



The Beginner's Guide to Background Checks



What can be found in this Guide?

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2. What is Background Screening and Why is it important?
3. Background Checks Process
4. Types of background checks
5. Continuous Checks
6. What should you look out for in selecting an ideal background screening provider?
7. Compliance and Data Protection Acts
8. Vendor/Contractor Screening
9. Avanz ScreenGlobal and API integration to 3rd party platforms
10. Company Due Diligence

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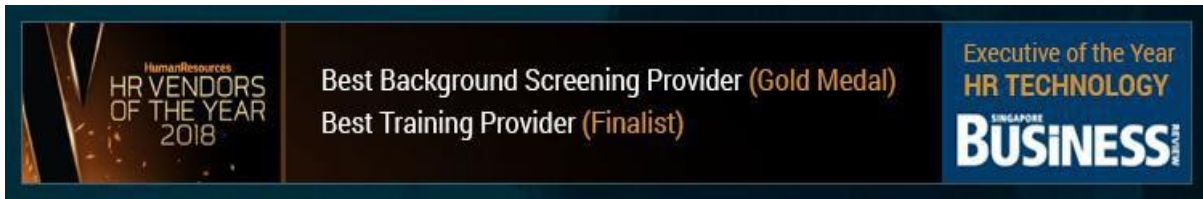


Chapter 1: About Avanz

Avanz is a Gold Medal award-winning Employee Lifecycle Management Company with global offerings and capabilities. We have presence in Asia, Americas and EMEA. Avanz offers an end-to-end Talent Acquisition and Talent Management solutions suite.

Avanz's 3 business pillars are:

		
<p>Pre-employment and In-employment Background Checks</p> <p>AI-powered Recruitment Platform (Platform TABS)</p> 	<p>New-Employee Onboarding using technologies leveraging mobile, AR/VR and gamification.</p> 	<p>Contextualized, customized and localized instructor-led training, e-learning, blended learning leveraging mobile, AR/VR and gamification.</p> 
<p>Company Due Diligence</p>		<p>One-on-One and/or Group Coaching and Mentoring</p>



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Chapter 2: What is Background Screening and Why is it important?

Character Reference checks with references provided by the candidates are pointless and though HR or Talent Acquisition leaders acknowledge this, they still continue this age-old practice. Personal references are even more limited in value as these opinions can't possibly add any useful insights into the candidate's work capabilities. Friends will "pay it forward" in exchange of same favour in future. This is exactly why some of the endorsements and recommendations on Social Media platforms have started to lose popularity in Asia.

Statistics show that more than 30% of CVs or resumes seem to have some form of discrepancies and this exhibits lack of integrity. Some Candidates pad up or exaggerate their CVs in terms of fake certifications, positions held, salaries earned, tenure with the company, reasons for leaving and even fabricate employment with a company they never really worked for. The major consequence of hiring the wrong fit is **reduced productivity**.

Employing "risky" individuals with criminal related background might pose a **potential harm** to the rest of the workforce. Situation can be serious if the victims are partners or vendors or clients and this will affect the **reputation** of the company.

All these "security" and "integrity" risks call for a thorough **background screening or check** in place to ensure "safe" talents are hired.

Background Checks process (unlike Private Investigation work) is done with the individuals. A signed Letter of Consent has to be in place before any background check work can begin.

Suggested readings and webinars:

<https://www.avvanz.com/blog/character-reference-checks-still-make-sense-in-asia/>

<https://www.avvanz.com/blog/background-checks-are-important-in-today-s-working-environment/>

<https://www.avvanz.com/blog/why-companies-in-asia-conduct-background-screening/>

<https://www.avvanz.com/conference/screen-for-right-and-safe-talents-in-1-minute/>

<https://www.avvanz.com/conference/webinar-background-checks-and-due-diligence/>

Now let's move on to learn about the Background Checks process.



