



ISSUE # 10 NOVEMBER 2010

## CORPSEC TSCM NEWSLETTER

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## PRE-EMPLOYMENT SCREENING AS A CRITICAL RISK-MANAGEMENT TOOL

By Nick Graves



Since the inception of Eyes Forward Ears Back, Corpsec's TSCM Newsletter, we have focused on forms of Technical and electronic espionage and only briefly touched on other areas that should be considered within the due diligence process of Critical Risk-Management.

It is either time to rename this newsletter or start to focus more on other forms of Corporate Espionage that are just as damaging and costly as electronic eavesdropping. Information can as easily be copied and walk out on two legs as it can be intercepted or overheard through electronic means. A company should be looking at an overall Risk Management Strategy as there is no point closing one door if others are still open.

Too often companies ignore the importance of conducting a pre employment check or background search on their employees, only to suffer the consequences at a later stage.

We have all read the articles and heard the stories of people faking their resume, lying on their CV and given misleading references. These are too easily dismissed as interesting news articles and nothing is learnt from the misfortunes of others. Self misrepresentation is becoming accepted as part of getting on in your career.

The Gentlemen's agreement and "I have a good feeling" is still prevalent in the recruitment process when you think you have found the right candidate and do not want to risk losing the talent by subjecting them to a screening process. However, the question we should be asking ourselves is; does the risk of losing that talent outweigh the potential risk to the company?

Given the enormous price tag of a bad hiring decision, it is no surprise that employers of all sizes are turning to a range of tools to boost the effectiveness of their hiring process. Ultimately, none of these tools has proved effective in weeding out bad candidates, unless used in conjunction with a program of pre-employment background screening.

Background Screening limits uncertainty in the hiring process. Although using instinct in the hiring process can be important, basing a decision on hard information is even better. Having a screening program encourages applicants to be especially forthcoming in their interviews. A person with a criminal record or false CV will simply apply to a company that does not pre-screen



In the Technologically advanced world we live in, nothing is too hard to check and, even though we are concerned of Big Brother watching, there is not much about someone's past that can't be found and verified. As for the time it takes, results can be back in hours and days rather than the weeks and months HR Departments may have been accustomed to in the past.

Due diligence in hiring mitigates risk to the company, the investors, clients and employees, helping to keep companies safe and profitable in today's business environment. Pre-Employment Screening is an absolute necessity in performing due Diligence and an essential Critical Risk-Management Tool.

## ICAC FINDS ENGINEER LIED ON RESUME, BRIBED RECRUITER THE

AAP 12 August 2010

A FORMER Roads and Traffic Authority NSW (RTA) engineer lied on job applications, fabricated resumes and offered bribes, the NSW corruption watchdog has found.

Don Gamage admitted some of his job applications were bogus at hearings earlier this year but said if he hadn't "exaggerated" the people of NSW would have missed out on his services.

The Independent Commission Against Corruption (ICAC) found that he lied on a number of job applications, some of which landed him positions within the NSW public sector.

He was trying to secure the position of director technical services, which offered a total salary package of \$180,000.

## ICAC RECOMMENDS COUNCILS TIGHTEN RECRUITMENT PROCESS

abc.net.au Fri Sep 10, 2010

The Coonamble Shire Council has adopted new employment processes after a former employee lied on a job application. The Independent Commission Against Corruption (ICAC) has found the council's former director of engineering, Don Gamage, provided a false job history and references when applying for the position and a similar role at the Cobar Shire. The ICAC has recommended councils use an employment screening company and not rely on the membership of professional bodies as proof of experience or skills.

Coonamble Shire's general manager John Griffiths says Mr Gamage's references appeared to check out. "In the past we've always relied on professional bodies to, if they were a member of



**Your accomplishments speak for themselves.  
Unfortunately for you I'm completely fluent in  
exaggerations.**

say Engineers Australia in Mr Gamage's case, we actually believed that they had done all the checks that were necessary for them to get that accreditation," he said.

"That proved at the ICAC hearing not to be correct." Mr Griffiths says lying on job applications is more common than he realised.

"ICAC has claimed that around about 25 per cent of employment applications are falsified and in this day and age you can't afford to have somebody who doesn't

have the necessary experience in positions such as engineering and for that matter anything else that is critical to council's operations," he said.

The Cobar Shire Council says it is also considering the recommendations.

### INTERCONTINENTAL HOTELS CHIEF'S THREE DEGREES OF SEPERATION

*The Australian* June 16, 2007 12:00AM

Dominic Walsh

ADDING one fictitious qualification to a resume might be overlooked as poetic licence, but to claim three degrees from some of the world's leading universities must be classed as living dangerously.

The only consolation for Patrick Imbardelli, who until Thursday was chief executive of InterContinental Hotels Group's Asia-Pacific region, was that he was allowed to resign after his deception was discovered, rather than suffering the additional ignominy of being sacked.

Mr Imbardelli's exaggeration was discovered only when IHG ran checks on his academic background before his elevation to the group's main board.

## PERSONNEL - THE BIGGEST THREAT

The biggest threat to any organisation is not from technology, but from its personnel. People from within any organisation possess the potential to have a negative impact on both security and profitability. Some reports claim that **25% of people** are willing to invent information to put on their CV with men being supposedly more likely to lie than women. It is claimed that office workers have the highest propensity to lie.

Some instances simply involve enhancement of a legitimate CV others involve omitting or inventing information for a job application with the hope that the qualifications will not be checked. Some individuals have comprehensively manufactured qualifications and employment histories. Others do not intend to stay, instead they intend to work in an organisation just long enough to illicitly access data or install malware.

There is no shortage of examples of Australian companies that have suffered at the hands of corporate impostors highlighting the dangers of sub-standard executive-checking procedures.

- **NSW Fire Brigade executive Cristian Sanhueza**, accused in 2008 of skimming \$1.5 million from inflated contracts, was revealed to have falsely claimed economics and accounting degrees from the University of NSW, University of Sydney and Macquarie University.
- **Timothy McCormack** pleaded guilty in Sydney District Court to faking his qualifications, having posed as a licensed aircraft engineer for almost nine months, and then faked the four character references tendered to the court prior to his sentencing hearing in November 2008.
- **Chris Tyler, CEO of Telstra subsidiary Solution 6**, was revealed in 2000 to have had been convicted of marijuana possession (for which he received a 10-year suspended sentence) and involved with a North American company, Lessonware, that had collapsed.
- **Denis Smith, former chief executive of the WA city of Joondalup**, was found to have lied about postgraduate qualifications he claimed to have obtained from UTS and RMIT.

This publication is intended only to provide a summary and general overview on matters of interest. It is not intended to be comprehensive nor does it constitute legal advice.



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