

EMPS Annual Screening Report- 2010

Prepared and presented by
Kirsten Halcrow
Managing Director
kirstenh@emps.co.za
www.emps.co.za
011 678-0807



Report Introduction

Established in 1981 by Lodge Holdings International, EMPS is South Africa's oldest pre-employment screening company.

In a quest to assist our clients develop a culture of integrity, EMPS strives to provide a range of world-class "Workforce Integrity Solutions".

As part of our service to our clients annually, EMPS releases an annual screening report, which is a statistical report of all the pre-screening checks completed for our clients, from January 2010 to December 2010. These statistics cover a variety of industries within the South African business sector, including, but not limited to; retail, FMCG, fast food, transport, motor, security, courier, legal, hospitality, entertainment, recruitment, finance and insurance.

As part of our vision, EMPS continuously strives to evolve its product offering, in line with industry developments and client requirements. Both our web-based and AFIS systems under-go ongoing development to remain technologically ahead of our competitors and of a world-class standard.

EMPLOYEE SCREENING

- Criminal Record
- AFIS Fingerprint Checks
- Credit checks (ITC & Experian)
- ID verification
- Drivers licence verification
- Education verifications (SA & Global)
- Previous employment references
- CV Verification
- Fraud & Financial Services

ADDITIONAL TOOLS

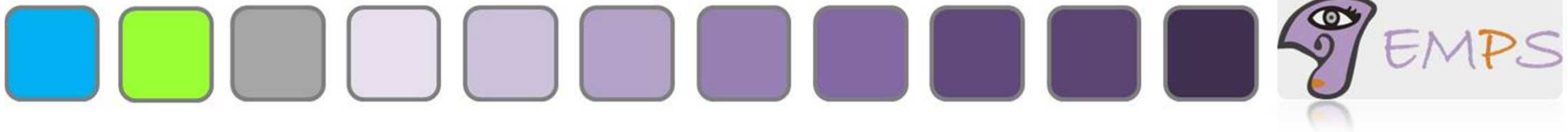
- Psychometric testing;
 - Cognitive
 - Personality
 - Integrity
- LVA-i

SUPPLIER VETTING

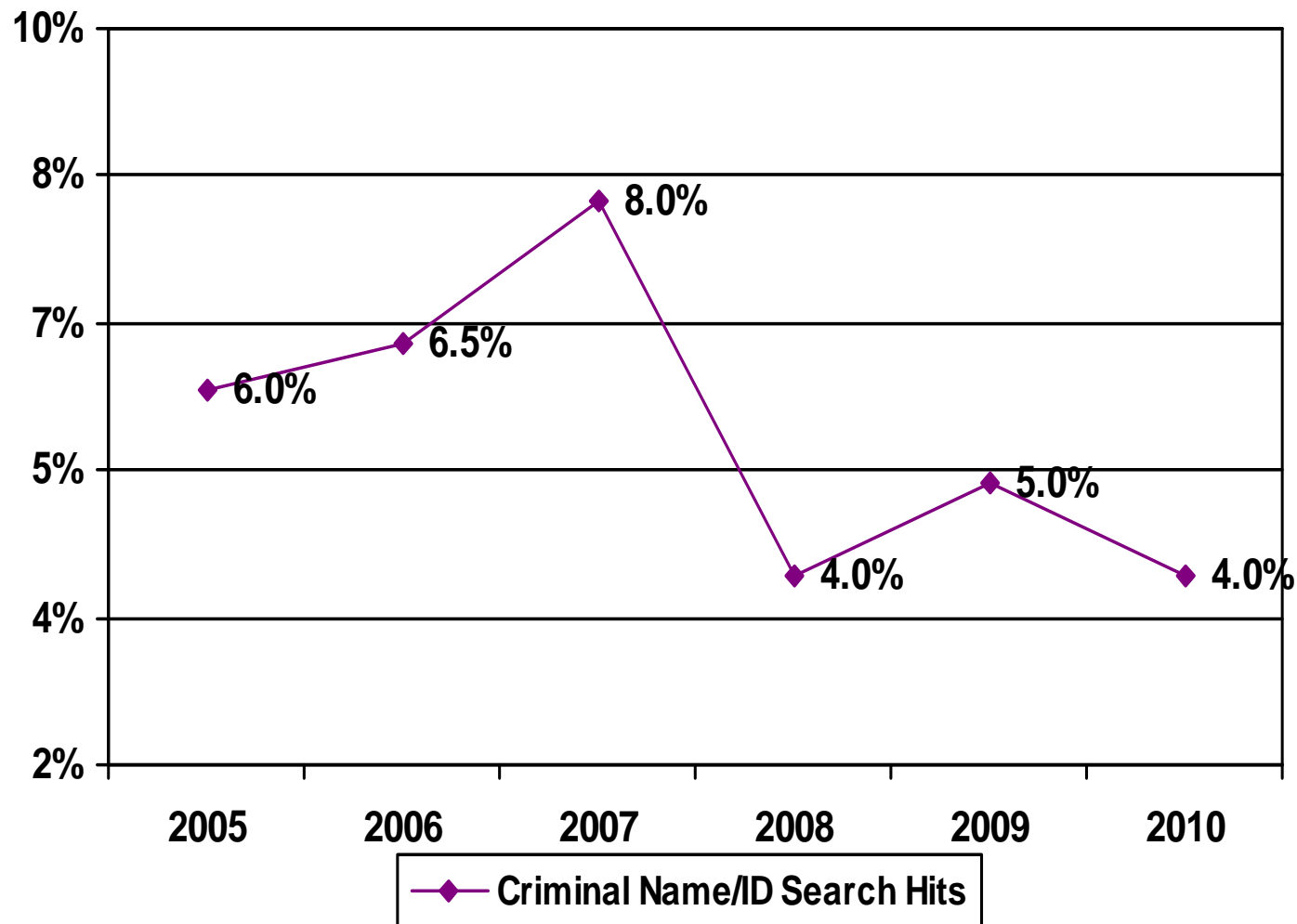
- Full company reports
- Mini business reports
- Bank codes
- Business references
- BEE verification

