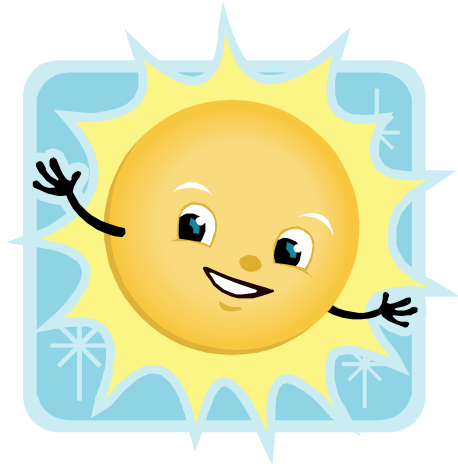


RHR Information Services, Inc.

SelectSmart News

Editor's Note



The summer is finally here! This month we brought you information on federal criminal records searches—another criminal screening tool for your business that is often overlooked.

“Could you be on the FBI’s terrorist watch list ?” is the title of an article on page 2 and describes the pitfalls of an aggregated database to primarily serve the homeland security office.

Does your state mandate federal background checks for school hires? The state of Pennsylvania recently

adopted the new policy.

Check out the article on women in top-level jobs that touches on the low number of female CEOs in the Fortune 500 companies.

You will find more legal updates from Washington state on page 3 and don’t miss the article on page 4 regarding the fear of hiring litigious employees.

Please contact us with any questions or concerns. 888-389-4023

Thank you, Jana Castillon

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Federal Criminal Records Search

Federal district court searches are excellent options for clients looking to broaden their criminal records check to include serious offenses that are adjudicated outside of local, county courthouses.

Each court contains different kinds of criminal records.

Whereas crimes adjudicated in county court are typically crimes against state laws, crimes adjudicated in federal courts are considered *federal offenses*.

For example, an individual who sold small quantities of drugs on the street corner will usually find themselves prosecuted in county court.

An individual who drove a car trunk’s worth of drugs across state lines with the intent to distribute them may find themselves in federal court.

Kidnapping and wire or bank fraud are also some cases that may be tried in federal court. Because many high level financial crimes are tried here, this is an excellent

tool for clients in the banking, finance, or insurance industries.

Although most crimes adjudicated in the United States are by a large margin still found at the local county level, the federal records search can serve as a complement to county court searches.

If you are interested in adding the product to your package please contact your RHR Representative 888-389-4023 or 952-545-3953

Could You Be on the FBI's Terrorist Watch List?

Excerpt from a Medill Reports - Chicago, Northwestern University article

The phone rings. You walk to the kitchen and pick up the receiver.

"Hello?"

No answer.

"Hello?" you ask again.

Click. The person on the other end hangs up. It happens all the time, but that call just put you on the terrorist watch list.

This is the scenario that Chicago FBI spokesman Ross Rice said could land someone on the federal terrorist watch list, a constantly updated list of names used to identify people who may have ties to terrorist networks across the country. There's no way to find out on your own whether you are on the list, and there is little you can do to take your name off it.

"The list is constantly changing," Rice said. "Names are being added and dropped daily. All it means is there is an investigative interest in that person."

No specific criteria exists for putting someone on the Terrorist

Screening Database, the FBI says, and it is common for people to be placed on the list inadvertently.

In some cases, Rice said, all it takes is a known terrorist calling your phone by accident. If that person is being monitored by the FBI, agents see your number on the terrorist's call log and you suddenly become a person of interest.

The Department of Homeland Security consolidated the list in an effort to create a one-stop shopping list to be used by intelligence agencies to compile information about potential national security threats. The FBI uses the list to investigate people who may have information about, or an association with, known terrorists. But intelligence agencies will not verify whether you are on the list.

"It's a law enforcement tool only; it's not public information," Rice said.

The Chicago Police Department fired an employee after his name showed up on a federal watch list. Janitorial supervisor Arif Sulejmanovski was fired after police said they performed a background check on his car, illegally parked outside

the Calumet police station on the city's far South Side, and found his name on the list.

Sulejmanovski, police said, was placed on the list after he pleaded guilty to a federal bribery charge stemming from an attempt to obtain a Social Security card for an illegal immigrant living in the U.S. Police said the incident had no ties to terrorism, but his name remains on the list.

The criminal act was grounds to fire Sulejmanovski, said Monique Bond, police spokeswoman. Although all employees are subject to background checks, Bond said, "We are in the process of reviewing all federal sheets for all contractors as a precautionary measure."

The FBI would not discuss Sulejmanovski's current status on the list, but the agency's Web site claims that hundreds of records are removed from the database after investigations prove that certain people are not a threat to national security. Citizens, however, cannot take their names off the list because it must be done through a formal redress process by the relevant agency.



Pennsylvania Mandates Federal Background Checks for School Hires

Pennsylvania will join 29 other states that require both state and federal background checks for school personnel.

Effective April 2007 prospective Pennsylvania school employees who will have direct contact with students, from teachers to cafeteria workers, will have to be fingerprinted electronically as part of new criminal-background checks required by the state. Pennsylvania will join at least 29 other states that require both

state and federal background checks for school personnel. The new requirement, which the Legislature passed in July, adds a requirement for an FBI background check. This examines records of federal crimes and offenses committed in other states. It also scans a national criminal database to quickly determine whether an ap-

plicant's digital fingerprints reveal links to criminal activity.

