



THE SHIELD™

Tips on protecting people and property
Your Corporate Security Resource

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HOT TOPICS

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Criminal background checks are best defense against workplace theft and violence

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1.0 - Headline News

Who's working for you this winter

Keeping the criminals out in the cold



It could happen anytime at your company – especially during the busy winter season.

Just this past November, a well-known Ontario manufacturer hired a plant employee without a background check and immediately proceeded to have disciplinary issues. The individual was performing poorly, frequently absent and generally insubordinate. When brought in to HR to correct this behaviour, the man made serious death threats both to HR and his plant manager. After a few calls to police, management ascertained he had a criminal record as long as your arm – and an extensive history of violence.

Had this company done a proper criminal background check it would never have gone this far. A “nut” like this would not have slipped past the HR screening stage.

In another recent incident, a major Canadian transportation company had \$160,000 of fuel cards stolen. It was undeniably a case of internal theft, as these cards are only available through the company dispatcher. As of today, these stolen cards are still in circulation, being sold to third party truck drivers as a cheaper way to fill up on diesel fuel. Investigators are still struggling to isolate the guilty employee(s)... while company losses have escalated from \$160,000 to \$250,000. Just one more example of where background screening might have kept the thief (or thieves) out.

Winter is bad time for crime

We know this from statistics: businesses that cater to the holidays can make 40 to 70 per cent of their

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Safe and secure

Security for business

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revenue during the Christmas season. Retailers go on a hiring blitz, bringing on people fast and furiously for the rush and failing to do the necessary checks. Also, companies have the greatest amount of cash flowing through their business with the greatest risk of it being stolen used and/or abused by temporary staff who will only be there until the end of boxing day. These short-term individuals have no vested interest in your business. Being caught stealing and getting fired is less of a disincentive to grabbing the cash--considering they'll be gone and out of there in three to four weeks anyway.

Professional background screening = simple math

Contrary to popular thought, working with a professional screening company to get background checks completed is efficient, easy and cost-effective.

The job candidate simply signs an authority to release – a consent form that says he/she is willing to have a background check done. Then, based on the sensitivity of the position, the paperwork can be complete within days -- or sooner. For example, if you are hiring a janitor, a basic level is all

that is generally necessary. If hiring a VP of finance, however, you would be well-advised to proceed with a more advanced check.

Background checks cover:

- **Criminal history** – Canada wide
- **Financial history** (including credit standing)
 - o This important process draws attention to potential lifestyle and spending issues. For example, if an individual has declared bankruptcy and is in collection, their financial need is great and they may be more inclined to steal. Lack of criminal background can create a false sense of security, as there are plenty of bad people walking around, record free, applying for work.
- **Motor vehicle information**
 - o Is their license suspended?
 - o Do they have an active license?
- **Education verification**
 - o Is the diploma they produced valid – or a forgery.
- **Civil record search**
 - o Do they have any past or pending civil issues and lawsuits?

In these tough economic times when people fear losing their homes, one of the biggest issues with skipping the background check is workplace violence. Stories abound, such as the one about the chap who shot up his supervisor's car. Or the fellow who pitched a tent on his employer's front lawn, and held a hunger strike because they cut off his worker's compensation benefits.

For those in a hiring position, the message is loud and clear: All job candidates have certain negative characteristics. The smart thing is to know more about their past and present-- so you don't hire them in a position where these nasty traits manifest -- at the expense of your business.

2.0 – Charities

Treacherous Trends

Charities become the latest target for inside crime.

It may come as a surprise that in Canada only 30% of companies are doing criminal background checks on job candidates. In the U.S., that number is close to 100% — and for good reason as inside crime numbers have been rising in recent years. With growing cross-border business between our countries, the U.S. is now demanding it be done north of 49 in their Canadian offices – and with Canadian companies.

When it comes to inside crime, most disturbing is that we're seeing a marked increase within foundations and charities. Stalwart institutions are unfortunate targets such as the Make a Wish Foundation and the Salvation Army, where one fellow who was handling the books recently siphoned off a million dollars that might have gone to those in need. Even religious organizations that provide worldwide relief are having growing issues with crime. These organizations often stockpile goods or have money at hand for disaster relief – ready for the taking.

Another trend is information targeting. People are looking to steal not just money or goods but proprietary information. Call centres are a magnet for this – especially those that deal in credit card inquiries. Personal data and information is hot commodity these days – and criminals will stop at nothing, from forging criminal record reports and degrees to false references – to get inside a company to take their fill.