LIE DETECTION

- State-of the-art LVA
 - Pre-employment
 - Periodic
 - Specific



Criminal Name/ID Checks



SUMMARY & DISCUSSION

This graph indicates the percentage of criminal records picked up using SAPS name/id searches.

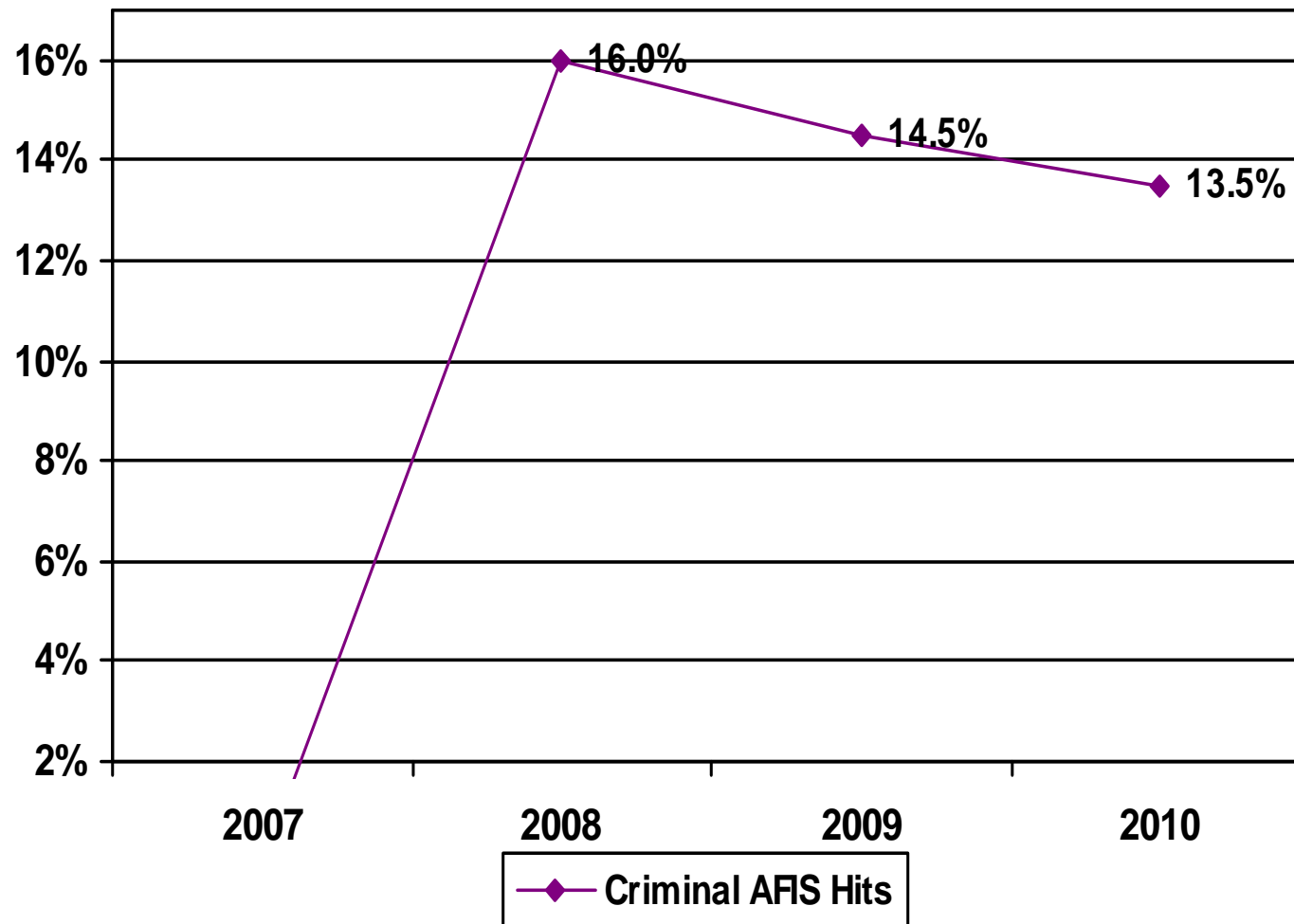
Following quite an extreme decrease seen in 2008 hits, we saw a slight increase to 5% in 2009 but 2010 settled back to a rather low 4%.

Although one may think that a 4% hit rate is scary when employing, what is more concerning is that this statistic is in fact not an accurate reflection of the actual amount of criminal records that should be picked up.

