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Cleveland



Resume fiction

More top employers are performing background checks on job candidates, and for good reason: They're finding more exaggerations and outright lies than ever.

By Morgan Lewis Jr.

The name of this company won't be revealed because those involved obviously feel very embarrassed that this person was even employed in such a lofty position. Let's just say it's a major corporation.

A CEO was hired based on a very impressive resume and recommendations. But in just a short time, this new chief executive started to show signs of serious problems.

The company began losing a great deal of money --about \$10 million. These losses couldn't be explained by a simple downturn in the market. At that point, the board of directors began to look at the business decisions the individual was making. Not only were the decisions questionable, but it seemed as though **he did not understand the business.**

Finally, the board asked William Penrod of KlinkFarley Inc., a business security and investigation firm, to look into this man's background. What he found was staggering.

First, the CEO claimed he was working on his MBA at a prestigious university. Penrod, Cleveland director at KlinkFarley, found he was never enrolled in the MBA program there.

The previous work experience claims proved even more troubling. He claimed he had served as vice president of a large division at a publicly traded corporation, reporting directly to the CEO. It turned out no one at the executive management level even knew the man.

He also claimed he had held the following positions at another large corporation: vice president -- business development and manufacturing; general manager; director of regional sales; and senior sales executive.

The company's human resources director could only confirm that applicant had held the position of strategic sales manager, but none of the others.

There were other claims, but rest assured, Penrod found they were greatly exaggerated or just plain false. The decisions made by this CEO cost the company hundreds of thousands of dollars and set it back years.

"It's amazing that a company will automatically spend from \$100,000 to \$500,000 on a relocation package for a high-level management hire, but will not budget \$5,000 for a serious due diligence background investigation," Penrod says. "Let's face it, **no one**

gives bad references anymore. Everyone is a star because you are either talking to references who are friends or mentors or someone who is afraid of a lawsuit and won't tell you or HR the truth. Does the information kill the hire? Sometimes, but often it doesn't.

"Instead, it enables the interviewing process to be more informative and honest."

Be thorough

Background screenings are already common in the Northeast Ohio area, according to a Workplace Practices Survey by the Employers Resource Council and *SBN Magazine*. And **pre-employment drug screenings are on the rise.** Last year, less than half -- 44 percent -- of employers reported using drug screenings. This year, about 52 percent said they use the tests.

The number of those who make reference and other background checks remained stable, with about 90 percent of employers saying they investigate a job applicant's past.

"The trend is a lot more companies are outsourcing the reference interviews and the employment verification, instead of just the criminal record," says Jason Morris, president of Background Information Services Inc. in Beachwood.

Morris says his investigators find discrepancies on resumes and job applications on about 40 percent of the thousands of checks they do every week. Like Penrod's firm, one of the biggest exaggerations they find is on previous salary and qualifications.

Despite the popularity of background checks, psychological tests do not seem to be popular with Northeast Ohio employers. Only about 29 percent of employers say they use them, and many noted they were only used for top executive positions. Twenty percent of employers reported performing the tests last year.

"I'm not a big believer in them," Morris says. "People take those tests in different ways, so I don't think they hold much water. I'm more of a believer in skills testing." **How to reach:** KlinkFarley Inc. (216) 589-9750; Background Information Services Inc. (216) 514-2800

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