Chapter 3: Background Checks Process

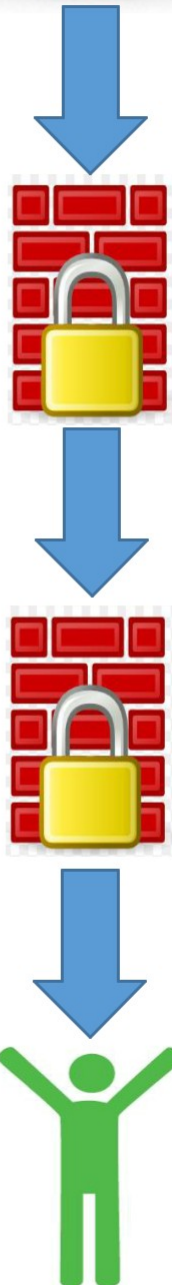


Candidate/Employee with multi-country global background (NA, EMEA, JAPAC)



Criminal related	Finance related
Criminal Check Civil Litigation Global Sanctions Adverse Media Search Social Media Screening	Credit Check Bankruptcy Financial Regulatory Conflicting Directorship
Identity related	
Passport Verification Driving Records Address Verification	

Employment Details – HR (after authenticating the HR Contact) Employment Performance – Supervisor (after authenticating the Supervisor) Highest Education Professional Qualifications/Certifications



Security Firewall



Interim Report

Integrity Firewall



Final Report

Checks can be selected based on the risk level of the role or function. Avanz's Reports will aid organizations when hiring the Candidate or retaining the Employee.

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Chapter 4: Types of Background Checks

Security checks include due diligence checks, financial checks and identity checks.

Integrity checks are mainly education, professional qualifications and employment related checks.

Not all checks are needed for all individuals. The mix of checks that need to be conducted depend on the risk and accountability of the candidate or employee and the industry your company belongs to. Avvanz will be able to offer you [free consultation](#) on the best mix of background checks for the various individuals in your organization.

Avvanz offers the following background checks. The "Subject" mentioned below refers to an Individual like a Candidate or Employee or even a Contractor.

Due Diligence Background Checks

Adverse Media Check (with Continuous Monthly Monitoring option) provides negative media from thousands of global new sources, capturing millions of articles of interest from breaking news, current events and relevant media dating back to the early 1900s. The data is 100% behavioural related and not just solely based on a subject's name.

Global Watchlist and Sanctions (with Continuous Monthly Monitoring option) is a global due diligence solution screen to monitor for KYC (Know Your Customer) and AML (Anti Money Laundering) compliance. It covers sources from 45+ regulatory bodies, 1600+ Watch Lists and Global Sanctions, Criminal Enforcement, Terrorism & Corruption (including money laundering and drug trafficking), Financial Compliance, Health Sanctions and Politically Exposed Persons or PEPs (1200+ sources and 4 million global records).

Office of Foreign Assets Control of the US Department of the Treasury administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. OFAC acts under Presidential national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under US jurisdiction. Many of the sanctions are based on United Nations and other international mandates, are multilateral in scope, and involve close cooperation with allied governments. OFAC publishes lists of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country specific. Collectively, such individuals and companies are called "Specially Designated Nationals" or "SDNs." Their assets are blocked and U.S. persons are generally prohibited from dealing with them. Hiring someone in this list is prohibited.

Social Media Screening - A thorough vetting is done across the Internet for possible "negative" matches using First Name, Last Name, Email Address, Date of Birth and even Education information. Analysts review publicly available information. Negative content refers to following areas: Sexually explicit content, Potentially unlawful activities, Potentially violent behaviours, Racism and/or Demonstrations of intolerance. Intention is not to review

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personal Social Media profiles internally in view of personal privacy. Analysts review for only negative content that covers the most dangerous workplace safety areas. Click to read more: <https://www.avanz.com/blog/are-social-media-checks-necessary/>



Sex Offenders Registry verifies whether the Subjects has any violation history in terms of sexual violation.

Criminal or Criminality Check - Criminal records with Court and/or Police will be reported.



