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Stranger than fiction

Digital tools make it easier and cheaper than ever to verify personal information. So why don't more businesses use them?

By Paul Jaeb

Novelist Tom Clancy once said that "the difference between fiction and reality is that fiction has to make sense."

This is a timely observation, since the genteel world of publishing provides the latest example of a business making a costly mistake that easily could have been avoided.

Here's the plot: A large, well-funded, multinational publisher selects as the subject of a book a big-state governor, the son of a former president and a possible U.S. president himself.

The book's author makes unattributed felony criminal allegations against the subject. The publisher pays the author a \$25,000 advance, pays hundreds of thousands of dollars to print and ship the book to stores across the country, pays hundreds of thousands more in promotional efforts, and does all this without knowing anything about the background of the author in whom it has invested so much money, effort and prestige.

I know, it doesn't make sense. But remember, this is reality, not fiction.

Believe it or not, this is exactly what St. Martin's Press in New York did recently when it published "Fortunate Son," a biography of George W. Bush. Here is the result: The Dallas Morning News discovered that the book's author, J.H. Hatfield, is himself a two-time convicted felon.

In 1988, Hatfield was convicted of attempted murder and served five years in prison for paying someone to plant a bomb in the car of his former employer. Shortly after his release, Hatfield was convicted of embezzlement and served additional prison time.

Days after the controversial Bush biography arrived in bookstores, St. Martin's had to recall and destroy 70,000 copies, along with an additional 20,000 copies in storage. The financial cost must have been in the millions. The damage to St. Martin's image is incalculable.

Digital trails

And it all could have been avoided for a nominal cost and 15 minutes of time.



The author

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That's all it took for my staff to uncover James Hatfield's criminal record. A simple search in the Dow Jones Interactive Publications Library — available to anyone willing to pay the monthly subscription fee — revealed 78 hits. The relevant headline, which came up in a matter of seconds, said: "Grand Jury Indicts Two in 1987 Car Bombing."

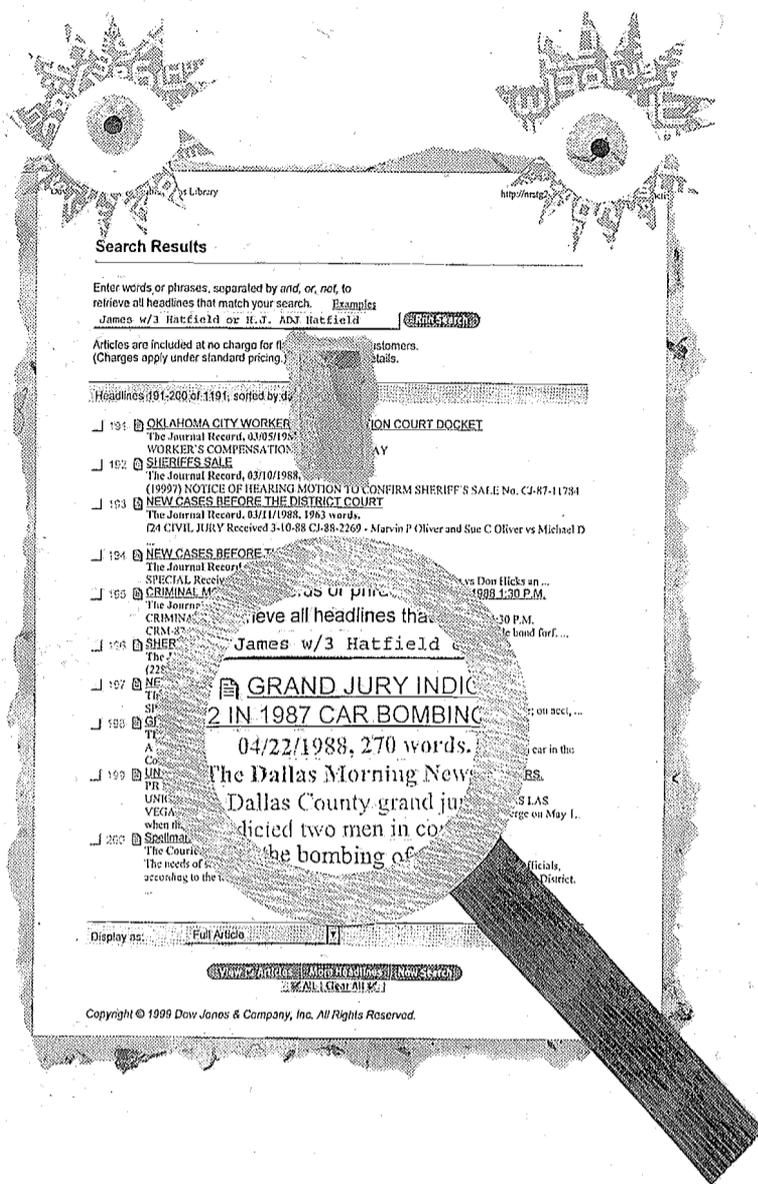
Additional searches on the U.S. District Court Public Access System database, and a search on a third-party proprietary database, uncovered dozens of pages documenting Hatfield's criminal history.

