



IREON Insights: 10 hiring mistakes that will destroy your business, part 1 of 4 - by Patrick Brosnan

August 27, 2024 - Front Section



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How do you really know who you're hiring? How do you know who to trust and what to believe? People with secrets will go to great lengths to hide them. Whether it's an arrest as a teenager, a stint in rehab, or a bankruptcy they want to forget about. Certain background checks and employer questions may not capture every aspect of a potential new hire, which is exactly why due diligence, attention to detail and knowledge of potential scams are critical. Brosnan Risk Consultants (BRC) has conducted due diligence investigations for almost 25 years, so we know what to look for, where to dig for the truth and how to ensure you're not hiring the next Bernie Madoff. BRC has identified

the 10 crucial hiring mistakes that you must avoid during the vetting process to ensure you, and your business are protected.

INVESTIGATIVE DUE DILIGENCE

Brosnan Risk Consultants has been conducting due diligence investigations of potential acquisitions, joint venture partners, investors and investments throughout the U.S. and overseas for 22 years. The accurate, compliant, and timely information that BRC supplies helps its clients make informed choices in critical areas such as employment, vendor selection, investment placement and institutional admissions. Clients rely on BRC to investigate bona fides, business reputation, background and track record of companies, and their management, in which an investment or business deal is being contemplated.

1. DO NOT RELY SOLELY ON CRIMINAL HISTORY CHECKS

The Problem A national criminal records check does not exist in the USA and is a misnomer. A statewide repository check for criminal records does exist but has gaping holes. The completeness, accuracy and consistency of these records vary greatly from state to state. In many states, California and Illinois for instance, many of the counties do not even report criminal record data to the state. Ever. This disconnect between the county, where the arrest is actually made, and the state, where the records are deposited, is an ongoing problem with no solution in sight. The reasons are many and range from human error to arcane laws. Bottom line: statewide checks are inherently flawed.

The Solution When performing a criminal records search, proper due diligence requires a tightly-focused county criminal court search in all of the counties the subject has resided as an adult. No exceptions.

EXAMPLE

A seemingly high-qualified candidate applied for a job as an administrative assistant with a prominent NYC real estate developer. Her resume was stellar with one exception: she never mentioned residency in Hawaii after college. On her Facebook page she commented, briefly, on surfing in Hawaii after graduate school. A county by county search at the local courthouses uncovered a conviction for the sale of two kilos of cocaine. A quick call to the Hawaii Department of Corrections confirmed she had been in state prison for three years.

2. DO NOT BELIEVE AN APPLICANT'S STATED EMPLOYMENT HISTORY

The Problem It is not uncommon for individuals to omit brief stints at a job that didn't work out or that doesn't fit with their current career goals. These individuals often hide the omission by stretching the dates of jobs held just before and just after the omitted job dates. This overlapping of job dates effectively erases the job they want to forget: the one they got fired from, or accused of sexual discrimination or other inappropriate behavior.

The Solution BRC scrutinizes all dates on resumes and verifies by cross-checking with external

sources such as news articles, press releases, regulatory filings, and local alumni bulletins. Investigators confirm, through research and skillful interviewing, the true dates of reported employment.

EXAMPLE

John J. Candidate's resume appeared outstanding. He had attended an Ivy League college and law school, and had worked at top-tier law firms in several states. No criminal history, no regulatory agency complaints, no accusations from an angry ex-wife or a disgruntled ex-partner. His credentials appeared beyond reproach. A quick confirmatory call to a former law firm changed all that when the receptionist, on hearing his name, stalled and responded evasively. The investigator, sensing a problem, slowly and skillfully extracted information from the receptionist. The rumor was that he had been fired from a prominent Manhattan law firm years earlier for allegations of sexual misconduct with several female attorneys. A few quick pretext calls to the NYC firm established both his employment, he conveniently did not list it on his resume, and the allegations.

Part 1 of 4, part 2 will appear in the Sept. 10, 2024 edition.

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