Annually we are seeing that name/id checks are less and less accurate when compared to fingerprint checking.



Criminal AFIS (Fingerprint) Checks



SUMMARY & DISCUSSION

This graph indicates the percentage of criminal records picked up using AFIS (Automated Fingerprint Identification System)/fingerprint searches.

AFIS/criminal fingerprint checking is gaining momentum in its third year, with many clients moving away from name/id searches. Although slightly down on last year's 14.5%, the hit rate of 13.5% is still 9.5% higher than using a name/id search.

(See AFIS update at the end of report for latest regarding EMPS technology and AFIS status)



EMPS RESEARCH PROJECT; Criminal ID vs. AFIS Checks

Total sample of people checked (over 36-month period)	6200	
AFIS criminal records picked up	893	14.4 %
Name/ID criminal records picked up	235	3.8%

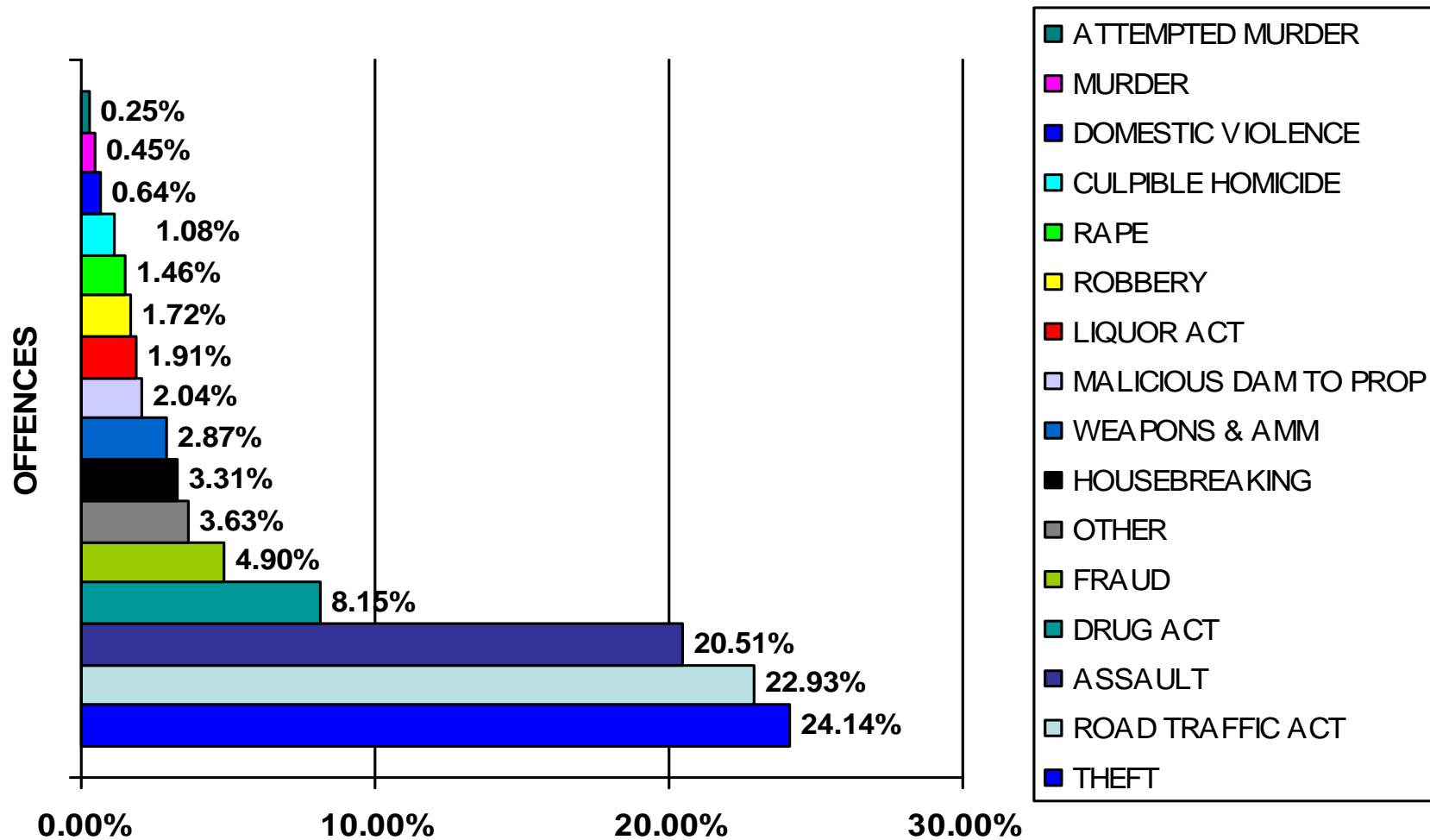
SUMMARY & DISCUSSION

In an attempt to further establish the value of fingerprint vs name/id searches, EMPS has continued research initiated in 2008.

To-date 6200 applicants have been checked doing both a name/ID check and an AFIS (fingerprint) check. Our research picked up that 893 of the applicants had a criminal record via AFIS, while only 235 of those people were picked up on the name/ID check, highlighting the unreliability of name/ID searches. A difference as high as 10% exists, which means that 10 out of 100 applicants have a criminal record that would not be picked up using name/id, thus allowing this percentage into the working environment.



