The business impact of unmanaged workforce risk

Unmanaged workforce risk has negative business impact

- 36% of businesses have been victims of white collar crimes in recent years.*7
- Compared to an 8% prevalence rate of traditional property and violent crime.
- 52% of fraud perpetrators had background screens; 90% of those screened had no red flags.
- Wall Street Journal investigation on stock brokers revealed 1,500 brokers with personal bankruptcy filings from 2004 through 2012 that weren’t reported by FINRA’s BrokerCheck.
- An Arkansas timber company lost a $7 million judgement for a truck driver who went through a pre-hire background check, but it failed to uncover his ongoing unsafe driving history.
- A global entertainment and theme park brand suffered an expensive public relations debacle when 35 of its employees were arrested on child sex charges. All employees had undergone extensive background checks at the time of hire.
- Bloomberg reports on the way a gig economy company is under fire from local governments to better keep tabs on drivers’ criminal records and traffic infractions following accounts of sexual misconduct.

Businesses are moving to continuous insights & evaluation

- A major global airline enrolled 85,000 insiders and 30,000+ independent contractors (supply chain) in a continuous evaluation program.
- A major U.S. port authority enrolled 30,000+ contractors in a continuous evaluation program.
- Prioritized 1,771 events as critical to the business.
- Saved 40% on traditional screening costs.

Managed workforce risk explicitly leads to revenue assurance

- 52% of fraud perpetrators had background screens; 5% of screened had no red flags.
- The business impact of unmanaged workforce risk.

Financial impact: 54% of American households spend more than they earn each year.2

Workforce profiles are highly-dynamic

- 1/3 of people in the United States has some type of criminal history.
- 85% of fraud offenders never had employment-related discipline.
- 89% of fraud is committed by a first-time offender.
- The average company in the United States loses about 5% of its annual revenue to white collar crime committed by its own employees.
- People in the United States have filed for bankruptcy.

Top 2 red flags for fraud: 49% living beyond their means; 29% with financial difficulties.

Businesses are moving to continuous evaluation vs. background screening

- Continuous Evaluation: Business-Relevant, Privacy-Centric, Considered “Tips & Leads”
- Point in Time: Investigative, Considered “Consumer Reports”

89% of background screen is “in fact ineffective.”

85% of background screen is “not a deterrent”.

1/3 of people in the United States has some type of criminal history.

1 Out of every 100 people in the United States has filed for bankruptcy.

5% of its annual revenue to white collar crime employees.

A major U.S. port authority

- Enrolled 30,000+ contractors in a continuous evaluation program.
- Monitored thousands of sources.
- Detected 800+ events in 90 days.
- Investigated and verified arrest alerts and disqualified 24 contractors.
- Saved 40% on traditional screening costs.

A major global airline

- Enrolled 85,000 insiders and 30,000+ independent contractors (supply chain) in a continuous evaluation program.
- Monitored thousands of sources.
- Detected 11,000+ events in 120 days.
- Prioritized 1,771 events as critical to the business.

FINANCIAL IMPACT: 54% of American households spend more than they earn each year.2

SAFETY / BRAND / COMPLIANCE / CUSTOMER TRUST

REVENUE ASSURANCE

People

Positive business impact

Your most valuable asset