

**2023** Annual Trends Report

Turbocharged  
**Insights to Help You**  
Hire Smarter.  
Onboard Faster.™

# And we're off! 2023 is going to be transformative

After navigating extraordinary obstacles in recent years, employers continue to face tough hiring challenges right off the mark in 2023. Sky-high inflation not seen in decades and increased job mobility are driving workers to shift jobs at an unprecedented rate. There's also the Great Regret; the regret felt by 80 percent of the millions of people who quit their jobs in 2021 as part of The Great Resignation who now want their old jobs back.

One thing is overwhelmingly clear, based on the instability of today's hiring environment: the "way we've always done things" isn't going to work any more.

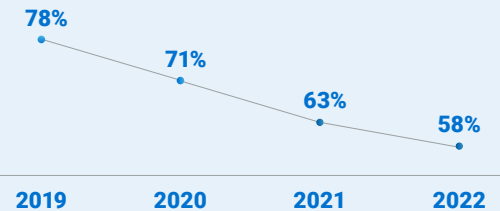
In response, employers are making big changes. They're improving employee compensation and benefits to attract and retain top talent. And they're working with their background screening providers to reimagine employment screening from the ground up. In fact, many are willing, even eager, to make radical changes to their screening program by incorporating cutting-edge technology and best practices to help achieve the right mix of improved

hiring **speed**, mitigate employee-related **risk** and lower hiring **cost**.

Knowing this, self-reflection and adaptation will be key themes in the background screening industry, not just for 2023, but for the foreseeable future. In this report, First Advantage will examine current trends in background screening, along with the key elements of a modern screening program. We'll share how—with a few smart adjustments and the right mindset—employers can optimize their screening program to efficiently and effectively mitigate risk, while also supporting a streamlined, "candidate-first" hiring culture.

As a global leader in the background screening industry, First Advantage processed 100 million+ background screens in 2022, which gives us unique insight into how hiring is changing in real time. Every year, we use this unique, data-driven perspective in combination with our annual customer survey responses to create this annual trends report and bring you the most current product and performance information.

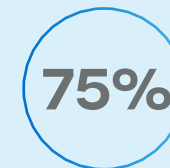
## Survey Says



## Change is Underway

Only **58%** of respondents in our annual trends survey agreed with this statement: *We have **not changed** how we screen our candidates and have **no plans** to change our process.*

## Survey Says



**75%** of our trends survey respondents are now using better pay and benefits as one way to attract candidates.



# Table of Contents

About This Report & First Advantage	4
Shifting Gears	9
Identity	11
Criminal History	16
Experience	30
Risk Exposure	38
Regulatory & Compliance	43
Wellness	49
Screening Around the World	58
Going Forward	62

# About This Report & First Advantage

# A Legal Reminder



The information included in this report is not intended to create, and receipt of it does not constitute, an attorney-client relationship. Readers should not act upon this information without seeking professional counsel.

The material should not be construed as legal advice or a legal opinion on any specific facts or circumstances. The content is intended for general information purposes only, and you are urged to consult a lawyer concerning your own situation and any specific legal questions you may have.

# Data Sources



The 2022 annual employer survey, Drugs At Work, performed by Current Consulting Group and sponsored by First Advantage, provides unique substance abuse insights and a highly representative sample of drug screening trends in the American workplace.



The First Advantage Annual Trends Survey provides hundreds of client perspectives on screening programs and how they are evolving.



First Advantage is a market leader in the background screening industry with exclusive access to millions of data points about how hiring decisions are made.

# Our Technology, Our Customers

In 2022, we put the pedal to the metal for our valued customers.



## Our customers



**~33,000**

Customers



**100M+**

Screens



**50%+**

of Fortune 100  
and ~33% Fortune 500



**~97%**

Gross Retention Rate



**13 years**

Average Tenure



## Our technology



**1**

Core Global Platform



**935+**

Automated and / or  
Integrated Data Providers



**3,000+**

Robotic Process  
Automation Bots  
Currently Deployed



**690M+**

Records in Proprietary  
Databases



**75+**

Human Capital  
Management Software  
Integrations

# Why do our customers screen?

First Advantage clients screen candidates and employees for these key reasons.



## Identity

Do we have relevant name and address information on the candidate?



## Criminal History

Does the candidate have a criminal history that will impact performance, safety, or brand reputation?



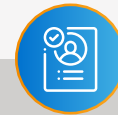
## Experience

Does the candidate have the right education and experience for the role?



## Risk Exposure

Is the candidate's history appropriate for any role-specific risks, including access and exposure to sensitive data or vulnerable populations?



## Compliance

Does the candidate clear all checks required by law or industry regulation for compliance?



# Shifting **Gears**



# Shifting Gears

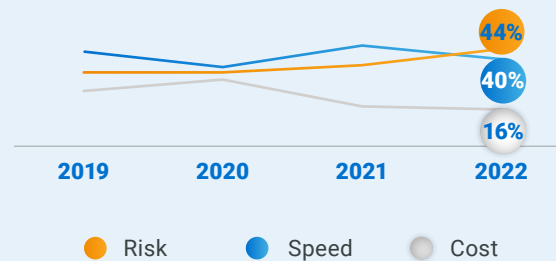
## Different industries have different screening priorities.

Heavily-regulated industries such as healthcare and financial services are constantly vigilant of their audit and compliance risks. In contrast, high-volume, high-turnaround companies such as staffing agencies and retailers are typically racing to quickly hire talent—sometimes in hours, rather than days. Still other organizations may focus more on the risks to their vulnerable populations, mitigating internal fraud, or protecting their reputation from the high-profile exposure associated with negligent hiring lawsuits.

