

RHR Information Services, Inc

SelectSmart News

Editor's Note



This month you will see several stories on immigration and its reform. We believe this will effect all businesses and HR professionals in a significant way. Look for more stories as this issue heats up nationally.

New HIPAA regulations went into effect, read more on Page 2.

Page 4 has some statistics

from a National Background Check Survey. See where your practices fit with the standard.

Feel free to email me at any time with questions regarding any of our stories or ideas for new stories.

Elizabeth Army

Client Relations Coordinator

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National News: Immigration

Loud protests across the nation are a jarring reminder that HR staff are in the crosshairs of the growing debate over the fate of undocumented workers in the U.S. Since jobs are the magnet that draws workers to the U.S. Human Resources will have to deal with the fix whether by amnesty, a guest

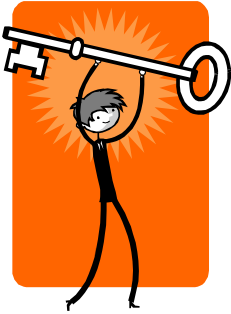
worker program, or a crackdown via enforcement of existing laws.

Before the resolution is defined HR professionals have an opportunity to speak and an obligation to educate our legislators on how their decisions will play out in workplaces across the U.S.

Story taken from *Horizon*, May 2006 Issue.

See our story on Page 3 regarding Immigration Reform and Background Checks

What is OFAC?



The Office of Foreign Assets Control administers and enforces economic sanctions programs primarily against countries and groups of individuals, such as terrorists and narcotics traffickers. All U.S. persons must comply with OFAC regulations, including all U.S. citizens and permanent resident aliens regardless of where they are lo-

cated, all persons and entities within the United States, all U.S. incorporated entities and their foreign branches. The fines for violations can be substantial. Depending on the program, criminal penalties can include fines ranging from \$50,000 to \$10,000,000 and imprisonment ranging from 10 to 30 years for willful violations. Depending on

the program, civil penalties range from \$11,000 to \$1,000,000 for each violation.

For property management companies this means severe penalties for renting to any SDNs. Let RHR add Ofac to your comprehensive screening package at a low cost.

Contact your RHR Informa-

New HIPAA Regulations Took Effect April 21

“If your company offers health care benefits you must comply.”

The Health Insurance Portability and Accountability Act’s (HIPAA) new security rule mandates that covered entities safeguard protected health information that is electronically stored and transmitted. The deadline for small health plans with annual receipts of \$5 million or less was April 21, 2006. Who Must Comply?

If your Company offers health care benefits or if you use employees’ and applicants’ protected health information to make employment decisions, you must comply with the Health and Insurance Portability and Accountability Act. The basics of the Security Rule are that the integrity , confidentiality and availabil-

ity of electronic health information must be protected whether the covered entity creates, receives, stores or transmits the information. Also, the information must be protected against any responsibly anticipated threat or hazard to the security of such information.

Lawfully Protecting Your Business Assets



3.5 Recertification Credits Available

Date: June 13th
Time: 8am until Noon
Location: Airport Marriott: Bloomington, MN.
Cost: \$25 in advance \$35 after June 9th.
Contact: Donna Ploof, 888-389-4023

This program will discuss the lawful methods of protecting your business assets through interviewing, background checks and computer forensics.

Legal Issues Associated With Protecting Your Business Assets presented by Tom Revnew of Seaton Beck & Peters, PA

Hire Smart and Win! Presented by Donna Ploof of RHR Information Services, Inc.

Who's Watching Your Intellectual Property -- Why Should You Care? Presented by Jeremy Wunsch, CEO of Lucidata, Inc. Come learn more, call for reservations TODAY!

Immigration Reform

At the heart of any immigration bill that makes it through congressional debates is likely to be a computerized system that could help employers determine instantly whether someone can legally work in this country.

A voluntary version of the Internet-based system (PILOT PROGRAM) has been up and running on an experimental basis since 1996 and now includes more than 5,000 companies nationwide. Democrats and Republicans alike have included expanded versions in every bill now under serious consideration.

President Bush's budget request calls for adding \$115 million to the program's current budget of \$20 million to make it mandatory across the country. (The spending also includes a system that will eventually check the immigration status of applicants for driver's licenses and other benefits.)

Immigration expert Kevin Jernegan, who wrote a report last year on the pilot program for the Washington-based Migration Policy Institute, called such a system central to immigration reform. Under a 1986 federal law, employers can be punished for knowingly hiring illegal immigrants, but very few are penalized.

Under the pilot program, employers can check the applicant's picture ID and Social Security card or work permit against federal databases with a few clicks of a mouse. The system is linked to companies' records so employers cannot add employees to the payroll -- be they janitors or CEOs -- until the check is completed. Department of Homeland Security employees conduct manual searches for applicants who are not automatically given the OK. Those still not cleared can contact the government to sort out the problem.

The idea of such a program has long been tossed around. But businesses and civil rights groups argued that it would be too cumbersome for employers and would violate the privacy of American citizens and legal immigrants. And some employers resent such screening, saying they need illegal immigrants to fill out their work forces.

Former Immigration Commissioner Doris Meissner said that sentiment is changing. When Congress first passed a law in 1986 holding employers responsible for checking whether their employees were documented, Americans were much more wary of any kind of electronic registration, she said.

"But now people use credit cards over the Internet and do

banking online. Americans are much more accustomed with the things that would be needed today for the program," she said. Also, she said Sept. 11 has affected what kind of scrutiny Americans are willing to undergo.

The key challenge remains how to expand the pilot program to cover the country's roughly 7 million employers.

Currently the government contracts out the initial screening to Computer Sciences Corp., which charges up to 52 cents per inquiry. Five government staffers conduct the follow-up manual checks, with about 40 others pulled in as needed.

In the past six months, the program ran 662,000 inquiries, with about 21,000 requiring a second manual check, said Gerry Ratliff, who heads Homeland Security's status verification office.

If the program becomes mandatory, employers nationwide will probably run an estimated 57 million new hires a year through the system, she said.

Ratliff said her department is gearing up for an expansion. The department estimated it will need only 34 more status verifiers.

"Currently the government contracts out the initial screening."



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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.

2005 Background Check Survey

The survey is a result from the responses from members of SHRM, ASIS International, Association of Threat Assessment Professionals (ATAP) as well as members of several online HR communities.

- 80% of Employers conduct background checks on applicants yet only 58% conducted them on current employees.
 - Less than 50% of responding firms conduct background checks on applicants from other countries. The most prevalent types of background checks were criminal records, previous work history and references.
 - 90% of the firms responding use authorization and Disclosure forms which potential means that 10% of responding firms are apparently operating outside of established Fair Credit Reporting Act procedures.
 - 83% of respondents clearly indicated that Human Resources was the discipline primarily responsible for overseeing background screening. 11% replied that Security held this responsibility.
 - 63% of firms responding have a formal background screening policy contrasted with 74% having a workplace violence prevention policy. This was interesting given that a progressive workplace violence prevention policy should include background screenings as one of the tools that must be used in the battle to prevent workplace violence.
 - 85% of companies conduct background screenings for all open positions.
 - Two Thirds of businesses outsource their background screening to an external service provider.
- On the respondents:
- 56% were from employers with less than 500 employees
 - 69% from private sector employers
 - 32% had revenues of less than 10 million, 28% more than 10 million, 41% had revenues of more than 50 million