Civil Litigation Check searches through sources from Commercial or Civil Courts in jurisdictions where the Subject has resided, worked or attended school.

Conflict of Interest/Directorship searches for past and present directorships and possibly any disqualifications from directorships.

Drug Screening enables a panel of drug tests to be done on the Subject.

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Financial Background Checks

Bankruptcy Check will check if Subject is declared **bankrupt** and recorded with insolvency or is facing a bankrupt

Financial Regulatory Check entails searches with financial regulatory registers to check if Subjects have any disciplinary actions charged that might disqualify them from involvement in the management of a corporation or banned from being securities or futures representatives or banned or disqualified from practising in the financial services industry.

Credit Check offers information about Subject's borrowing history and financial indebtedness. It may also include payment defaults or delinquencies.

Identity Background Checks

Identity Verification - The I.D. can be a local Identity Card or Passport validation in most cases.

Address Check - Proof of residency or address is verified

Integrity Background Checks

Education Verification - Highest Education information will include Dates of attendance, Date of graduation and Type of Certification Eg) Bachelors in Accountancy. Can also check if the qualification was awarded by an unaccredited or fake institution (like degree mills).

Employment Details with HR - Includes details on joining/leaving dates, designation, roles and responsibilities, reasons for leaving and eligibility for rehire.

Employment Details with Supervisor - Interview conducted with Supervisor (verbal or written) covering a range of performance and behavioural questions that will be asked to explore how the Subject performed with respect to Key Performance Indicators given and what behaviours the Subject demonstrated.

Professional Qualifications / Memberships - Includes Professional Certifications/Licenses. Dates and Levels of certifications will be verified. Trade membership related details can also be verified.



Chapter 5: Continuous Checks

Background checking during the onboarding process provides insights into the individual's past but once the individual is onboard and is employed with an organization, (s)he can possibly commit offences or engage in derogatory acts. This can be detrimental to your brand, workplace safety and security of assets. It can also affect your relationships with your external stakeholders including customers and partners.

Continuous Check is a subscription service that runs in the background whilst the individual is still employed. Avvanz provides a **continuous monthly monitoring option** for

- ⌘ Adverse Media Checks
- ⌘ Global Watchlist Sanction
- ⌘ Criminality Checks (for specific countries).

How does Avvanz do this?

Avvanz gathers proprietary data from key sources – millions of data points – to offer real-time updates on new charges on individuals.

For other checks, organizations can do an annual or six-monthly **infinite screening**. This means repeating background checks for dynamic data i.e. data that can change. This will exclude education checks, prior employment checks and other database checks for countries lived in before.

Example:

Pre-employment checks were carried out on an individual who had lived or studied or worked in United States and Vietnam and now about to join a company in Sydney, Australia. Let's say criminal and education checks were done and all were VERIFIED CLEAR. Whilst being employed in Sydney, the individual can possibly commit chargeable offences that (s)he did not declare to the organization. An infinite screening – criminal check for Sydney – will divulge the charges.



Chapter 6: What should you look out for in an ideal background screening provider?

There are factors to consider when selecting the right background screening partner to work with. The parameters include cost-effectiveness (are there other hidden charges?), ease of implementing background checks as a process, turnaround time (from order to receipt of report), user experience (including HR and candidates), compliant processes, data protection and confidentiality (where is the data housed?), insurance coverage, liability and automated technologies used.

