancy at the top levels of a company, there is enormous pressure to fill it quickly. This can lead to mistakes and a hiring process that is often rushed.

Depending on where the candidate has lived and worked, further paperwork such as an additional consent form may be required. In addition, a deeper level of research and analysis is often necessary to ensure all aspects of the candidate’s history are reviewed and verified.

That’s why it is essential to work with an executive screening firm that has well-established processes for minimizing documentation and is able to provide detailed, thorough work on an expedited schedule.

**WHY?**

**Hiring a CEO does and should take longer than hiring for other positions.** Deeper investigations need to be conducted, requiring more manual labor and research. For positions like CEO, expect “a fast turnaround time” to include up to 15 days in the U.S. It is often longer for international due diligence cases, especially if any “red flags” are identified.
Bad movies and trashy novels have given way to the popular impression that private investigations and ethics are mutually exclusive. They are not.

There are a myriad of laws used in different countries related to privacy and personal information. In the US alone, there are hundreds of federal and state regulations that must be adhered to during a private investigation. One violation, whether discovered immediately or during a later audit, can expose your company to damaging litigation and bad publicity.

That's why it is essential that you work with a licensed private investigation firm that employs certified fraud examiners. The Association of Certified Fraud Examiners is just one of many organizations trusted with certifying reputable, trustworthy investigators.

**WHY?**

An illegal or unethical investigation can result in fines, litigation or a damaged reputation. For instance:

In 2006, Hewlett-Packard saw a drop in share price and fired several executives after it was revealed it had hired private investigators who impersonated HP directors and journalists to acquire personal phone records.⁴

---

Conclusion

Executive investigative pre-hire screening is not a nice-to-have. It is a must-have. When recruiting for a high-profile position in which an individual is responsible for a large percentage of the overall P&L within an organization, the stakes are high and an employer must use all resources available to uncover everything the applicant is not disclosing. It is imperative that the employer hires a candidate that is a reliable, trustworthy, and law abiding person.

About Bishops Services

Bishops Services, a SterlingBackcheck company, provides executive investigations and corporate due diligence services to financial institutions, corporations and legal firms worldwide. With over 100 years of experience, unparalleled investigative expertise and stringent attention to compliance standards, Bishops provides the most thorough, accurate investigations in the industry. Our clients trust our services to help them minimize reputational, financial, legal and compliance risks and ensure they have a 360 degree view of potential threats to their organization's interests.

For more information, visit BishopsServices.com