Criminal Record HITS

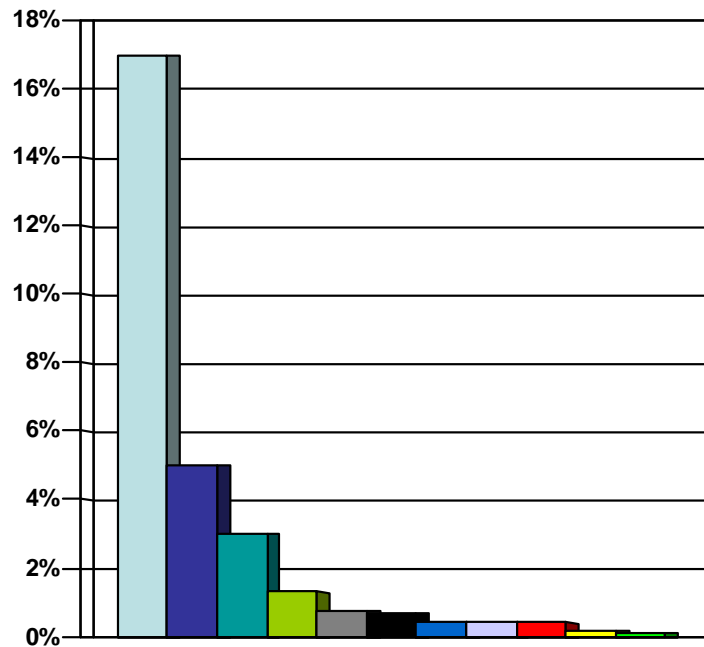


SUMMARY & DISCUSSION

This graph shows a detailed analysis of the type of criminal records picked up by criminal record checks done on job applicants.

Percentages have remained quite similar to 2009, with theft and road traffic in the top 2, accounting for over 46% of records. Theft alone nearly accounts for 25%. Assault, Drug Act, Fraud and House-breaking make up a further 36%. This is a clear message that employers should be criminal record checking prior to employment, if they want to keep out applicants with previous convictions of theft.

Criminal Record REPEAT OFFENDERS



SUMMARY & DISCUSSION

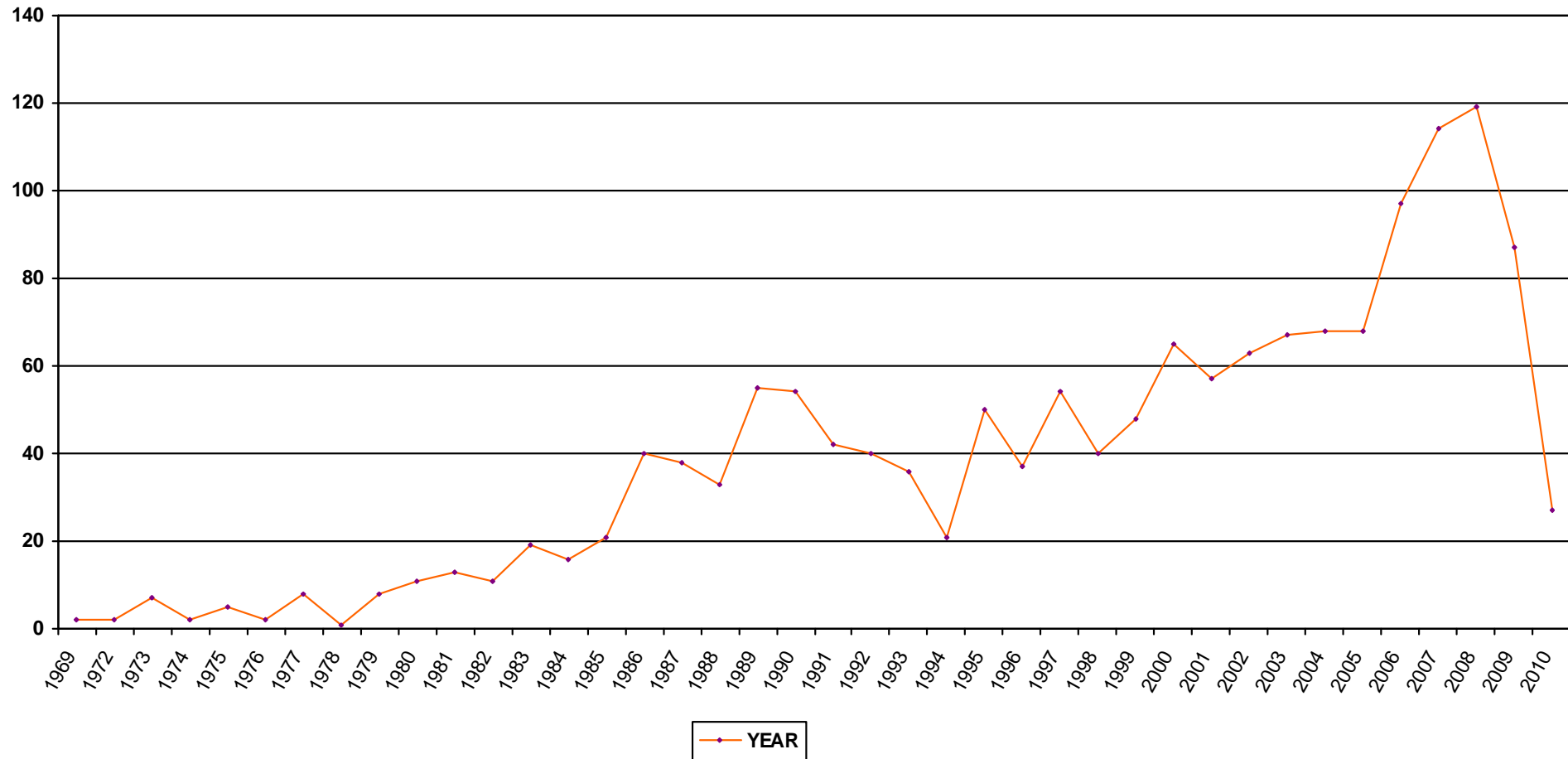
This graph analyses further the applicants who were identified to have criminal records. It shows the percentage of applicants who have more than one conviction on their record.

