

Company Focus: Thomas Lawson, CEO of APSCREEN

David Crisp



Thomas Lawson founded APSCREEN to provide services in employment screening, permissible credit reporting, asset discovery & fraud examination.

He spoke to HR.com to discuss a new service, EmployeeLocator.com.

Tell us about EmployeeLocator.com?

EmployeeLocator.com was founded somewhat by accident. One of our clients of many years, a large concern in the Nevada gaming community, contacted us and said, "We have fourteen hundred missing employees. We want you to go out and find them and we don't want to pay you very much."

I said, "I've never said no to you before," and we went out and within about four days had successfully located all fourteen hundred of their missing plan participants. From this a new business venture was formed.

Is this something many other HR departments might be interested in?

Every pension benefits administrator will require this service at some point during the year. It has been interesting to see the cross section of available users of the service. HR people have an occasional use for it while the benefit administrator has almost an hourly need because when an employee gets lost or a piece of mail is returned, they have to identify the current whereabouts of that participant in order to forward benefits.

Has this become a bigger issue the last little while?

The US post office forwarding orders now expire in six months rather than one year so there is, all of a sudden, a dramatic increase in missing plan participants and beneficiaries. If a person takes two jobs within one year and moves one time, the forwarding order expires before the benefit statements go out. When that happens there is going to be a return piece of mail coming back to the HR department or the benefits administrator.

What is the down side if they don't find these people?

Both the Internal Revenue Service guidelines and statutory provisions under the GATT amendments to the ERISA mandate companies to "diligently search" for the whereabouts of the missing participants. They must show they made the effort to do so if audited, or upon referral of the participant to either the IRS, or the Pension Benefit Guaranty Corporation (PBGC). Our service meets both the ERISA and IRS requirements. We have been told that our service does meet the criteria for proving "due diligence" by both the IRS and PBGC liaisons who applaud our service and encourage us to get as much business as we can, obviously, because it saves them the trouble of administrating the file and locating the participant.

What happens ultimately if you can't find someone?

At that point you will have the documented attempts to locate them through our company as well as the returned mail documenting ours, and the company's attempts to continue to forward the benefit statements or the disbursements.

One of our process recommendations is if there are two or three addresses on file for a beneficiary that they send postcards to each address asking the person to contact the company. Basically its just due diligence. By using our service for ten dollars you can show compliance in the event that you don't find them. However we do find them 99.6% of the time on the first pass and if we don't find them on the first pass we usually always find them on the second pass.

Are there many companies offering this kind of service?

We are aware of only one other competitor and we seem to be winning their clients because our costs are lower and turnaround is faster. Our competitor's turnaround time can be three weeks to three months while we have a 24 to 36 hour turn around one hundred percent of the time.

Some companies try to do it themselves. Several of our clients have come to us after trying to do it themselves and realize after three or six months have gone by, that they are out of compliance.

Do you think the market for these services will grow?

We have had over 800 subscribers come to us in the last 18 months without the benefit of traditional advertising so we are growing primarily by word of mouth. It is a growth industry but it is such a narrowly focused service, and the volume per client can be small, so it will not necessarily be that attractive to big companies. We feel pretty confident that our business is going to continue to grow and show a good return.

Will keeping up with demand be a problem for you?

No. We are able to handle requests to locate one person or one hundred thousand requests. We simply attempt to make the best business arrangements possible when we have a large order.

Is there a minimum fee?

No. We try to have a very business-friendly attitude. There is a one-page, sign up form with no fees to join. It is a basic pay as you go service. If you need us, you use us and you pay us. If you don't use us that's fine, whenever you do need us we are here for you.

Do you have any final comments?

Just don't let that returned mail gather dust in the bottom drawer anymore. With our service we take those problems off your desk.

When we founded the modern-day screening industry over 23 years ago, we never imagined how much good we could spread with an honest service. EmployeeLocator.com is no different, and we're very proud of that.

This interview was sponsored by APSCREEN.

Learn more at www.employeelocator.com and www.apscreen.com.