

ARE BACKGROUND CHECKS REALLY NECESSARY?

Yes, and here's why...



Employing a nanny, driver or private chef ranks high on the list of ways to save time when your business or philanthropic duties collide with responsibilities in the home. These individuals whom you employ become precious and intimate relationships, established and grown in your home. For these domestic staff, however, your home is their workplace.

Beyond private family photos that grace personal library shelves, domestic staff have an up-close-and-personal view of you and your family's lives. They witness everything from bedtime for little ones to non-profit board meetings held at your residence. And housekeepers often have access to your most private quarters, which may include your office where your financial information is stored.



Not everyone conducts a thorough background check, let alone regularly, when employing domestic staff. Sometimes individuals consider household rules enough protection to ward off potential risks. **But with increasing theft and other crimes in private residences taking place these days by domestic staff, conducting a background check regularly can help prevent an insider attack.**

PROTECTING YOUR FINANCIAL FUTURE



No one wants an insider attack to occur that threatens emotional or physical harm to loved ones but often, financial harm can also take place. However, the financial risks are often overlooked because a thorough background check was not performed. Doing due diligence to ensure those whom you employ at home carry no red flags helps lessen the risk of potential losses. Those red flags may include bankruptcy, liens, lawsuits, or collections.



Domestic staff are privy to your personal lives, they work for you, and you pay them. In a down economy, the threat of fraud increases for affluent families not necessarily from domestic staff, but from those close to your employees who are aware of your affluence.

Sometimes, they may live in your home and travel with you and your family—or sometimes, alone with your dependents. Are they using their own transportation or one of your vehicles? Are they safe drivers? How much auto insurance do you need? A background check will help determine if his or her record shows any DUIs or other negligent driving patterns and the type of auto insurance policy needed to help cover any damages or losses that may occur when they are driving your family around.

REFERRALS BY FRIENDS: YES, OR NO?

When well-meaning friends or people within the community provide referrals for domestic employees, such as a gardener or driver, this should not be the only “background check” you need. Proper vetting should take place to help protect your family and your assets.

Without a proper background check, a recommended referral by a close friend regarding a candidate can turn into a costly mistake long term.



NOT A ONE AND DONE

Background checks are not one-and-done. They need to be performed regularly, especially if new and more sensitive duties are assigned, like caring for children or an elderly parent. Frequent background checks will reveal recent behaviors, which tends to be a stronger indicator of character than past behavior, and show aliases, age, and other personal information that could save you and your family from future problems or raise red flags.

At times, when an incident occurs involving domestic staff that would be a red flag on a background check, families will take a “let’s work it out between us” approach. This creates more risk, especially if they remain in your employment. If the incident involves criminal activity, you and your family could be cited judiciously, therefore threatening all aspects of well-being for you and them.



WHAT SHOULD YOU DO?

Given the risks, here is what you can do to help ensure the individuals you screen are safe to hire.

- **Use a trusted service.** The best placement firms conduct thorough background checks that use a candidate's private information, such as a Social Security number, current and previous addresses, driver's license number, and more.
- **Understand it's more than a credit check.** While gathering information about potential bankruptcies, incarcerations, and more is extremely beneficial, the purpose of a background check will show any signs of previous offenses, such as larceny, willful child neglect, or sexual offender criminal history.
- **Consult with your team of professionals.** Everyone from your accountant and investment manager to your insurance advisor and estate planning attorney should be aware when you employ domestic staff. Because labor and tax laws change, they must be kept informed.
- **Add international background checks to your research.** When using a proper firm to conduct a candidate's background check, ask them if they also perform an international search. Not all firms do, and you want to protect against any surprises.
- **Set expectations with a domestic staff employment manual.** The manual should include a mutually signed employment agreement, a list of job duties, potential reasons for termination, and confidentiality expectations.
- **Get proper insurance.** Work one-on-one with your insurance advisor to help develop a risk management program to fit your unique needs. Besides the potential need to have your domestic staff listed on your personal auto and umbrella policies, additional policies could include worker's compensation, which pays employees in the event of a job-related injury or illness, and employment practices liability insurance (EPLI), which protects you against claims of discrimination or sexual harassment.

HIRE WITH CONFIDENCE

While these steps you take to conduct background checks with regularity are not an exhaustive list, they are a good place to begin the due diligence process to help prevent an insider attack.

Contact us to learn how we can work together to help protect your now and your future.

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