A staggering 17% of applicants who have a criminal record, are repeat offenders and have more than 1 conviction. A further 5% have 3 convictions and 3% have 4 convictions.

0.3% of applicants had 11 or 12 convictions.

	Percentage%
2 OFFENCES	17%
3 OFFENCES	5%
4 OFFENCES	3%
5 OFFENCES	1.30%
6 OFFENCES	0.76%
7 OFFENCES	0.70%
8 OFFENCES	0.40%
9 OFFENCES	0.40%
10 OFFENCES	0.40%
11 OFFENCES	0.20%
12 OFFENCES	0.10%

Criminal Record HIT Year of Conviction Date Range

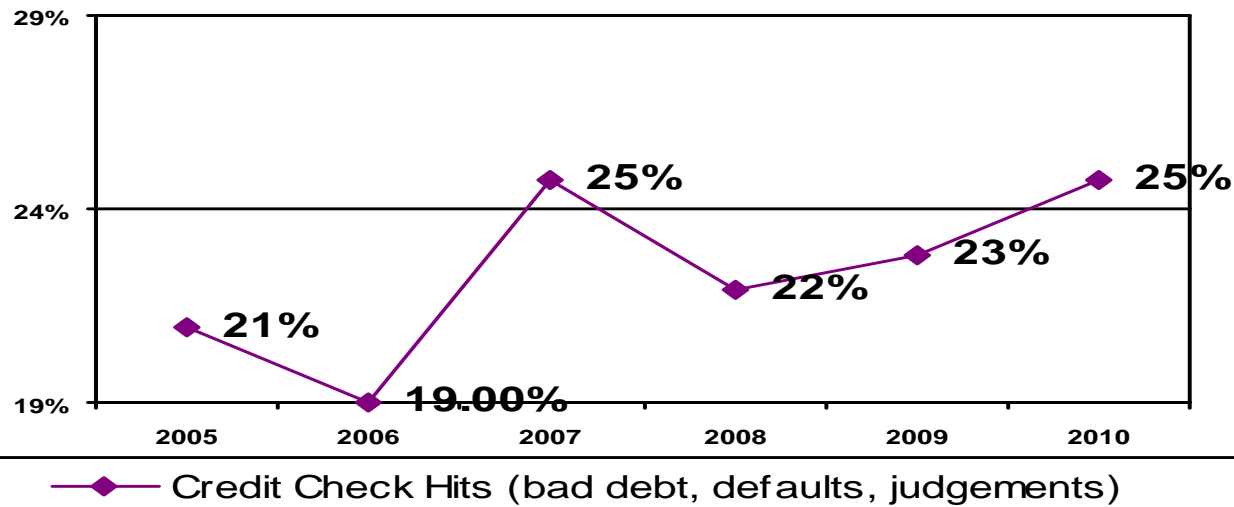


SUMMARY & DISCUSSION

This is a new analysis of the criminal convictions picked up, looking at the year in which the applicants were convicted of the crime.

Convictions go back as far as 1968. The relevance of this is that many employers are now not only looking at the type of conviction to establish relevance to the job but they are now also looking at the conviction date of applicants. Convictions older than 10-20 years are often overlooked in order not to discriminate against individuals who may have been rehabilitated.

Credit Checks (ITC & Experian)

