

Mega Group Online

Nature of Original Source, Limitations, Variables, and Scope of Services

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Overview of Criminal Searches:

Criminal record searches show felony and misdemeanor convictions, usually including date and nature of offense, sentencing date, disposition and current status. MGO offers six basic types of criminal searches: County Court Criminal Record, Federal Criminal, Multi-jurisdictional (Nationwide) Criminal, Nationwide Sex Offender, Nationwide Wants and Warrants, and Bureau of Industry and Security/OFAC.

Searches go back at least seven years. Some states allow longer periods; however, even where states only go back seven years, cases can be reported that are older if the period of custody extends into the seven year window. In some states with a seven year limit, a matter can be reported if the applicant is expected to earn a certain salary level. A crime that occurred more than seven years ago may be reportable even in a seven-year state if any custody time was served within the past seven years. In at least two states with seven year limits, Colorado and Texas, there is widespread industry agreement that the seven year rules are pre-empted by the federal Fair Credit Reporting Act (FCRA).

MGO does not report arrests NOT resulting in a conviction or dismissed charges in order to assist employers in complying with federal and state discrimination laws unless the employer is permitted by state law. In some circumstances, the FCRA limits how far back arrest records can be reported. There is no FCRA limitation on convictions, although many states impose a variation of a seven-year limitation or other rules.

It is critical to search both for felonies and misdemeanors to the extent possible in state court since many serious violations can be classified as misdemeanors. However, not all courts have misdemeanors available. Searches are performed at the central courthouse or by use of the same resources that are available at the central courthouse. Not all jurisdictions provide all misdemeanors. Misdemeanors or minor offenses filed in outlying courthouses or in Justice of the Peace courts may not always appear. In addition, some courts charge access fees for records. Contact MGO for more information.

If a criminal record is located, MGO goes through extensive procedures to ensure that the information is complete, accurate, and up to date, reportable under appropriate laws, and applies to your applicant. Only primary source, on-site courthouse searches, or government maintained courthouse equivalent sources are used in report preparation. An MGO report will include information on the Court, identifiers to show the relationship between the criminal matter and a consumer, and pertinent details about the offense.

However, an employer must make certain they understand all of the rules and limitations about the fair, appropriate, and non-discriminatory use of criminal records. [A 2012 Guidance from the Equal Employment Opportunity Commission \(EEOC\)](#) has laid out in detail the process employers should utilize in order to make sure that criminal records are used fairly. Under no circumstances can an employer automatically reject applicant on the basis of a criminal record.

County Criminal

MGO performs a primary source jurisdiction hand search of court records in any of the 3,000 plus counties in the United States. Court level access to these records provides the most up-to-date and compliant information possible. Only primary source courthouse searches or government maintained courthouse equivalent sources are used in report preparation. Cases held at the county level include felonies and misdemeanors as well as criminal traffic offenses.

Contrary to popular perception, criminal records are not available by computer nationwide. The FBI database (NCIC) is restricted to employers who have specific governmental authorization, and even that search is subject to various errors. For private employers, the search must be conducted by examining the public records at each individual county courthouse that is potentially relevant. There are over 3,200 courthouses in the US. As with any event that depends upon human accuracy, there is always the possibility of error. In some courts, the court clerk conducts the search and the accuracy depends upon the court clerk.

In addition, some county courts charge an access fee for criminal records ranging from a few dollars to an additional state imposed fee of \$65 (subject to change) in New York for a state provided statewide search.

It is important to understand that private employers can only obtain public records, which typically means a record of a court case that has been filed against a consumer. Arrests or cases not resulting in a public record will not be available. In addition, there are numerous laws that limit what a screening firm can report to an employer.

Limitations: There are some restrictions on certain information (such as arrests not resulting in convictions, expunged cases or cases where there is a form of delayed adjudication) or certain minor offenses. Employment cannot be automatically denied based upon a criminal record, but employers must demonstrate a sound business reason. Under federal and state EEOC rules, an employer must consider the nature and gravity of the offense, the nature of the job, and the age of the offense. Numerous states have specific rules that affect the use of criminal background records for employment decisions.