The solution? Know who you are hiring... before you sign off on the job offer.

3.0 – Criminal Background Check

Ten Good Reasons to Invest in a Professional Criminal Background Check

1 Theft

Be sure you really know who's minding your cash register – and doing your books!

2 Product Theft

Everything from technology and equipment to office supplies – especially through the dark winter months when there's more places to hide stolen goods.

3 Bill C45 – Directors Liability

You have a legal duty to protect your employees and assets. When making new hires, start is with a criminal record check to defend against any future problems for which you may be liable.

4 Protect Proprietary Knowledge

If you're developing a new product or service, it is in your best interests to ensure only the most reputable people have access. And corporate information is equally worth protecting from untrustworthy individuals.

5 Dangerous Offenders and Sexual Offenders

Don't put your people – and company -- at risk.

6 Reputation Damage

A bad incident with an employee could escalate and damage your company's reputation – even have an adverse effect on your stock value.

7 Get Customized Information

Personal reference checks don't cut it anymore. A professional screening company, with their close working partnerships with police, can get fast access to very accurate, custom information on an individual, relevant to your industry and hiring scenario.

8 Start with a Clean Slate

Always best to begin on an honest level with a new employee – free of lies- to set a positive tone for the professional relationship

9 Save Time

Most HR departments are swamped and lack the time and expertise to manage proper checks. A professional company can in-depth checks quickly and accurately, allowing HR to get on with their many other duties.

10 Uncover False Education Claims

Imagine hiring a CEO and then finding out later he did not get his degree from the college he had claimed. It happened in recent years at Radio Shack in the U.S. – and when that CEO resigned, the company's reputation suffered greatly through bad press.



4.0 – Plan before you pounce

Improving internal investigation strategies

By Desmond Taljaard

National VP of Corporate Investigations

When I was a boy enthusiastically racing my Scalextric set, I remember our family cat would sit and watch. Crouched next to the tracks, fluffy tail flipping from side to side, she was intent on catching that bright red 1965 Ford GT40 car of mine. So there she would wait, with an almost spiritual patience until she thought she had the timing just right and then pounce. She would catch the tiny car under her paw, tail swinging with delight but within seconds she'd realize that she didn't know what came next. After a brief period of glee mixed with surprise and anxiety, her only option was to let her precious prey go free.

This is exactly what can happen when companies decide to embark on an in-house investigation without considering what they will do if and when they actually catch the culprit.

It happens a lot. Human resources managers, plant managers, senior executives and lawyers working on behalf of clients come to me at the 10th hour for last minute advice regarding a disturbing anomaly within their company.

Sometimes it may be a simple violation of company policy such as consuming intoxicating substances on company property. Other times it may involve incidents of sexual harassment or workplace violence — or even a breach of company trust such as internal theft. Unfortunately, by the time I'm consulted, these companies have already rushed into their own unstructured ad hoc investigation. Their reactive security measures may involve calling on so-called existing "sources", be it an uncle in the local police department, the all-knowing plant janitor or the inquisitive self-described Sherlock Holmes employee down the hall. No surprise, there's the usual flurry of impulsive and emotionally charged e-mails, telephone calls and meetings behind closed doors. The focus of this type of enquiry is catching the culprit at any and all costs.

Taking action is the easy part. More often than not, unfortunately, no attention is paid to the desired outcome: a healthy resolution to the issue or incident in the least intrusive manner ensuring little or no disruption to employee relationships or company productivity. This leaves clients in the following predicament: A culprit will finally be identified, but due to haphazard and unstructured processes and procedures, civil or criminal proceedings will be hampered and no satisfactory outcome will ever be achieved.

Before embarking on such an ad hoc investigation in your own company, here are some important questions to consider:

• Are relevant company policies and procedures in place?

- For example, are employees permitted to take company tools, computers, or vehicles home to work on after hours, or is prior permission required?

• Have company policies and procedures been communicated and made readily accessible to all employees?

• Did you attempt to address the company policy violation first?

- For example, in the case of company property being taken home, did you send out a company-wide memo informing employees that this is against policy unless written permission has been obtained?

• Is there credible evidence of violation of company procedures?

- For example, is there good enough reason to launch an investigation? Does it involve an anonymous note under the door or testimony of a credible supervisor?

• Has there been a chronological notation of the facts?

- This includes documentation of names, times, details in a day planner or file.

• Is there a legal or moral responsibility to investigate?