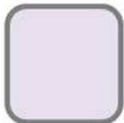


SUMMARY & DISCUSSION

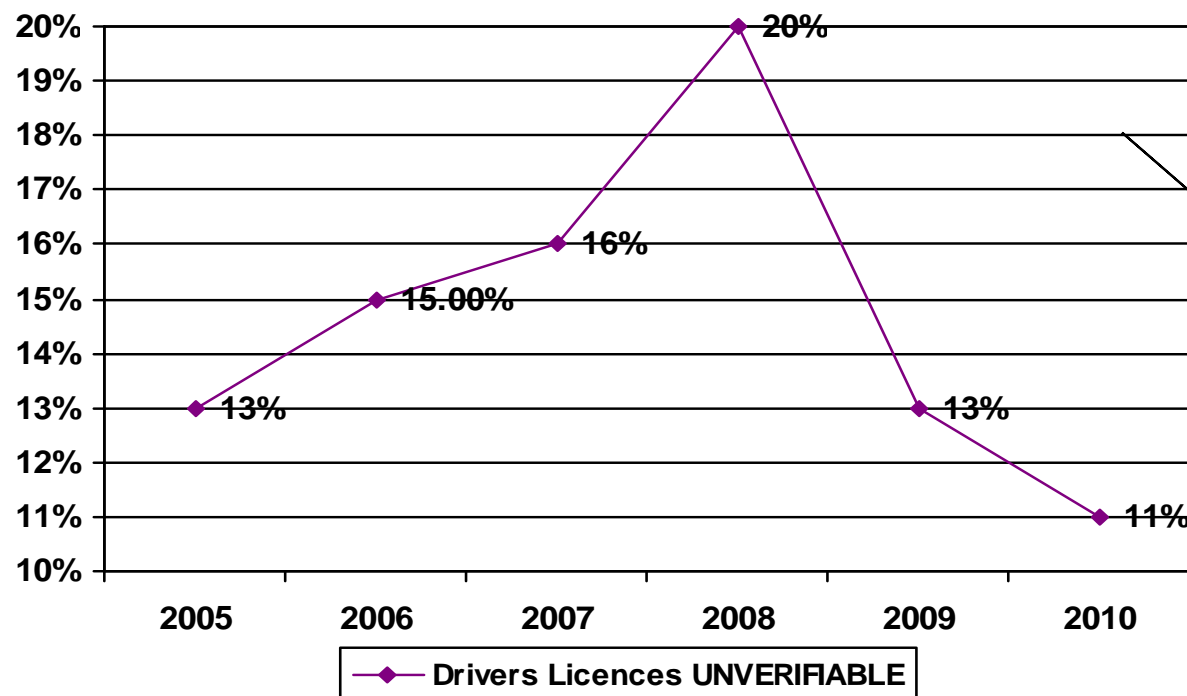
This graph indicates the percentage of hits (bad debts, defaults, judgements) picked up when conducting credit checks for fraud prevention and employment screening purposes.

Since June 2007 credit checks have been governed by the National Credit Act which stipulates for what purposes one may use credit data, more specifically, it states ; "considering a candidate for employment in a position that requires trust and honesty **and** entails the handling of cash or finances". Further requirements include; obtaining consent from the applicant, and transparency regarding the results; results of the credit check must be shared with the applicant as well as any consequences thereof.

The percentage of applicants with credit records has remained quite constant over the years, at between 21-25%. At least 1 in 4 applicants has been listed with a credit bureau. True to our predictions hits have gone up since 2009, back up to a high of 25%, most likely due to a tough economic year last year and the preceding year.



Drivers Licence Verification



REASONS FOR NOT BEING VERIFIED

Expired	38%
Unverified	62%

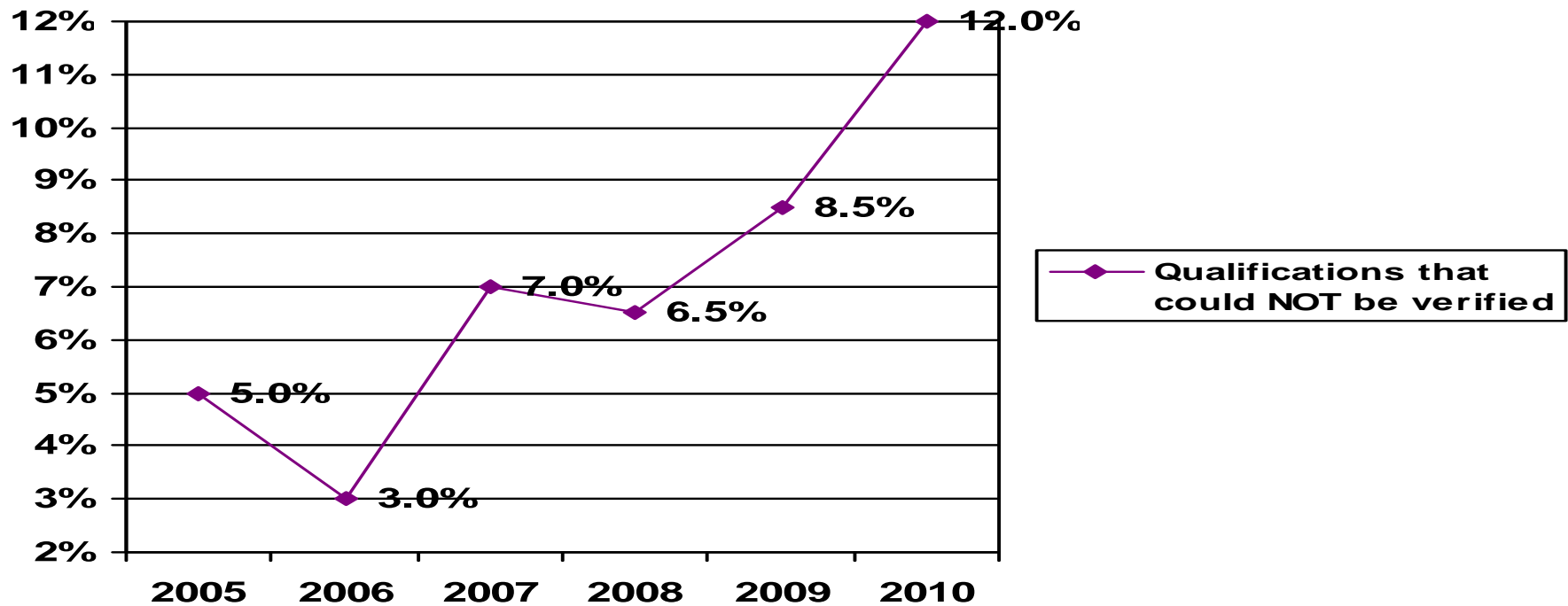
SUMMARY & DISCUSSION

This graph indicates the percentage of unverified licences picked up when conducting drivers licence verifications.