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If there is a possible criminal record, it is critical to carefully review the underlying court documents to locate identifying information to determine if the criminal record in fact belongs to the subject of the search. The criminal record must also be examined to determine the details of the offense and whether the criminal matter is reportable. In the event of a "hit" there may be delays beyond the control of MGO in obtaining the record since record production is controlled by the court clerk in each county.

Sometimes an applicant may have a previous name or an "alias" name. For example, this can occur if an applicant has married and there has been a name change. A search for a criminal record does not include the previous name unless specifically requested since court indexes are maintained by the name used for the criminal filing. A search under a previous or different name is, in fact, a separate search.

For all of the above reasons, *criminal record searches* are not an exact science and errors are always possible. There can be false negatives (i.e. a person is cleared who in fact has a criminal record) or false positive (i.e. a person is misidentified or is the subject of criminal identity theft). However, when used in conjunction with other safe hiring tools, criminal records background checks, such as *employment checks* and social security traces, are extremely effective in protecting the workplace against hiring individuals who are dangerous, unfit, or unqualified for a particular job.

County Civil

Civil records are stored in courts at the county – in Lower and Upper Civil Levels – and federal levels. Lower and Upper Civil Levels typically differ in dollar amount. Civil court records are retrieved directly through the appropriate jurisdiction in an applicant's county of residence. Civil records at county levels may provide insight into the applicant's participation as a defendant within civil litigation proceedings or disputes.

Limitations: Civil records should be approached with caution and have limitations. An employer should only use this information where it is relevant to a job. Civil records can be problematic because the record may not be associated with any county where a person has lived or work due the nature of the rules on where civil cases can be filed. A person may be involved in a civil suit outside of a location where the person has lived or worked. Civil cases can be filed in both federal court and county courts. There is no national database of all civil cases. Many cases settle, and jury verdicts or written court decisions only apply to a very small percentage of civil cases that are filed. In addition, in order to determine if the civil case belongs to an applicant, or is relevant to employment, it is usually necessary to pull and analyze actual court records. However, if the case has been settled out of court, details may not be in the court file. If a civil case is located, MGO is able to pull the file and review to provide additional information. There is typically a fee charged by the court to copy court files.

Federal Criminal and Civil Search

MGO performs its federal criminal and civil records searches through the federal judiciary's Public Access to Court Electronic Records (PACER), an electronic access service that allows MGO to obtain case and docket information from federal appellate, district, and bankruptcy courts via the Internet. The



primary actions held at this level include securities and tax law violations, immigration, weapons, interstate drug crimes, civil rights violations, and civil cases filed at the federal level. Civil litigation records at the federal level can provide insight into the applicant's involvement in alleged violations of federal statutes or constitutional rights. MGO provides direct primary source information from all Federal district courts.

Sex Offender Registry Search

MGO performs real-time sex offender searches via an online service provided by the U.S. Department of Justice as a cooperative effort between the federal government and all 50 state jurisdictions that host sex offender registries. MGO verifies all potential matches at the state level for relatedness, accuracy, and completeness before being included in a report. MGO makes clients aware of those states having restrictions on the use of sex offender information for employment purposes when it affects their screening program.

Multi-jurisdictional (Nationwide) Criminal Search

MGO offers a comprehensive multi-jurisdictional criminal records database search. Although the information is sourced from public records information from all 50 states, the depth and breadth varies widely. Information from state A might be comprehensive and relatively up to date while information from state B may only include state prison incarceration records representing a small subset of total convictions. There are issues of timeliness to consider as well with some information only being updated on a quarterly or semiannual basis.

Because of the nature of these non-governmental aggregated databases, the appearance of a person's name on a database is not an indication the person is criminal any more than the absence of a name shows they are not – a lack of a match is not the same as a person being "cleared." MGO verifies potentially relevant matches by reviewing the actual court records before including them in a background check report. Failure to do so is a violation of the FCRA. The advantage of these searches is that they cover a much larger geographical area than traditional county-level searches and are appropriately used as an additional layer of due diligence to locate criminal records that may relate to the subject. However, they should never be used on a standalone basis.

