



Pilot Program Will Determine Background Check Guidelines

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Forward Edge Inc. was selected as one of five companies to participate in the pilot phase of the North American Background Screening Consortium. The North American Background Screening Consortium is a joint effort of Owner companies, associations and safety councils providing background-screening services much like the North American Substance Abuse Program provides drug testing.

The consortium will operate in the Houston, Baton Rouge and New Orleans areas to create a standardized program for administering background checks and providing the resulting information to be available to the participants in the consortium. The consortium allows the owner and contractor companies to reduce costs and administrative efforts while providing a standardized service procedure to determine the eligibility of an individual before entering petrochemical facilities throughout the Gulf Coast region.

The pilot phase will evaluate the protocols of the participating Third Party Administrators (TPA) conducting the background checks. These protocols must be in compliance with the standard format created by the consortium and the submission of the results to a central repository must be conducted in a timely manner. The central repositories for reporting the status of an employee are the participating safety councils. The safety councils will host through their websites a portal to the TPA records. The participating owners will access the secured information to view an "Active" or "Inactive" status of the contractor employee.

Once the background check is conducted, grades are assigned to the employee and the information is stored in the TPA database. Entrance eligibility is determined by comparing the threshold scores of Owner facilities, including specific locations within a facility, to determine if the contractor employee qualifies for entrance. The grades are based on a scale of zero through seven as established by the consortium. A score of zero represent a clear record and seven represents the highest risk potential.

The goal of the pilot phase is setting criteria for the Third Party Administrators to ensure accuracy, timeliness for reporting the grades to the consortium, and the effectiveness of the reporting procedures. The standards for the Third Party Administrators are based on their ability to comply with the requirements of the Fair Credit Reporting Act (FCRA) and various state and local laws.

The automation necessary for the transmission of the scores to the central repository is key to the consortium's success. Contractors and owners demand timely results when work is underway at a site, so the consortium relies on the Third Party Administrator's ability to provide timely status reports to the safety councils. An independent auditor will periodically audit the Third Party Administrators to evaluate performance, ensure compliance and make corrective action as necessary. It is the goal of the pilot phase to make necessary modifications to the process before the Consortium moves to full implementation by summer 2007.

Background Check Parameters

- **Social Security Number Verification & Trace**
- **Misdemeanors and Felonies where disposition is deemed relevant by:**
 - **Conviction**
 - **Pending or Adjudication Withheld**
 - **Deferred Adjudication**
 - **No Contest**
 - **Open Warrant**
- **Department of Motor Vehicle Trace**
- **Seven Year Criminal History**
- **National Criminal History Trace**
 - **Admin office of the Courts**
 - **Dept. of Corrections**
 - **Prison Release Date**
 - **Office of Parole Boards**
 - **Sex Offender Registries**
- **Patriot Act & Terrorists Watch List Search**
 - **Denied Persons List**
 - **Fugitive List**
 - **Office of Foreign Assets Control**
 - **Terrorist Watch List**

Grading Scale

00 = Clear Record

01 = One or more
"Non-violent Misdemeanors"

02 = One or more
"Violent Misdemeanors"

03 = One or more
"Lesser Felonies"

04 = One or more
"Violent Misdemeanors" and one or more "lesser felonies"

05 = One or more
"Higher Felonies"

06 = One or more
"Higher Felonies" and one or more
"Violent Misdemeanors"

07 = Patriot Act or
Government Exclusion List