Many employers are becoming more aware of the need to check drivers licence validity, not only to make sure it exists in the first place, but to also ensure that it has not expired. Insurers will not pay claims if drivers are not in possession of valid drivers licences.



Qualification Verification



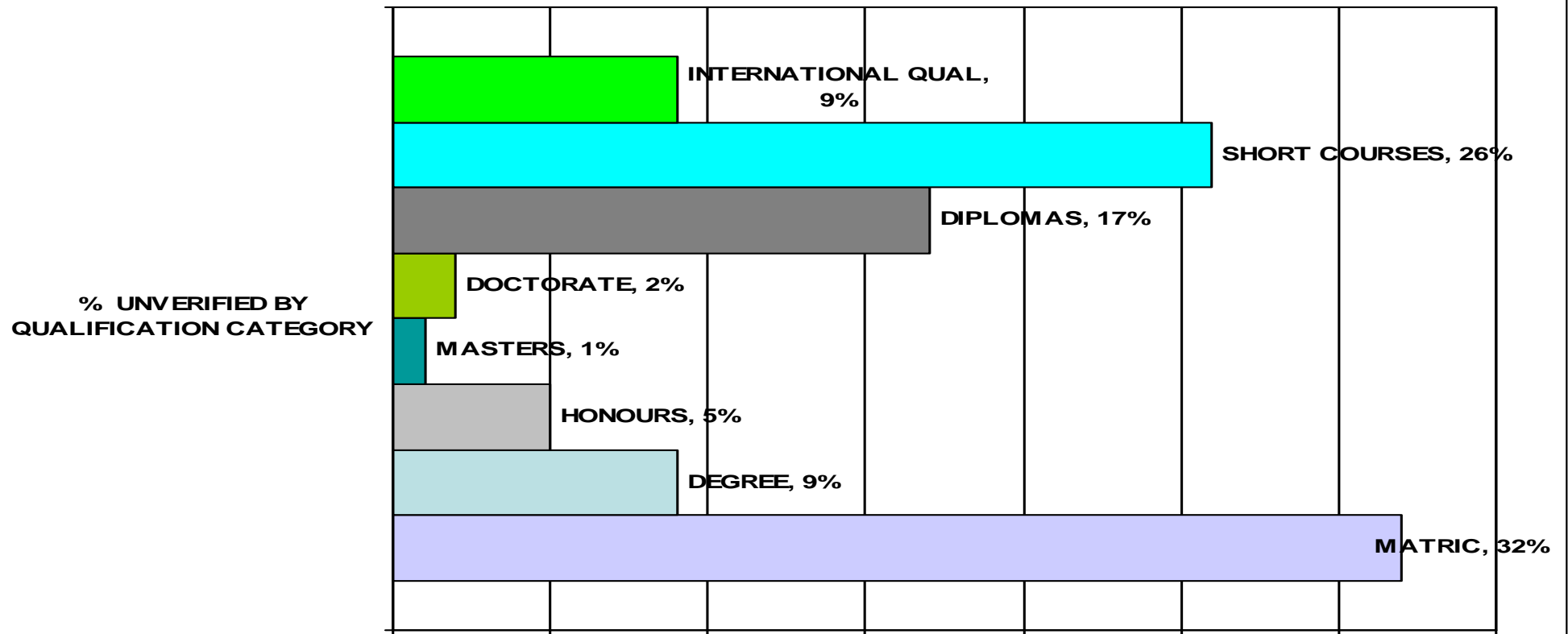
SUMMARY & DISCUSSION

This graph indicates the percentage of qualifications submitted to EMPS for validation that could not be verified.

It would seem that over the past year job applicants have become disheartened and quite desperate due to the economic climate and the lack of jobs. The number of unverifiable/fraudulent qualifications is up to an unprecedented 12%.