Social Security Number Search

The MGO Social Security trace uses a private sector database compiled from hundreds of different sources, including credit headers, U.S. Postal Service address forwarding, utility bill records, voter registration records, and other similar sources to check the provided Social Security number for given name match and related addresses. The address history is a valuable tool used to identify jurisdictions used to search for criminal records.

Because of the wide variety of information sources that are subject to human error and due to a screening agency's inability to assist a consumer in finding the original source any information that proves to be incorrect, SSN Trace results cannot be considered a part of the consumer report and are



not to be the basis for any employment decisions or taking any adverse action. The SSN Trace serves exclusively as a locator tool to establish likely jurisdictions to search for public records. The inclusion of information from the SSN Trace only confirms that the service was performed.

Limitations: If an employer does not have a sound business reason to obtain a credit report, the MGO Social Security Number (SSN) Trace gives information to help confirm identity and to uncover fraud. The information will reveal whether the social security number is part of the numbering sequence used by the government and may also indicate the state and approximate time period where the number would have been issue, but it is not an official confirmation of that applicant's specific number directly from the government and is NOT an official review of government records. The MGO Social Security Number Trace also includes data from numerous other sources in order to obtain past address. These records are assembled and maintained by private sources. The records can have information that is incorrect or incomplete or belongs to another person and should NEVER be used by itself as the basis to make an employment decision. On the other hand, the records are very helpful to find past addresses. The existence of other names or addresses on a social security trace does not necessarily mean a consumer is the victim of identity theft, but a consumer may well want to order their free annual credit report in order to ensure that their identity is not being used.

Until June 24, 2011, the numbering sequence of the SSN Trace could be used to verify the state and date range when the number was issued. Since that date, all unassigned numbers have been placed in a pool and are now assigned randomly. That means that in the future, the SSN Trace will be less useful as an indicator as to when and where the SSN was issued. Sometimes the SSN Trace is advertised as an "ID or Address Validator." Although the SSN Trace is a helpful tool, it is NOT a validation tool all by itself. It is not an official government record.

Education and License Verifications

Education Verifications

MGO's educational verifications are available for high school diplomas, GED certificates, trade schools attendance, special skills schools certification, junior college associate degrees, four year college/university degrees, and master's and doctorate degrees. All verifications are undertaken at the primary source such as the school they attended, state GED boards, or in some cases third party primary record holder such as The National Student Clearing House. Reports include dates attended, major/minor, year graduated, and degree, diploma, or certificate received as well as any special achievements and awards.

Professional License

MGO's professional license verifications are available for any license issued by a state or federal licensing board or agency. MGO conducts primary source verifications of license held, current status, and expiration date with the licensing board in question. In addition to basic license verification, any additional certifications, restrictions, reprimands, or other license related information are also reported.



Common license verifications include but are not limited to: CPA, Attorney, Teacher, Registered Nurse, Licensed Practical Nurse, Physician, Psychologist, and Pharmacist.

Limitations: If a licensing agency or school cannot verify data, the applicant should be given an opportunity to explain before assuming the applicant has lied since there can be an explanation for a discrepancy. Employers need to be aware of "diploma mills" that grant worthless degrees. MGO goes through an extensive process to first verify if a school has been accredited. If MGO cannot locate an accreditation, MGO will then go through a procedure to look for diploma mills. MGO performs the verification process by contacting the school register offices schools. Sometimes there can be a delay if a release or a fee is needed. High school and GED requests are typically subject to delay since it often requires mailing a release and/or check. Keep in mind that schools are on an academic schedule, and may be closed for breaks or summer vacations. Some schools outsource their data to third parties, MGO will contact the school on the employer's behalf, and an additional fee may be involved. Professional licenses are obtained by identifying and contacting the agency that issued the license. MGO will attempt to ascertain the current status, the date granted and the date of expatriation. If there are any negative history associated with a license, MGO will report that as well.