- Under the Worker and Safety Health Act an employer has to provide a safe working environment for all employees. If a claim is made, you are obliged to investigate.

• Is the information gathered in a responsible and legal manner to ensure it doesn't become void in a criminal or civil proceeding?

• Did the investigation involve any violations in terms of Human Rights

- For example, did you wiretap telephone lines, access private financial records or conduct surveillance in an area where there is an expectation of privacy?

Although these are a few important questions to consider, there are numerous more to ask yourself before launching any investigation. The risk you face in not considering these things is:

• Seeing a culprit walk away undisciplined

• Significant monetary losses to your company

• Decline in company morale.

Remember, the fact that you know that an employee is responsible for some form of policy violation doesn't automatically mean a positive outcome for you or your company. If certain steps aren't taken in the correct way and there is a flawed investigation process, you may be forced to walk away from the incident, and have the guilty employee continue to work in your company.

If you are considering an investigation please order a copy of our free guide to "Managing a Successful Investigation" by calling Desmond at 1-800-313-9170 or e-mail me at dtaljaard@afi-international.com.

5.0 – Safeguarding Layoffs

Malcolm Steven of BM Canada brings peace of mind at termination time

2008 has been a very active year for any organization involved in career transitional support. The numbers of layoffs have been escalating more rapidly with the growing number of company closures.

DBM Canada is one of the companies at the forefront of that field. According to Malcolm Steven, vice president of business development, the company provides assistance for terminated employees as well as for corporations in the midst of organizing restructuring events, to ensure the notification layoff meetings and transition stages proceed as smoothly as possible without undue conflict.

“We provide on-site consultants and counselors who meet with notified employees right after the company has delivered the difficult news of job loss.

When HR has concerns about a particular employees’ adverse reaction to the news of job loss, I want to make sure I am safeguarding both the notified employee and our own DBM on-site consultants. It’s our job to make sure when that employee leaves, they leave with dignity and respect – and don’t endanger their former colleagues, the facility or business in any way.”

“We act as a necessary bridge between the company and employee, because once you call someone in and notify them of employment loss, you have broken the emotional bond between employer and employee, says Steven. “We’d rather the laid-off employee vent with us, rather than leave the company and say or do things they will regret at a later time, because no matter what, you can not erase the time with your former employer from your resume. And notified employees may still need the company for referencing.”

According to Steven, in the last few years more companies have become concerned with security issues during employee layoffs. DBM has received significantly more requests for security

companies to be involved and present at the time when certain individuals or groups are informed of job losses. This is how DBM and AFI originally met and now partner when required in certain termination scenarios.

With AFI as their security partner, DBM Canada’s executives have learned how to gather critical profiling information to ascertain levels of security risk, pre-termination. According to Malcolm, it has become an extremely valuable added service.

“I’ll ask demographic questions...information about personal issues, separation marriage and financial strain. How are they with their colleagues?” says Steven. “As an example, if I hear the employee has a number of serious personal issues confronting them (like a marriage separation, recent loss of a loved one and a history of angry outbursts) I know there may be a potential risk for violence when notified of job loss and I get AFI involved.”

