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The pipeline to the affluent

SOUNDING BOARD The Craigslist Syndrome

By **Teresa Leigh**, founder, **Household Risk Management**

It's a common story these days: high-net-worth (HNW) families in need of household help and frustrated by high agency fees are turning to the internet to do it themselves. The rise in popularity of Craigslist, Nannies4Hire.com, Sittercity.com and other neighborhood websites provide a relatively inexpensive or even free way to post household jobs or search for candidates. Families will refer to 'putting it on Craigslist' when it literally means to post it on the internet. Herein lays a very dangerous miscalculation of trust.

Take for instance the following story:

In February 2010, a Rochester N.Y. family uses Craigslist to post a part-time nanny position. They get a response from a lovely woman named Anna deRosa whose resume includes several past nanny positions and a Registered Nurse (RN) certification. She interviews well, the family's children like her, and her references say wonderful things about her. The family offers her the position and all goes well for several weeks until they notice some money missing. The family grows suspicious of their new nanny and files a police report. During the investigation it is discovered that Anna deRosa is actually Carollena Vaccaro, a mentally ill woman with over 35 arrests ranging from forgery to identity theft. Vaccaro used her cousin's identity to get jobs with households in upstate New York. She has spent time in a drug treatment facility and has never been an RN.

Those who have the means to hire household help, often fall prey because of a common misnomer: they believe if they can handle a high pressure job or run a successful company they can hire household help. How easy can it be? Post a job review resumes, make some calls and, finally, make an offer? The problem lies in that even the sharpest business brains can lack the skill to quickly distinguish the criminal psychopath, from viable candidates that possess the skills and personality to do the job. Those with less than stellar work histories can easily use internet job postings to 'case' the homes, schedules and children of HNW families.

The average ratio separating unsuitable and viable candidates is 143 to 1, exposing the selection process to very poor odds, and making it time consuming, particularly if you're a 'do-it-yourself' employer.

For best practices during the interviewing and pre-hire stage here are some guidelines:

- Do not give out your personal address, cell number or other personal identity information. Conduct the initial interview or meeting in a location outside your

home, such as a coffee shop or restaurant. Do not invite any person into your home or introduce them to your children. It is best to wait until after the references have been called for children introductions.

- Have your written job description handy and interview candidates in person and at least twice, spending at minimum one hour or more during each interview. During the interview process, request color copies of photo IDs, such as a driver's license and a passport. Inspect them carefully to ensure the photos, signatures, and birthdates match. Is the image in the photo the same as the person seeking access to your home? Remember, criminals may answer your ad for household help, it makes it easier for them to select their next 'mark'.
- Request personal and professional references and call ALL of them and take critical and inquiring notes: is everyone telling you the truth? Many employers do not ask for family members as references, but you would be surprised by the candid information a parent, sibling or cousin will give you about a candidate. Cross check the information and the work history the candidate has given you with each reference.
- Look for red flags when speaking to references, such as the person seems hesitant to talk to you or they are not able to speak of the candidate's character. Ask open-ended questions versus the standard "yes or no" questions and always ask the reference what their relationship is to the candidate and how long they have known them. If you are able to meet with some of the references in person that is even better, as you can get a wealth of information from someone's body language and eye contact.
- Prior to hire, have a professional security company perform a thorough background investigation that includes at minimum: a) search of National Sex Offender Registry, b) a credit history (note: you must get signed authorization from the candidate first), c) arrest and conviction records for every state that have ever lived and d) a DVM (driving record), e) a Social Security number verification. Beware of the \$49.95 "do-it-yourself" background checks sold on the internet. A security company is going to have access to more information and has the resources to do a thorough investigation, the average professional investigation cost between \$1,500 and \$3,500 dollars and can take days or weeks to complete.

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All employers of household staff are required to follow state and federal guidelines, for example wage and hour, workers compensation coverage, anti-discrimination and harassment laws, including a pay stub for wages earned.

Protecting the safety of your family does not end with the hire, it's just the beginning.

The employee's first 90 days of employment is the trial phase and they are still considered a risk, here are best practices for their early employment:

- Do not give out keys to your home or alarm codes unless absolutely necessary for the job.
- Do not give employees access to or information about your personal bank accounts or credit cards. If the employee will need to make household purchases, set up a separate account for that specific purpose and monitor it closely. Use a prepaid cash card for them for household purchases; you can increase the amount on the card as you have the need.
- Do not leave anything that contains personal information, such as bills, bank statements, medical information, and so on out in plain sight.
- Password-protect your home computer. If staff need computer access, set up a separate user profile that does not allow them access to your personal information.
- House rules. It is best to have a written list of do's and don'ts for staff, a house protocol list is even better, for example no pornography on the home computer while on your break, no personal visitors in the home, do not borrow or lend items from the household, and so on.
- Be very specific about the duties of the job; creating a written detailed job description will help avoid misunderstandings.

Teresa Leigh is the founder of Teresa Leigh Household Risk Management. Her firm specializes in assessing and mitigating household risk for affluent families including fiscal oversight, best practices for hiring and retaining domestic staff and the development and execution of proactive risk management strategies. For more information, please go to - <http://www.teresaleigh.com>