Employment Verifications

MGO performs primary source verification of previous employment that provides confirmation of position held, beginning and end dates, and rate of pay although information beyond these areas is frequently unavailable. Any additional information obtained during the verification such as performance, reason for departure, and rehire status is included in the report.

MGO's employment verification process uses the industry standard of three (3) attempts to reach the past employer. MGO makes three attempts in three business days to make contact with an organization. If MGO receives no response at the end of the third day, on the fourth day the verification is closed as "No Contact was made" showing that three attempts with the Established Verifying Party (EVP) were made over three business days before closing. A Comments section may also provide a detailed explanation of the attempted verification.

Limitations: Employers are often hesitant to give recommendations and may limit prior employment checks to the basic information, but just verifying the facts on the application can be very valuable. This service can be limited if not allowed to contact current employer, if past employer is out of business or cannot be located, or if employee was working through an agency. There can be third party fees associated with employment verification. MGO first goes through a procedure to establish that the past employer is legitimate and independently establishes a phone number from the number the applicant provides in order to provide due diligence protection. MGO then uses an approach of making three (3) solid attempts to the party that has been identified as the correct party, and will supplement those attempts with faxes and email as available. A "solid attempt" may be any of the following: 1) following up on a release sent to a Verifying Party; 2) speaking with or leaving a message with a Verifying Party; 3) a Verifying Party asking MGO to call back at another date/time, and; 4) obtaining a Verification of Employment (VOE) but waiting for a reference (Supervisor Interview). There are times when a past

employer just will not call back, or the past employer has moved, merged or gone out of businesses. MGO summarizes all attempts in a call history log showing who was called, when and the results of each call. Results can also be delayed if an employer request that a release be sent. There are some employers that outsource their data to third party sources, and MGO will contact those services as appropriate. Those services typically charge an additional fee. An employer should never submit a current employer for verification. All employers entered into the MGO system will be contacted. If a current employer should not be contacted, MGO will not contact that employer.

Professional Reference

Although essential in the hiring process, Employment Verifications only paint a partial picture of a candidate. A Professional Reference Interview allows employers to gain a broader understanding of who their Applicant is beyond the application. Our researchers speak with the people who know your Applicant best; past co-workers, colleagues, and supervisors, revealing insight into an Applicant's work ethics, reliability, trustworthiness, integrity, accomplishments and more.

In order to accommodate a variety of hiring options, Mega Group Online offers three comprehensive Professional Reference Interviews. Each interview is tailored to suit our client's needs and can be customized to fit any hiring position. Further, follow up interviews with "developed" references can be conducted upon request.

Our Standard Interview is an extension of our Employment Verification. Interviewers obtain verbal verification of Applicant's prior positions held, reason for separation, eligibility for re-hire, as well as employee characteristics.

Limitations: Although most employers would like references, few will give them due to concerns over legal liability. The trend is for employers to ask these questions before a hiring decisions is made and a background check conducted, and to ask a screening firm to do factual verifications only in order to ensure that a full past employment history has been verified. When an employer requests MGO to perform this service, MGO will verify that it has the most appropriate source to provide references. MGO can ask custom reference questions. If anything negative is conveyed, MGO takes steps to ensure that the party providing the information is the most knowledgeable to do so, or attempts to re-verify the information from a secondary source.

Personal Reference

Personal Reference Interviews offer valuable information about an Applicant that cannot be conveyed within an application. Speaking with those that know an Applicant can reveal insight into an Applicant's character, trustworthiness, strongest/weakest qualities, accomplishments and more.

To ensure an Applicant best fits into your organization, Mega Group Online's experienced interviewers tailor questions to your specific hiring needs.

Limitations: A personal reference check should also inquire about the applicant's relationship to the reference and how long they have known each other in order to evaluate the information.

Driving Records

MGO obtains driving record information directly from each state's Department of Motor Vehicles (DMV) and provides driving history subject to the reporting laws of each individual state. Information in the report includes the class of the license, citation history, accident history, suspension information, license restrictions and current status of the driver's license. All fifty states are available and most records requests are completely in a paperless process. Driving history is for at least three years depending upon the state, verification of driving privilege, and driving record.

