

Combating hiring fraud in staffing

Common fraud scenarios

Fraudulent candidates pose major risks to staffing agencies and employers.

Resume fraud alone costs an estimated \$600 billion annually. Don't put your firm in jeopardy of losing significant time, money, and client trust. This guide breaks down key forms of hiring fraud and actionable solutions.



Identity fraud

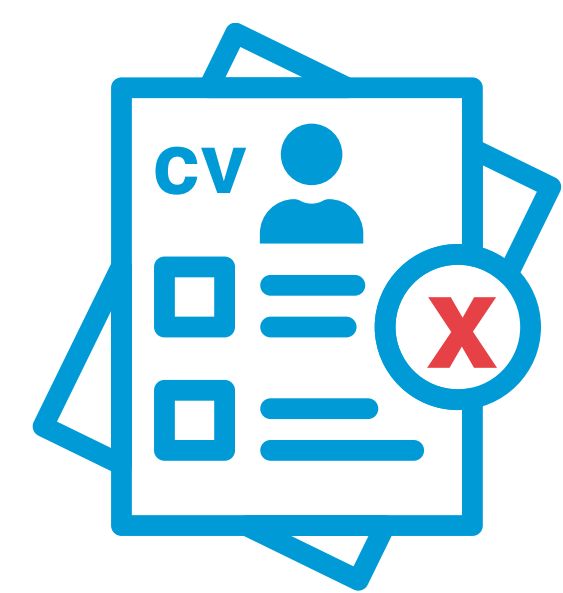
Some dishonest job seekers apply using stolen or borrowed IDs or synthetic identities, which blend real and fake data. This often leads to a “bait and switch” where a different person shows up to the job. ID fraud is most prevalent in healthcare, remote, and high-volume staffing.

ID fraud facts:

- 5% of annual revenue is lost to ID fraud. (ACFE)
- The median loss per fraud case is \$117,000. (ACFE)

Tools to combat ID fraud:

- Govt. ID verification
- Cross-referencing multiple independent data sources



Resume and credential fraud

Intentionally misrepresenting or fabricating resume details is commonplace. This can include inflating job titles, listing fake degrees or certifications, or providing false employment histories.

Resume and credential fraud facts:

- An entry-level unqualified hire costs a business 30% of their salary. (Business.com)
- 70% of applicants admit to falsifying parts of resumes. (Forbes)

Tools to combat resume and credential fraud:

- Education and employment verifications
- License and credential verifications



Criminal history concealment

Concealing or omitting past criminal offenses can occur in applications, interviews, or background checks. Criminal history concealment is especially risky in staffing, where firms — not clients — are responsible for thoroughly vetting candidates.

Criminal history concealment facts:

- Nearly 1/3 of American adults have a criminal record. (NELP)
- Negligent hiring lawsuits now average \$1.6 million. (Claims and Litigation Management Alliance)

Chief tool to combat criminal history concealment:

- Thorough multi-jurisdictional criminal checks



NOTE: “Ban the box” jurisdictions prohibit questions about criminal history in applications and during interviews. But criminal history questions are allowed after a conditional job offer has been extended.