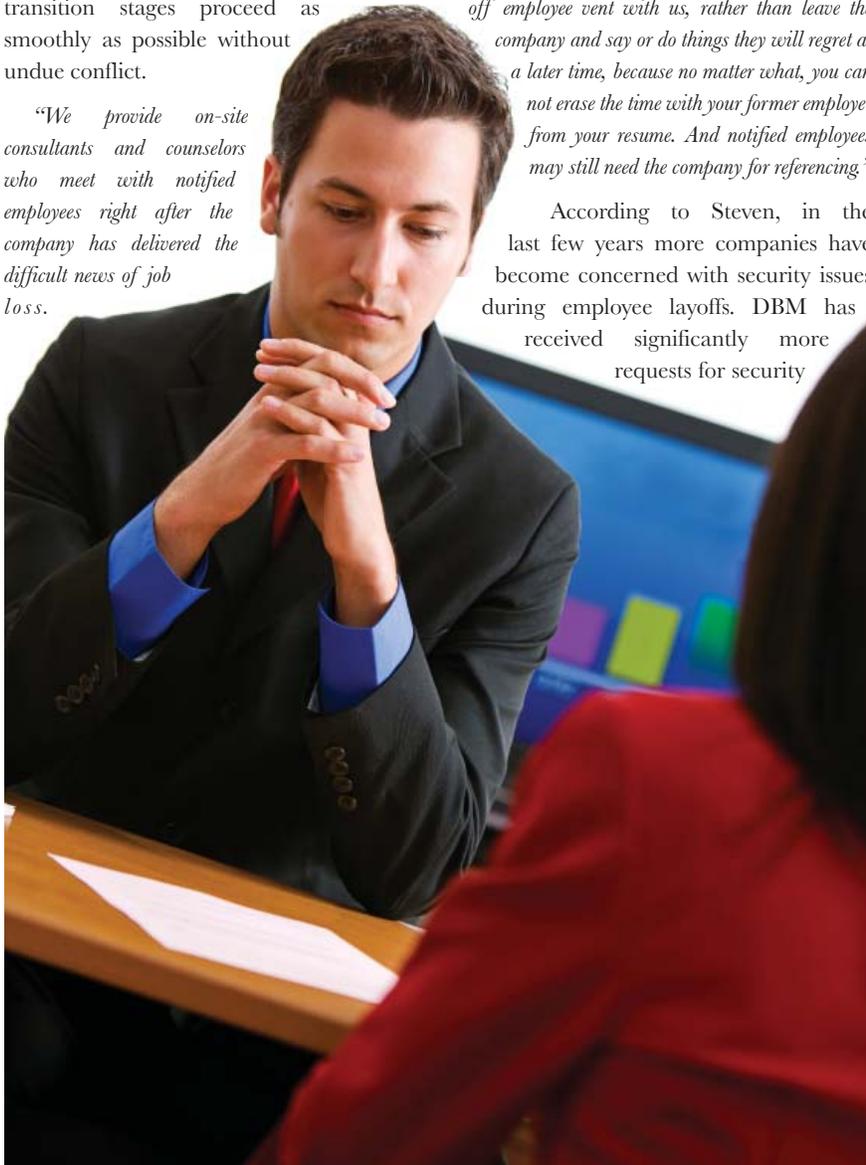
In one recent scenario, DBM was working to smooth a 20-employee termination at a manufacturing company that was restructuring in eastern Ontario. They’d had prior incidents where they felt certain employees had a disposition to anger – individuals who had gone through performance management and evaluations with negative verbal reactions.

In this case, DBM had AFI provide plain clothes security officers and introduce them discreetly. This way, there were professionals on hand to step in if there were any violent incidents.

“We also had a security vehicle watching the facility while company managers were delivering the bad news, this was important in order to secure the facility,” says Steven.

“Understandably, there is an increase in negative reactions because of this economy. Everyone is under a heightened level of financial strain due to the recent setbacks in the financial markets “More companies are making capital cost adjustments and there is more heightened awareness of risk – and security risk—when emotions are running high.”

“And the last thing you really want your employees to witness, of course, is police and an ambulance driving up to your facility during or after a restructure event.”



6.0 – AFI Contributes

Another successful food drive for 2008

...thanks to generous AFI employees



The AFI Group of companies has just completed its third annual “AFI Holiday Food Drive” and I am proud to say it has grown over the past two years, thanks to the generous and supportive employees.

Even in these tough time economic times, AFI staff rallied with with their

support. Last year, we raised 372lbs of non perishable food...and we surpassed that total with over 1000 lbs. this year.

It will help make a difference to those less fortunate in our community.

Contributed by Linda Greer

6.1 – AFI Events Rundown

Where we're going...

January 12th, 2009
**Preventing Workplace
Violence Conference**

Toronto Board of Trade
Speaker: Peter Martin, Chief Operating
Officer, AFI International Group

Employer's Duty and Ongoing
Legal Developments

January 21st, 2009
**Community Living
Business Continuity Summit**

January 28th-30th, 2009
**HRPA 2009 Annual
Conference & Trade Show**
Visit us at booth #135

February 11th, 2009
**Western Canada Business
Continuity Summit**
Calgary, Alberta

February 18th, 2009
**Eastern Canada Business
Continuity Summit**
Halifax, Nova Scotia

Visit our website at www.afi-international.com to
view AFI's current up-to-date events.

CONTRIBUTORS



ISB Corporate Services specializes in employee background screening. ISB Corporate Services is based in Milton, ON and serves companies of all sizes across Canada. You can learn more on their website at www.isbcorporate.com.

Visit us at
www.isbcorporate.com



AFI International Group Inc. is a North American leader in labour dispute support services and corporate investigations.

We assist employers with security, transportation, injunction evidence and operations to ensure safety during a labour dispute and provide clients with continual access to our professional investigators to reduce workforce-related losses at anytime.

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