These states require specialized procedures for obtaining DMV record information:

- Pennsylvania: Employer must be pre-approved by the Pennsylvania Department of Motor Vehicles. Requires a state-specific form with sections completed by both employer and applicant.
- New Hampshire: Requires a notarized, state-specific form.
- Alaska: Requires a state-specific form.
- Canada and Puerto Rico also require special forms. Detailed information is available about those regions if needed in the screening program.
- International driving records are available from certain countries. Because of changing laws and availability of foreign driving records, these are taken on an as needed basis to assure that current required processes are properly undertaken.

Limitations: This information can be accessed by an outside agency on an employer's behalf. The alternative is having applicants personally go to the DMV to obtain their own records which is not practical and is subject to fraud. Some state DMV's also have a drivers "pull" program for firms that would like updates. Some states require special forms and return of data. Personal data about an applicant is not provided.

Federal Sanctions, Debarments & Excluded Parties: Primary Source – U.S. Government Databases

Medical Sanctions and Debarments

- Office of Inspector General/General Service Administration (OIG/GSA)
- Office of Foreign Assets Control (OFAC)
- Federal System for Awards Management - Excluded Parties List System (SAM)

Exclusions and Sanctions

System for Award Management (SAM) – Excluded Parties System: The System for Award Management (SAM) is the Official U.S. Government source that consolidates the databases of the Excluded Parties Listing System (EPLS), Central Contractor Registration (CCR/FedReg), Online Representations and



Certifications Application (ORCA). This service provides one-stop access to sanctions and exclusions from OFAC, OIG and GSA in addition over 70 other federal agencies.

International Sanctions, Debarments & Excluded Parties

Global Terrorist and Sanctions Search – Level 1

An extensive report that includes information from the following data sources:

- OFAC Specially Designated Nationals (SDN) and Blocked Persons
- OFAC Sanctioned Countries, including Major Cities and Ports
- Non-Cooperative Countries and Territories
- Department of State Trade Control (DTC) Debarred Parties
- U.S. Bureau of Industry and Security (formerly BXA) Denied Persons and Entities
- FBI Most Wanted Terrorists and Seeking Information
- FBI Top Ten Most Wanted
- INTERPOL Most Wanted List
- Bank of England Sanctions List
- Canadian Sanctions List (OSFI)
- United Nations Consolidated Sanctions List
- Politically Exposed Persons List
- European Union Terrorism List
- World Bank Ineligible Firms

Global Terrorist and Sanctions Search – Level 2

An enhanced version of Global Screening – Level 1. It includes an additional 100 global enforcement data sources from U.S., foreign government, and international watch list data sources.

Global Terrorist and Sanctions Search – Level 3

This is the most comprehensive terrorist and sanctions search currently available. It includes over 300 Government Sanctions List, 15,000 media sources, and open source Public Court Records as described below.

Government Sanction Lists: U.S. OFAC Specially Designated Nationals (SDN), Bank of England, Home Office proscribed Lists, United Nations Consolidated List, Global Money Laundering Database, World Bank International Investment Disputes, International Court of Justice, Corrupt Government Officials Database, Interpol Most Wanted, Dubai Police Most Wanted, and International War Crimes Tribunal. Additionally a search of overseas regulatory authorities and will determine if an applicant has been listed as barred or received censor. Some of the authorities searched include US SEC, Alberta Securities Commission, British Columbia SEC, Ontario SEC, Pakistan SEC, India SEC Board, Hong Kong SEC, Malaysian SEC, Japan SEC and Surveillance Commission, Indonesian Capital Market Supervisory Agency, New Zealand SEC, Thailand SEC, Bangladesh SEC, Australian SEC and Investment CO, UK FSA, and Lloyds



of London Enforcement Lists: Over 300 credibly published enforcement, embargo and denied parties lists from around the world are mined to populate the knowledge base and build the most universally comprehensive enforcement inventory. Examples include Security and Exchange Commissions, State Attorney Warnings and Central Bank notices.