Qualification Verification



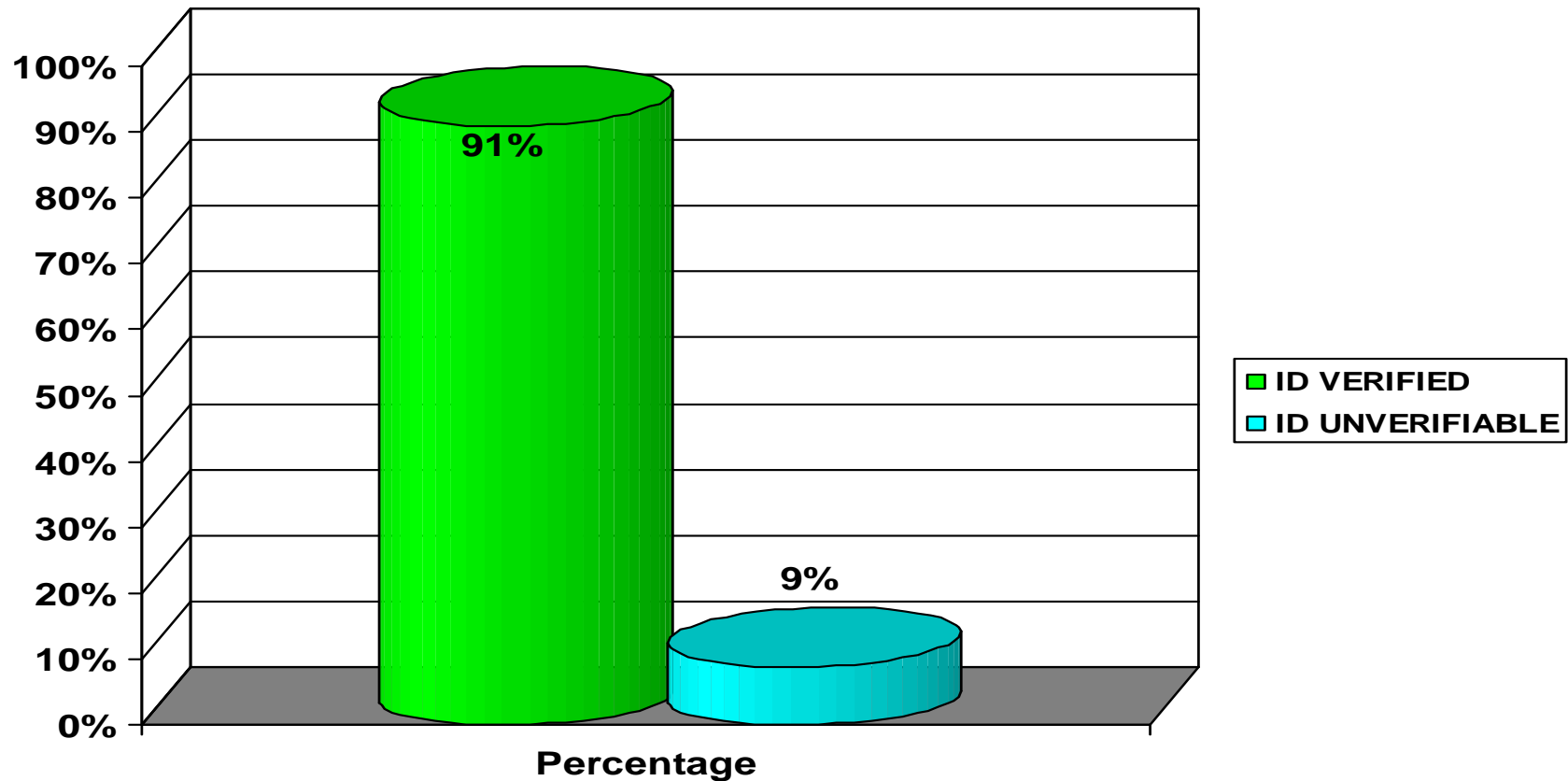
SUMMARY & DISCUSSION

This graph indicates the percentage of qualifications unverified, by qualification type.

As seen in the past, short courses, matric and diploma's are the highest when it comes to unverifiable/fraudulent qualifications.



ID Verification



SUMMARY & DISCUSSION

This graph indicates the percentage of South African Identity Documents that could not be verified.

We have seen an increase in fraudulent ID documents from 2009 to 2010, from 7% to 9%.

TYPES OF REASONS FOR NOT BEING VERIFIED;

- ID number never issued
- ID does not match name/surname
- ID not yet verified
- ID emigrated
- ID deceased

AFIS UPDATE-2011



As a business, EMPS is committed to the most accurate and reliable employee screening processes. One of our greatest challenges over the past 3 years is the decreasing reliability of criminal record checking utilising name/id searches.

At first we had a slight peace of mind when we were told that this method of checking would be discontinued. 3 years later however, the anticipated switch-off has still not occurred, due to the red tape and processes that need to occur for this to happen.

As a business, we have thus moved away from the thinking that our clients need to convert from name/id searches due to the anticipated switch off, instead we now take the approach of converting our clients through a process of education. This process involves statistically showing the benefit of AFIS fingerprint checking vs. name/id searches. The numbers speak for themselves with a 13.5% hit rate utilising fingerprints vs. 4% using name/id.

In 2010, EMPS saw a marked improvement in the processing of AFIS checks, although the subsequent conviction reports are still very delayed, we did not have the delays experience in 2009.

As South Africa's oldest screening company, EMPS is committed to bringing its clients the best screening solutions and we have invested a great amount of money and effort into the development of our iCheck software. iCheck, combines our standard screening check solutions with the AFIS criminal fingerprint process to bring you an integrated screening solution that's easy to-use.

In short, if a client would like to use the new fingerprint checking process, it involves getting a fingerprint reader, installing the EMPS iCheck software on your computer and having an operator trained by EMPS to capture applicants prints. The operators have to have a clean criminal and credit record before they can be cleared to use the system.

For more info email info@emps.co.za

