Changing Trends in Criminal Verifications - India

As global firms continue to expand their operation and background checks worldwide, the need to be highly tuned to nuances of local laws, practices, and availability (or lack of it) of databases is critical. This is particularly true in India where there is no overarching law governing background checks similar to the Fair Credit Report Act in the USA.

One example is the criminal check process, which unlike in the US, is a largely manual process in India. The lack of electronic centralized criminal databases and a unique identifier (like the SSN equivalent) has led to the use of informal / unofficial process by the vast majority of screening companies to ensure meeting client expectations. The official process of criminal records search, in the major cities where formally defined, has been known to be generally time-consuming and tedious – often requiring the candidate to present himself at the local police station to confirm identity and address. As a result, the only screening companies that have been able to effectively handle this, across the wide-spread geographies and often confusing local laws, have been firms which have a strong physical in-person presence covering all of India.

At the same time, the need for conducting criminal checks is only growing exponentially in the country. A recent incident of child abuse in one of the most sought-after private schools in the city of Bangalore (the largest IT hub in India) hardened regulatory stances regarding background checks of employees. The State government is now working on making criminal checks mandatory for all employees of schools. The same will probably soon be made applicable to various other industries with potential incidents of criminal activities.

So, any US background screening firm which wishes to operate in India (and most other Asian countries) must walk the tightrope of adhering to local, complicated laws, while still delivering on their service promise to their clients.

As we at CRP, witnessed recently, even with many industry accepted precautions, the local laws often do not preclude potential risks. In a recent event, we were falsely accused of committing a fraudulent activity, due to the informal process for criminal checks. Although the matter was finally resolved and we were completely cleared by law enforcement, it did expose once more, the risks of using unofficial processes in the absence of efficient official ones in the country.

Police verification process has always been a grey area in India and the enquiry has illustrated a clear issue with this process.

This incident has served as a wake up call to the background screening industry in India and CRP is now even more focused on building standards and best practices along with Industry associations such as NASSCOM - a body that represents and sets the tone for public policy for the Indian software/BPO industry and sets strategic direction and policy advocacy for growth, standards and best practices in the country. They pioneered the establishment of an empanelled list of approved background screening firms to exclusively provide screening services to its IT and BPO members, as part of its National Skills Registry (NSR). CRP has been an empanelled Background Verification partner since the inception of the NSR. Since last year, NASSCOM has increased the rigor of its annual due diligence and process audit of screening companies, and CRP was one of the first ones to clear this strengthened audit process recently.

To further our goal to build standards and best practices CRP is looking to collaborate with NAPBS on the development of these practices, to generate awareness among members and ensure compliance with the local laws.

Taking this experience, we have also been collaborating with the state regulatory authorities to have more online records and associations such as the Life Council of Insurance Companies, the Retailers Association, the Microfinance group and such others to build on our employee repository initiative, CRP Secure, which currently holds over 700,000 employee records and to link this with criminal records and other data points to make the process more real time, effective and seamless.

Seeing the success of CRP Secure, we believe that India will definitely see a more robust, online and digitized environment, fruitful to the Indian background screening industry in the next 3- 5 years.

About the Author_____

Nipa Moda, Director, CRP Technologies (India) Ltd.

Nipa has over 18 years of experience in the risk, due diligence and employee screening practice. Currently, a Director at CRP Technologies (India), she leads the employee screening and HR services practice for the Company.

In this role, apart from driving the business, her primary objective is to build an awareness and buy-in for online repositories of employment records in the country, which will enable a more real-time and streamlined screening process.

Nipa has been one of the pioneers of the employee screening industry in India - first as a member at Hill & Associates (a Hong Kong based Risk Management Company) and founding member at Quest Research, as Senior VP - Sales & Business Development at First Advantage for the Asia Pacific region, and later as a Director at Integra Screen Consulting.

Nipa is currently the Treasurer for the APAC Chapter and a member of the Chapters' Executive Committee.

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