These sources alone wouldn't have been enough to identify Hatfield as a convicted felon. To be absolutely certain, it would be necessary to cross-reference his date of birth, Social Security number and other information to verify he's the right man — an investigative process that would cost \$500 to \$1,000 in most cities.

But even these preliminary results would have been enough to warn St. Martin's to suspend publication until they found out more about the person with whom they were dealing.

Was St. Martin's chastened by this experience? Their public statements aren't reassuring. In an interview with the Associated Press, St. Martin's president and publisher, Sally Richardson, said: "If someone really wants to fool you, they can. You pretty much take at face value that an author is who he says he is."

Fortunately, not all businesses are so naive. My firm, for example, runs background profiles on the employees of a local building maintenance company. This company cleans the office buildings of many of the largest businesses in Minnesota.



Star Tribune illustration by Kim Yeager

Many of these business owners, I am sure, do not perform background profiles on their own employees. This leads to the sad reality that there frequently is more scrutiny applied to the person who cleans an office than to the person who sits in it.

Except, that is, if the federal government is involved. Let's look at the case of another janitor, this one hired by the U.S. Veteran's Administration.

My staff recently visited the Minnesota Bureau of Criminal Apprehension (BCA) in St. Paul and typed the name "Donald Blom" and his birthdate into the BCA's database. We obtained information on five criminal convictions and 18 aliases used by the man who confessed to abducting and killing Katherine Poirier. Total search time involved: five minutes. Our fee: \$25.

Anyone can use the BCA's public access terminal in St. Paul at no charge, although there is a \$4 fee for a printout of the computerized criminal history record.

Wishful thinking

Why should businesses care about this? Because the liability issues are obvious, and the perils are everywhere.

Some studies show that up to 48 percent of all employment applications contain a material misstatement.

The notion that this is a one-in-a-hundred occurrence is wishful

thinking. People routinely lie to their employers — and not just blue-collar workers. Every week, we encounter fraud involving board members and senior executives.

Our strong, full-employment economy only makes matters worse. Individuals who in the past were not considered fit for employment are now getting jobs. If even a small percentage of these employees continue their criminal activities, those businesses may become victims themselves or find themselves liable for the criminal conduct of their employees.

Lawsuits routinely are filed for "negligent hiring." Businesses that fail to perform due diligence on their employees are exposing themselves to liabilities.

It used to be prohibitively expensive to track down information on employees. In the days of paper records, it wasn't always possible.

Today, however, digital records make this type of information both accessible and affordable. Once a company has this information, it can ask the employee for an explanation. It may even hire the employee. But at least it will have the facts and make an informed decision.

There are plenty more J.H. Hatfields and Donald Bloms, applying for jobs in Minnesota. Employers who think otherwise are living in a fictional world. To ignore the personal histories of job applicants is to ignore reality — and that just doesn't make sense.