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Welcome to Screening Solutions

This is the Fall 2005 edition of the Corporate Screening Services, Inc. e-Newsletter, **Screening Solutions**. It is designed to keep you on top of all the latest employment screening news, including legal updates, industry trends and new product information.



Diploma Mills on the Rise

That sheepskin could be disguising a wolf.

When Ali Saeedlou was nominated for Iran's influential Oil Minister position recently, his resume listed an impressive PhD in "strategic management" from Hartford University. But as one member of Iran's Parliament wondered, how did Saeedlou receive a doctorate from an American university in 2003 when he was supposedly living in Iran at the time? Saeedlou embarrassingly admitted that the coursework for Hartford (which has no connection to the University of Hartford) was completed solely online and that the school is not an accredited institution.

The Iranian Parliament voted to block Saeedlou's appointment.

In fact Hartford University has been on the radar screen of state and federal education officials in the United States for some time. Hartford, like many of today's so-called "diploma mills," is an unaccredited school located outside of the legitimate realm of Western education – in this case on the tiny South Pacific island of Vanuatu, which also happens to be an offshore banking refuge.

"Diploma mills" (or degree mills) are substandard or fraudulent "colleges" that offer students degrees for little or no substantial work. Some are simply frauds: a mailbox where people send money in exchange for a fake "college degree." Others require some nominal, but not serious, work, while some offer degrees based solely on life experience (which is "judged," but not diligently checked, by the applicants resume). Very often these institutions are "accredited," but only by agencies that are similarly bogus and usually masked by official and prestigious sounding names.

The anonymity of the internet makes it difficult to locate most of the scam artists who operate fake, online universities from remote locals like the Grand Caymans or Central America. Some illegitimate websites use ISP's in remote locals to establish anonymity. Others use the ".edu" web extension, which most people associate with legitimate educational institutions and isn't regulated. (A ".edu" suffix means nothing regarding a school's quality or legitimacy.) Most fraudulent universities maintain impressive web sites and advertise heavily online.

Unfortunately an exotic foreign address alone is no guarantee that a school is an unaccredited sham. Advertisements and websites for diploma mills located within the United States run regularly in national publications like *USA Today* and *The Economist*.

In the United States an accrediting institution must be recognized by either the Department of Education or the Council on Higher Education Accreditation. But since laws under which these institutions are approved vary widely from state to state, it's difficult for many employers to discern a fake college degree from a legitimate one. Most experts agree that the states with the worst standards are California, Hawaii, Alabama, Mississippi, Wyoming, Idaho and Montana. These states have no meaningful standards, excessive loopholes or poor enforcement due to local policies or insufficient or under-trained staffs.

(California, like Arizona, recently tightened its standards, but some officials are skeptical that all of the fraudulent diploma mills have left the state.)

Degrees from these fraudulent universities typically cost \$2,000 to \$3,000 for an undergraduate degree and \$3,000 to \$5,000 for a graduate one. (Legitimate universities don't normally charge flat fees. They charge tuition by credit hour or per course.) Conservative estimates on the diploma mill industry place their average revenues at over \$500 million per year, with some single schools raking in between \$10 and \$20 million annually. While no official tally of unaccredited university sites exists, many believe the number swelled from about half a dozen ten years ago to more than 300 today, with new ones cropping up each month. (It's believed that more than 30 of such operations exist in the United States.)

Many buyers who pay for fake degrees want the pseudo-credentials so they can trick an employer, but others are duped. How can an employer tell whether a prospective employee or future business partner has earned the degree they claim on their resume? Only 40% of companies regularly verify degrees earned, according to a study by the Society for Human Resource Management, and even then they often miss diploma mills.

Corporate Screening Services' brand of background screening is investigation-based which proves to be the most reliable means of detecting diploma mills or fraudulent universities. To find out more, [contact your CSS representative](#).

Automated Verification Services

Do They Help or Potentially Hurt Employers?



How many phone calls do you get per day to verify employment of past and current employees? If you are among the growing number of employers who have outsourced this task to an automated verification system, you may have come close to eliminating these time consuming calls. But if you have contacted automated verification systems to confirm the job history of your own potential candidates, you probably realize just how limited this information can be. So overall, do automated verification systems help or hurt human resource departments?

Automated verification systems have been around for more than a decade. In the beginning, several large manufacturers created proprietary systems to handle the cumbersome and time-consuming task of answering verification calls. This innovation – along with the technology boom and an increased need for verification and background checks – helped create the service that many HR departments now use. Today, organizations nationwide (ranging from small companies to Fortune 500 giants) handle verification requests for employers through the use of automated systems, most of which charge a fee to access data.