Click to read on criteria to use to evaluate a good background screening partner <https://www.avvanz.com/blog/good-background-screening-partner/>

Competitive Differentiators

Avvanz Screen www.avvanz.com/screnglobal ,	Other Global Vendors
Retail Price is at least 15% more cost effective	Compared to their Prices
Quick onboarding and Ordering ie Our Clients, their Vendors, Contractors need not go through cumbersome paperwork and take almost 2 to 4 weeks to order cases. With award-winning ScreenGlobal Platform, you can order in a minute. We have a unique hybrid a la carte and package platform.	<ul style="list-style-type: none"> ➤ More cumbersome paperwork ➤ Long onboarding cycle with Onboarding Fees involved ➤ Minimum commitment (some vendors charge upfront fees)
No cost to order on manual (assisted by Avvanz Team) basis versus online	Usually there is additional charge if need manual service
Shorter TAT is 1 to 15 business days with real-time report progress . ScreenGlobal eliminates need to call to follow up on reports.	TAT is 15 to 25+ business days
Scope of each Check by Country is clearly spelt out in www.avvanz.com/screnglobal . Coverage is across 150+ countries.	Scope might not be updated real-time leading to confusions and conflicts on understanding of Checks and the capabilities
Candidate Chasing is free . ScreenGlobal provides automated chasing too to get candidates to fill in the required information ASAP.	Chargeable
ScreenGlobal auto'ly pops up all mandatory forms that candidates need to fill within the Candidate Data Entry Form.	Candidates receive several emails for different documents that need to be filled. This is also not very secure.
Chase for information with previous employers through email and phone unlimited times. Our "Unable to Verify" will be less than 5% - Spelt	Chasing is only via email and limited to 3 to 5 times only. If no information, auto'ly becomes Unable to Verify (UTV). UTV can

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in Statement of Work.	be >50%.
Letter of Consent is Personal Data Protection compliant – Needs to cover Client, Avvanz, sub-contractors, data sources, previous employers etc	Not comprehensive enough and updated to be in line with legislations of Data Privacy Policies, FCRA, GDPR
More Comprehensive indemnity insurance coverage	Extent of coverage is not ample
Avvanz stores data in Amazon Web Services which has MTCS SS 584 Level 3 Certification based on ISO27001/02 Information Security Management System (ISMS)	Data is stored in internal servers often faced with downtime

Suggested reading:

<https://www.avvanz.com/blog/why-and-how-to-hire-the-right-background-check-services/>



Chapter 7: Compliance and Data Protection Acts

Background checks entail an individual's Personal Data. Globally, there have been several high-profile data breaches and hence it is important to understand how Avvanz ensures Personal Data is protected in compliance with **Data Protection Acts** and Laws. Over 80 countries and independent territories, including nearly every country in Europe and many in Latin America and the Caribbean, Asia, and Africa, have now adopted comprehensive data protection laws.

The European Union has GDPR or General Data Protection Regulation.

The US has FCRA or Fair Consumer Reporting Act.

Singapore has PDPA – Personal Data Protection Act.

And so on.

Please click to read https://en.wikipedia.org/wiki/Information_privacy_law

For more information on how Avvanz handles this, please drop us a note at DPO@avvanz.com. Avvanz's Data Protection Officer will address any queries that you might have.

Compliance is critical and it's important to keep up with changing regulatory frameworks and regulations though it can be onerous and challenging. HR in some jurisdictions may face complaints about unfair hiring practices that can cost them legal costs and reputational damages. However, hiring "wrong" or "wrongful" persons can be even more detrimental to any organization.

Avvanz's Gold Medal winning ScreenGlobal platform <https://www.avvanz.com/screnglobal/> articulates the level of compliance being exercised on every check by country. This will provide you the assurance you need on the legally reportable and relevant results whilst reducing bias and any manual errors for more compliant results. Our advanced technology automatically tags the Background Check Report as GREEN or AMBER or RED based on the outcome of the individual check results. Adjudication can then be done before deciding to move on or terminate the relationship with the individual.



Chapter 8: Vendor or Contractor Screening

Organizations need to know who their partners are. Partners can be vendors, contractors, contingent workers and even customers. Developing relationships with wrongful vendors can yield serious ramifications to your organization.



Avanz ScreenGlobal <https://www.avanz.com/screenglobal/> is the only global platform that makes it extremely easy to self-order background checks on vendors within minutes. Avanz will help to ensure that vendors meet corporate standards relating to licensing, insurance, compliance and other industry or function specific standards.

