

RHR Information Services, Inc.

SelectSmart News

Editor's Note



According to Groundhog Phil the spring is near so we can look forward to warmer days to come!

This month we brought you information on Social Security number and with that more statistics and facts on Identity theft—the fastest growing crime in the United States.

The National Association of Professional Background Screeners Annual Conference is coming up in March. This

year's conference will be held in Austin, Texas and we will share the findings of the conference in the upcoming newsletters.

Hiring quality workers can be challenging for any size company—the article on page 3 can give you ideas for your hiring process.

Please contact me with any questions, concerns and/or suggestions.

Thank you, Jana Castillon

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Social Security Number

The Social Security number is a nine digit number resembling "123-00-1234" that is issued to an individual by the U. S. Social Security Administration. The original purpose of this number was to administer the Social Security program, but it has come to be used as a "primary key" (a *de facto* national ID number) for individuals within the United States.

The nine-digit Social Security

number is divided into three parts. The first three digits are the area number. Prior to 1973, the area number reflected the state in which an individual applied for a Social Security number. Since 1973, the first three digits of a Social Security number are determined by the ZIP code of the mailing address shown on the application for a Social Security number. The middle two digits are the group number. They have no special geo-

graphic or data significance but merely serve to break the number into conveniently sized blocks for orderly issuance. The last four digits are serial numbers. They represent a straight numerical sequence of digits from 0001-9999 within the group. The Social Security Administration was created in 1935 when President Franklin D. Roosevelt signed the Social Security Act into law.

Identity Theft—the nation’s fastest growing crime



During 2006, nearly 8.9 million Americans, or 4 percent of the population, became victims of identity fraud.

-and one that can do incredible damage to your finances, your credit and your peace of mind.

According to the 2006 Identity Fraud Consumer Report:

- During 2006, nearly 8.9 million Americans, or 4 percent of the population, became victims of identity fraud.
- The average fraud amount per victim is \$6,383.
- The average out-of-pocket expense to consumers is \$422.
- The average time to resolve the situation is 40 hours.
- The faster fraud is detected, the lower the fraud amount and consumer costs.
- Forty-seven percent of cases are detected by the victim and self-detection results in lower consumer costs.
- The most common way that identity theft happens is through lost wal-

lets, checkbooks, credit/debit cards.

Businesses accounted for 30 percent of the identity theft:

- Fifteen percent were caused by employee wrongdoing
- Seven percent were fraudulent transactions
- 6 percent were data breaches

According to a research conducted by ID Analytics, New York, California, Nevada and Arizona have the highest rates of identity fraud.

The analytical research also shows that the highest metropolitan area rates of identity fraud are in New York, while the states with the lowest rates are Wyoming, Vermont and Montana.

The ten states with the highest rates of identity fraud are:

- New York
- California
- Nevada
- Arizona
- Illinois

- Hawaii
- Oregon
- Michigan
- Washington
- Texas

The ten states with the lowest rates of identity fraud are:

- Wyoming
- Vermont
- Montana
- North Dakota
- New Hampshire
- Ohio
- Maine
- Iowa
- West Virginia
- South Dakota

RHR Information Services, Inc. takes significant measures to protect the rights of individuals as well as our customers.

For more information please contact your RHR Representative. 888-389-4023 or 952-545-3953

Credit offered to illegal residents



Bank of America’s announcement that it is offering credit cards to workers in the United States without a Social Security number drew sharp criticism from advocates of tougher restrictions on undocumented immigrants and concerns from Homeland

Security Department officials about identity theft.

However, the Bank of America credit card plan is merely the latest example in a growing national business trend of granting undocumented immigrant workers checking

accounts, loans, mortgages and credit as their number increases.

Some companies have been issuing bank cards and loans to undocumented workers for years, often relying on individual tax identification

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NAPBS 4th Annual Conference

The National Association of Professional Background Screeners (NAPBS) will be holding their 4th annual National Conference in Austin, Texas on March 25th through March 28th, 2007.

