



Tenant & Employment Background Investigations

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TENANT SCREENING

LEASE INTEGRATION

Source of Income—New State Law

An E-mail with Helpful Advice From A Property Manager & Attorney

Hello Rebekah,

I Just got off the phone with our attorney and received some clarification on “Source of Income” law. He told our management company to now count all income an applicant provides for a rental. However, with child support (or similar income), we can request proof of payments - something like 3 months of bank statements showing deposits of child support. These bank statements prove recurring payments. Now, if those deposits are for cash, the applicant needs to prove where the cash came from, because we do not want to count illegal income (drug deals, prostitution, child trafficking, etc.).

As for one time monetary assistance (Ex: Voucher from Saint Vincent De Paul) this can be divided into 12 months to determine what the monthly income totals. For example: an applicant brings in a letter that says Saint Vincent De Paul will pay \$300 towards their 1st months rent. This income is not recurring, but we still have to count it. However, since it is a one-time payment, we can divide the amount (\$300) by the length of the lease (12 mo) to determine what is the monthly income. So, \$300 divided by a 12 month lease would be \$25 monthly income. I hope that makes sense.

Our Attorney also said there is nothing in the law that says we can't adjust what we require in the amount of monthly income. So, if you currently require 3x the rent, we can up that to 3.5x the rent. Of course, that would be an increase for anyone and everyone, not just those on section 8.

I hope this information helps!

S.Y., Lacey, WA

SUGGESTED CHANGES TO TENANT SELECTION POLICY

- A. Rely more on Credit Score – Example: 620 or above for lower cost housing, 720 or above for higher end housing.
- B. When minimum credit score requirement is not met but all other information on screening report is good, Landlord may ask for increased deposit (ex: \$500) or Co-Signer.
- C. Expect quality criminal & civil record searches from your screening company (Seattle excluded) – local databases are more detailed.
- D. Know criminal court codes for case outcomes – Ex: C – Conviction; G – Guilty; DP – Deferred Prosecution; BF – Bail Forfeiture; D - Dismissed. For court code definitions Contact Rebekahn@orcainfo.com.
- E. Rely more on rental references – Ex: no gaps in address history; 24 months required instead of 12; objective, positive, consecutive rental history required.

EMPLOYMENT SCREENING**DRUG TESTING****PREVENTING EMPLOYEE THEFT****How Employees Commit Theft**

1. **Time theft** – Employees can get their friends to punch in and out for them to get paid for hours that they haven't worked. Stealing time can also be done while at work. This is especially the case with employees who have access to a smartphone. Using phones or even work computers to message friends or check social media can account for a large chunk of time theft. This is perhaps not a surprise since people now [spend more time on social media than they do eating, drinking and socializing](#). Have a written "No Cell Phone" during work hours policy. All cell phones turned into Supervisor at beginning of shift.
2. **Cash and stock theft** – Employees can steal cash by failing to enter the correct transactions through the cash register. For example, they can charge the customer extra, if the price isn't displayed and the item isn't scan-able. The employee then keeps the excess. Theft of workplace stock can be done using personal bags, garbage bags or, in the case of retail, employees might wear the clothes before leaving the store. Employees can also enlist the help of a friend who returns stolen goods in return for cash..
3. **Vendor theft** – Where employees have access to set-up and manage vendor accounts, they can abuse this position by setting -up fraudulent vendor accounts. They will then issue checks to the fake vendor and redirect the funds to themselves. In the case of large workplaces, employees could even set up a fake account for a staff member who has left.

7 Tips to Prevent Employee Theft

1. Make employees feel valued
2. Pre-screen applicants— Verify your screening company provides the following:
 - a. Pull a credit report when employees will handle cash, inventory, etc. (FCRA Requirements)
 - b. Nationwide Criminal - insist your screening company also provide Local Criminal (State, County, City).
 - c. Active Cases
 - d. Active Warrants
 - e. Sex Offender Registration
 - f. Restraining and Harassment Protection Order Information, (Civil Records)
 - g. Drug test when hiring and for when there is Just Cause
3. Put your workplace under surveillance
4. Carry out impromptu audits
5. Set up confidential whistleblowing line
6. Have written Disciplinary Procedure for non-compliance.
7. Bookkeeping—Divide duties up among several employees.



To be continued.....