Typical checks on vendors include:

- Financial Checks – Credit, Bankruptcy
- Civil Litigation and Criminal Checks
- Professional memberships, certifications, qualifications needed to perform a specific function for your organization

You can easily configure a customized package of checks for your different vendors on ScreenGlobal. The vendors can self-pay on ScreenGlobal then download the completed reports that they can forward to you. If you need to validate them with Avanz, that can be facilitated too.

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Chapter 9: Avvanz ScreenGlobal and API integration to 3rd party platforms

Avvanz ScreenGlobal <https://www.avvanz.com/screenglobal/> is the only global platform that makes it extremely easy to order background checks on any individual who could have studied or worked or lived in any part of the world. ScreenGlobal solves typical issues faced by companies with their vendors:

Common problems faced	How ScreenGlobal resolves them?
Each candidate or employee has multiple country background and so it's very hard to know how much it will cost for each of them	You can select checks by countries on ala-carte basis or customized package of checks
Not sure what is the scope of a check in a specific country Eg) What are the options to do criminal checks in UK and what does each option cover?	You can view scope of checks by country (more than 150 countries), price and turnaround time information so that you know what you are ordering
HR (or Case Requestor) has to coordinate with Vendor and candidate. This can be a huge burden for HR in terms of time and accountability. HR already has other strategic responsibilities.	You just need to place the orders (less than a minute for each candidate) and ScreenGlobal will manage all communications involving HR, candidates and Avvanz Client Success Team. All communications happen in a secured manner via automated workflows. You only need to wait for the Final Reports.
Candidates complain that they receive multiple email requests for different documents and this affects their user experience.	Candidates will input all required information in the Candidate Data Entry portal of ScreenGlobal. The portal will auto'ly show the documents needed based on the background of candidates. Hence, candidates can upload and submit information in one login.
Candidates raise alarm when the Vendor calls their current employer even though candidates might not have tendered resignation.	Candidate Data Entry Form has a field to indicate if this is a current employer and if so, can Avvanz call the employer or not. ScreenGlobal will manage this workflow.
HR gets rude shocks when the invoices arrive as the price might be beyond the budget.	Once candidates submit the information, HR gets an email to check out the case in "Ready For Processing Cases" Tab. At this stage, HR gets to view the case cart before clicking in "Proceed To Checkout".
Candidates could have lived in countries with multiple jurisdictions and HR needs to know if there will be multiple charges	For countries with multiple jurisdictions (Eg USA), the system will reflect this in terms of price add-ups.
HR always needs to call Vendor to get progress updates.	There are 3 ways to get DIY updates: <ul style="list-style-type: none"> i) Dashboard view of cases and orders statuses ii) Orders Tab provides real-time report progress instead of waiting for completion. The Background Check Report will also contain documents submitted by candidates as well as documents uploaded by Avvanz. iii) Reports Tab provides downloadable

	Excel reports at any time.
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Avvanz ScreenGlobal has been integrated to 3rd party Gig (or Freelancing) platforms, HRMS, Applicant Tracking Systems and Recruitment platforms. To assess ScreenGlobal APIs, please drop a note at consult@avvanz.com.



Chapter 10: Company Due Diligence



Avanz can support you on a thorough due diligence on companies if they are going to be your:

- Potential business partners
- Potential Joint-Venture, Merger or Acquisition companies
- Vendors or Sub-Contractors
- Investment targets
- Investors or Funding companies
- Customers (KYC - Know Your Customer)
- Channel partners including distributors and resellers

You can check for (not exhaustive):

- Non-compliance to anti-money laundering
- Fraud, embezzlement and financial irregularities
- Corrupt and inhumane business practices including Foreign Corrupt Practices Act, OECD Anti-Bribery Convention and Bribery Act
- Undesirable liabilities
- Hidden political links
- Terrorism links
- Counterfeiting and Intellectual Property infringement
- Conflicts of interest