Employers have the luxury of using these services for both incoming and outgoing employment verification requests. While still a very arduous and time consuming task, calling a candidate's previous employer for verification can be expedited more quickly if the employer subscribes to an automated system. This service allows employers to reduce the amount of time it takes to hire a candidate, though it comes at a cost since the information returned is limited. Typically, verification through an automated system only confirms a position and the dates of employment, while questions regarding an employee's eligibility for rehire and reason for leaving are often left unanswered. So while you can quickly validate a candidate's work history, the results lack any indication of involuntary termination or problems that a prospective employer is arguably entitled to know.

The concern for employers using these services to verify information on former employees is basically one of liability. The million-dollar question deals with the potential liability of hiring a candidate who may have been terminated for malicious behavior that isn't reported in the standard "employment dates and job position" information supplied by automated verification services.

Rest assured, Corporate Screening is aware of the issues surrounding this service and will make every attempt to overcome the inherent limitations of the automated verification system.

Conducting Medical Exams Prior to Offering the Job

Is your hiring process violating ADA?

Employers who fail to follow the precise hiring sequence set-forth by the Americans with Disabilities Act (ADA) may find themselves in hot water with the U.S. Equal Employment Opportunity Commission. A recent decision by the Ninth Circuit Court of Appeals in San Francisco ruled that employers must follow every provision of the ADA to the letter of the law to avoid liability. The Ninth Court found that an employer's hiring processes may violate the ADA and related state statutes if those processes do not exactly follow ADA-stipulated sequencing.



In this case, three HIV positive men applied for jobs as flight attendants with American Airlines. Although they went through the hiring process at different times, it was essentially the same for all one. Following the first interview, the airline offered conditional positions to each of them, contingent on successful completion of both a background check and a medical exam. As part of the medical exam, they had to complete a medical history that inquired whether they had any "blood disorder or HIV/AIDS." Each of the applicants denied having the AIDS related virus.

After each applicant's blood test came back HIV-positive, American Airlines cancelled the job offers, citing the applicants' failure to disclose their illness on their medical histories. The applicants, all residents of California, challenged the airline's medical inquiries, stating they were unlawful and prohibited by both the ADA and California's Fair Employment and Housing Act (FEHA).

Although the U. S. District Court ruled in favor of the airline on all counts, the Ninth Circuit overturned that decision. The appeals court found that the ADA and FEHA not only protect the disabled from discrimination in hiring and employment, they additionally regulate the sequence of an employer's hiring process. Both statutes prohibit medical examinations and inquiries until after the employer has made a "real" job offer to an applicant.

In this case, American Airlines interviewed the applicants at its Dallas, Texas, headquarters then issued the conditional employment offers. Rather than wait for completion of the background checks (as the law requires), the airline immediately sent the applicants to its on-site medical department, where they were instructed to fill out a medical history. Since the medical exam wasn't the final part of the airline's hiring process, according to the appellate court, "the offers were therefore not real, the medical examination process was premature, and [the airline] cannot penalize the applicants for failing to disclose their HIV-positive status."

The Ninth Circuit also held there was an issue whether the applicants' privacy rights under California law were violated when American Airlines failed to provide prior notice or obtain consent before the blood tests, which were ruled to be outside of the ordinary and accepted medical practice regarding pre-employment medical exams.

To determine whether your hiring practices comply with The Americans with Disabilities Act and related state statutes, call your CSS representative or visit www.CorporateScreening.com.

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PRODUCT SPOTLIGHT: Employment Verification

As the old saying goes, "Past performance is no guarantee of future success." But for the employment world this adage should read, "Past performance predicts future success." For this reason many employers verify the employment histories of job candidates. However, more information can be gleaned from this process if it is done correctly, completely and systematically.

Most job applicants are required to complete an employment application. These applications, along with candidates' resumes, give prospective employers their first glimpse of what candidates have to offer by way of experience and, in some cases, what they can't bring to the table.

With a strong verification program, the employment application and resume become the sole litmus test that gauges the integrity of a job applicant. At Corporate Screening Services our trained investigators can locate hard-to-find organizations, validate those referenced companies listed by the candidate as closed or out-of-business, uncover hidden employment history and identify discrepancies and employment gaps. Our use of traditional investigative methods and numerous outside resources make CSS verification far superior to the industry competition.

For more information on Corporate Screening's employment verification or any of our services, please call your CSS representative or visit www.CorporateScreening.com.