



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

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9. DO NOT MINIMIZE THE IMPORTANCE OF TAX LIENS AND JUDGMENTS

The Problem Clients hate hearing from their investigators “we are not sure whether any of these are the relevant person – they are a name match only.” This is a significant problem in due diligence investigations and is only amplified when individuals deliberately change pedigree facts, delete biographical data or omit primary residence history.

The Solution BRC’s investigators utilize a network of cross-referencing indicators that gradually eliminates false positives.

EXAMPLE

A national party supplies company retained Brosnan to conduct due diligence on a balloon manufacturer in Georgia. The owners of the company were married and were principals in twenty-three additional companies in four other states. Research established that many of the companies shared manufacturer and distribution facilities, administrative offices and, it turned out, income and expenses. In addition, EIN numbers and social security numbers had been transposed and numerous tax liens, civil judgments, and derogatory regulatory filings were uncovered at courthouses in four states.

10. DO NOT ACCEPT PERSONAL INFORMATION AS FACTUAL

The Problem Tax liens often indicate that an individual or a company is in poor financial health. It is important that the underlying reasons for these liens be established to help identify a company that may have suffered a temporary cash flow problem—for example, missing a few quarterly payments of federal employee withholding taxes from a serial deadbeat.

The Solution BRC’s investigators scour online sources and national registries to establish a pattern of delinquent filings. They also physically retrieve archived records from the courthouse and cross-reference data - EINs, docket numbers, and other relevant identifiers with national database information and human source inquiries.

EXAMPLE

A job applicant with a very common name stated he had never been arrested. Research established that he had provided a false date of birth and social security number when he was arrested years earlier. He had pled guilty to driving under the influence in Anaheim, CA. according to an article in a local Anaheim daily newspaper. BRC confirmed this was the relevant person by establishing the following facts:

1. The relevant person worked at a consulting firm in Anaheim after college, according to his resume.

2. The defendant was 34-years old at the time of arrest, which was consistent with the candidate's age at the time.

3. BRC's investigators confirmed there was no other individual with similar pedigree and physical characteristics in Anaheim County at that time.

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