According to the NAPBS' mission statement:

NAPBS exists to promote ethical business practices, promote compliance with the Fair Credit

Reporting Act and foster awareness of issues related to consumer protection and privacy rights within the background screening industry.

The Association provides relevant programs and training aimed at empowering members to better serve clients and to maintain standards of excellence in the background screening industry.

The Association is active in public affairs and provides a unified voice on behalf of members to local, state and national lawmakers about issues impacting the background screening industry.

RHR is a member of the NAPBS and will be following up on the outcome of the conference. Look for updates in the upcoming newsletters.



Hiring Quality Workers

Rapid growth is a goal of many small businesses, but with it comes the challenge of keeping up with demand.

Recent data suggests 2007 will be a year of job creation, after two years of flat growth for small businesses.

Overall, small-business hiring in 2006 fell by 0.2 percent nationwide. But use of independent contractors climbed 4.7 percent in 2006, to 3.41 contractors for every 100 workers engaged by small business.

Also, labor costs will likely rise. Salaries for small business workers climbed 7.4 percent nationwide in 2006 to an average of \$31,292.

The gains are making up for lost ground. When wage declines from 2004 and 2005 are factored in, 2006 wages have increased just 2 percent nationally since 2004.

Still, wages are rarely the sole reason people consider a new

job. Often, people are looking for opportunity for advancement, a better work environment or more flexibility.

One way of boosting the company's visibility is through various job-search web sites and some public relations efforts. Adding a career site to the company's web page can help job candidates learn more about the company.

Some companies decide to hire someone who may not be the right fit for the position they are hiring for but may possess other skills that will benefit the organization.

Offering competitive wages, comprehensive medical coverage and a 401 (k) plan, plus extra benefits like tuition reimbursement, flexible schedules, casual dress code, holiday bonuses may also help companies find the right people.

One of the most important factors in successful hire is consis-

tency and efficiency in the screening process.

Typically the human resources professionals first screen resumes for minimum qualifications, then they conduct phone interviews to determine relevant experience, check for accuracy and fill in missing information.

Next, candidates are invited for an interview with the hiring manager (s) and a possible second interview with the next-level manager.

The hiring process is concluded with a thorough background and reference check.

RHR offers a comprehensive screening solution for your company's needs. Please do not hesitate to contact us to learn how we can help you

Recent data suggests 2007 will be a year of job creation.

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The Right Path to the Right People



Disclaimer: This newsletter has been developed for informational purposes only for use by the customers of RHR Information Services, Inc., and should not be relied upon as definitively accurate. Due to the complex nature of employment law, we strongly suggest that you work closely with legal council when making employment related decisions.

Credit offered to illegal residents

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numbers in place of Social Security numbers to process the applications.

For University of Chicago finance professor Raghuram Rajan, the move for Bank of America was a “no brainer”. It helps the financial services sector by expanding the market and it provides needed services that make immigrants’ lives more manageable, he said.

As early as March 2001, Second Federal Savings in Chicago was helping undocumented workers get checking accounts, and has since offered loans to undocumented workers, as well as credit cards, according to Vice President of Operations Gonzalo Gradilla.

In order to determine the credit scores, the bank has had to develop its own system because credit bureaus require Social Security numbers.

As a result, the bank analyzes pay stubs, utility and gas bills and a host of other payment documents to determine credit scores. The mortgages are considered risky, and as a result cannot be sold onto secondary markets, as is often the case.

According to a recent study by the Brookings Institution, immigrants spend \$2 billion a year on check cashing facilities and pay another \$2 billion a year to send remittances, mainly back to relatives. And though not all immigrants are illegal, banks have entered the field knowing there is a vast market to be

tapped.

Immigration advocates say it’s fair, and that people working in this country deserve to be treated with dignity.

Economists, however, say that there are economic contradictions to the programs. Some point to the irony that while it is illegal to hire undocumented workers, it isn’t illegal to give them credit cards.

Excerpt from the Chicago Tribune article

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