"This will pick up national crimes," said Education Department spokeswoman Sheila Ballen. "Before this, we could figure out if someone had a conviction in Pennsylvania, but not in other states."

Women Still Scarce in Top-Level Jobs

Article from the Baltimore Sun

Despite some highly publicized appointments of women in executive roles during the past year, a new study of women corporate officers, top earners and directors in Fortune 500 companies show that the number of females holding corporate officer positions declined in 2006.

Catalyst, a nonprofit research organization that works to expand opportunities for women at work, found that women held 15.6 percent of corporate officer positions, down from 16.4 percent in 2005, among all Fortune 500 companies.

The most recent figure puts female executives in almost the same rank as in 2002, when women held 15.7 percent of corporate officer positions.

"Women are still dramatically underrepresented in corporate

officer positions and also underrepresented on boards of directors," says Lois Joy, Catalyst's director of research. "Growth has been glacially slow...in the last five years."

Yet, there are examples of women climbing to the top of the corporate ladder. Recently, WellPoint, Inc. named Angela Braly, the insurer's executive vice president and general counsel, as its president and chief executive officer after the company's CEO steps down in June.

Catalyst says there are currently 10 female chief executive officers, or 2 percent of CEOs, among Fortune 500 companies. In 2005, there were a total of 11 women who served as the head of a company.

The reality is that women still face obstacles such as stereotypes and lack of access to infor-

mal networks, mentors and role models, Joy says.

"Advancement into those positions and gaining the leadership experience and having those opportunities are all things women aspire, but because of the barriers they face, they're not able to reach those goals," Joy says, noting some companies have put in place initiatives to help women advance in the workplace.

Among the study's other findings:

- The number of women holding board seats remained stagnant in 2006 at 14.6 percent compared with 14.7 percent in 2005.
- Women of color held 3.1 percent of director positions last year, down from 3.4 percent in 2005.
- Women in top-paying positions rose slightly to 6.7 percent in 2006 from 6.4 percent in 2005.

There are currently 10 female chief executive officers, or 2 percent of CEOs, among Fortune 500 companies.

Washington State Outlaws Employers Access to Credit Records

Washington state governor Christine Gregoire signed S.B. 5827 into law on April 18.

This new law prohibits employers in Washington state from having access to the credit reports of employees or job applicants unless such information is substantially related to the individual's current or potential job responsibilities.

It is worth noting that the new law does not apply to an employer review of the credit report of an employee "who the em-

ployer has reasonable cause to believe has engaged in specific activity that constitutes a violation of law." Four other states (Hawaii, Pennsylvania, New York and Wisconsin) have similar restrictions on employers using credit reports.

While it is obvious the new law applies to employers based in Washington and employees and job applicants who are residents of Washington, it could also apply to a Washington employer with out-of-state job applicants

or employees, an out-of-state employer with employees and applicants that live in Washington, and possibly even a business that interviews job applicants who would need to relocate to Washington to perform the job.

For More Information Go To: http://www.realtime-itcompliance.com/laws_regulations/2007/05/em-mployee_privacy_new_credit_ch.htm

Four other states have similar restrictions on employers using credit reports.

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The Right Path to the Right People



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A Solution to the Fear of Hiring Litigious Employees?

Excerpt from a Washington University in St. Louis article

The Civil Rights Act of 1991 (CRA-91) held great promise for protecting workers from discrimination in the workplace. Unfortunately, like many good ideas, CRA-91 had an unintended consequence for employers: it increased the likelihood that a firm will face litigation from an employee claiming discrimination.

In fact, firms with 500 employees or more could expect to be sued for discrimination at least once a year, and the cost to defend the accusation through the Equal Employment Opportunity Commission, (EEOC) is an estimated \$10,000 to \$15,000, even if the allegation is found to be without merit.

The potential cost of litigation is daunting for most companies and as a result, CRA-91 has induced hiring discrimination. Even though employers may be well-intentioned, there is evidence that they minimize litigation risk by avoiding hiring employees they believe pose

the greatest risk—those in groups protected by the EEOC.

Anne Marie Knott, assistant professor of strategy at the Olin School of Business at Washington University in St. Louis, said that CRA-91 has created a situation in which employers, protected groups and the court system all lose as employment cases crowd out other forms of litigation.

One way to get around this problem, Knott says, is to create a process that would enable the employers to get a sense of whether a prospective employee is likely to sue for discrimination. Her solution is an “anti-discrimination bond” (ADB). Economic experiments indicate the bond may reduce employment litigation by 96 percent, Knott said. “The bond is presented to employees prior to an offer of employment,” Knott said. “The bond is similar to 401K plans in that employees make contributions through payroll deductions that are accumulated in individual ac-

counts. Unlike a 401K, however, the bond has a provision that the contributions are forfeited in the event that the employee brings suit.”

The bond is an additional screening tool, Knott said, like a reference check or personality test, that signals to the employer if a candidate will be cost effective. In this case the test is whether the employee is likely to sue the firm. The bond is priced such that non-litigious employees find it attractive, while litigious employees find it unattractive. If the person buys the bond, then he or she is not likely to sue. Conversely, if someone refuses to buy the bond, then it is a good bet that the candidate will sue and accordingly be more expensive to hire.

“It may sound backwards, but a lot of people in the experiment actually resent litigious employees--the protected groups in particular realize litigation by people in their group casts a dark shadow on the group and hurts their hiring prospects,” Knott said.