Different industries have different priorities, which are usually visible in their background screening programs. As you read through this document, consider why your organization performs background screening, and how your screening selections reflect your operational needs and requirements. Use this report to thoughtfully compare your background screening priorities and what you are doing against the screening strategy of other employers in your industry.

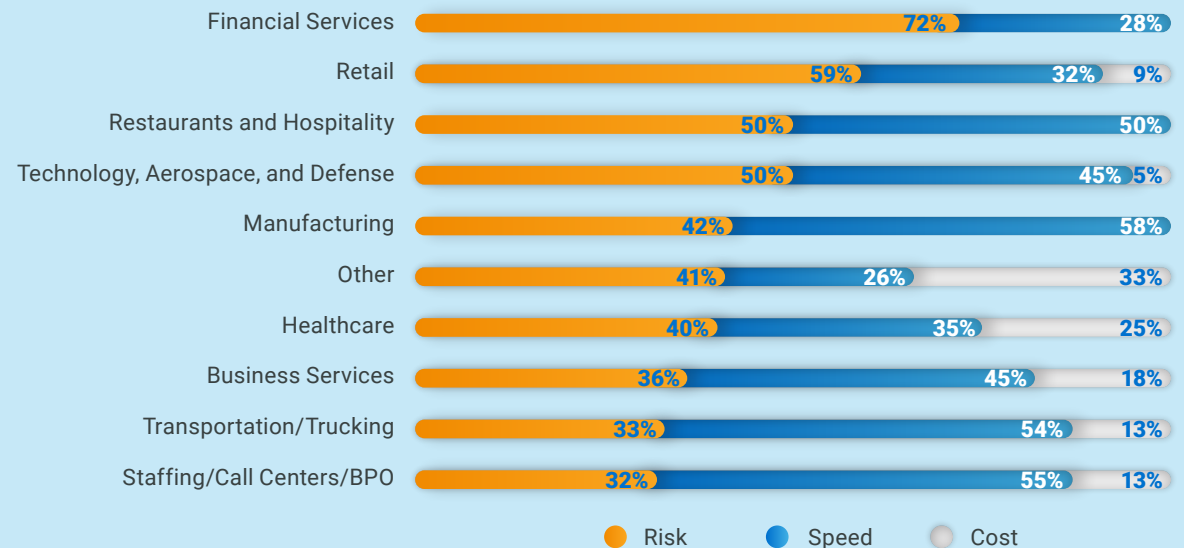
### Survey Says

#### What is most important in a background check?



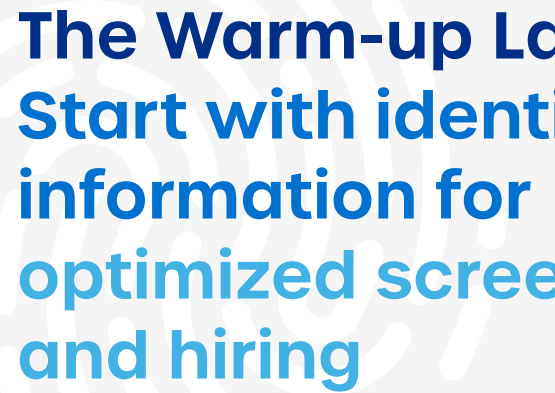
**Risk is the new top priority!** For the first time since fielding the First Advantage annual trends survey, respondents ranked Risk as the #1 priority when ordering a background check. In a year with so many high profile, brand-impacting workplace incidents, this is not a surprise.

#### Most important factor by industry



# Identity





# The Warm-up Lap: Start with identity information for optimized screening and hiring

A streamlined, high-performing background screening program starts with good candidate data. This involves using identity-related products to gather the most complete and correct information from candidates to help:

- Develop a list of additional names, aliases, and addresses associated with a candidate.
- Develop a list of current and prior addresses associated with the candidate to inform the most inclusive and comprehensive criminal record screening.
- Develop a list of names to aid in the discovery of court records documented with aliases and other names not provided by the candidate.
- Support I-9 compliance and Work Opportunity Tax Credit submissions.

Simply put, to hire smarter and onboard faster, it pays to begin with developed candidate name and address data. Our identity-related products help eliminate hiring friction, delays and bottlenecks, while also using advanced technology to simplify everything and keep your candidates engaged throughout the screening and hiring process.

# Social Security Number Verifications

Creating a more complete picture of a candidate's history.

Social Security Number Verification (SSNV) is the most commonly-used “first stop” in background screening. It identifies additional names and addresses associated with an SSN. These extra names and addresses are then used to perform more robust criminal record searches, sometimes in jurisdictions and areas that a candidate may not have disclosed.

However, not all SSNV results are the same. Some alerts, while tempting to review, are more important than others. The SSNV search is the best way to develop undisclosed names and addresses for candidates, but finding name and address discrepancies does not necessarily mean fraud.

80%

**Did you know** that more than 80% of cases performed by First Advantage use a Social Security Number Verification?

# Digital ID

Making personal data capture easier and faster in the UK.

It's been an exciting year for First Advantage as we launched our new **Digital ID** product for the United Kingdom Right to Work, and Disclosure and Barring Service (DBS) criminal searches. It provides a more automated and intuitive way for candidates to provide personal information and images needed for criminal record searches.

On average we found that criminal search turnaround time for customers using Digital ID in the UK dropped by more than 60%, resulting in an overall reduction in turnaround time of two days!

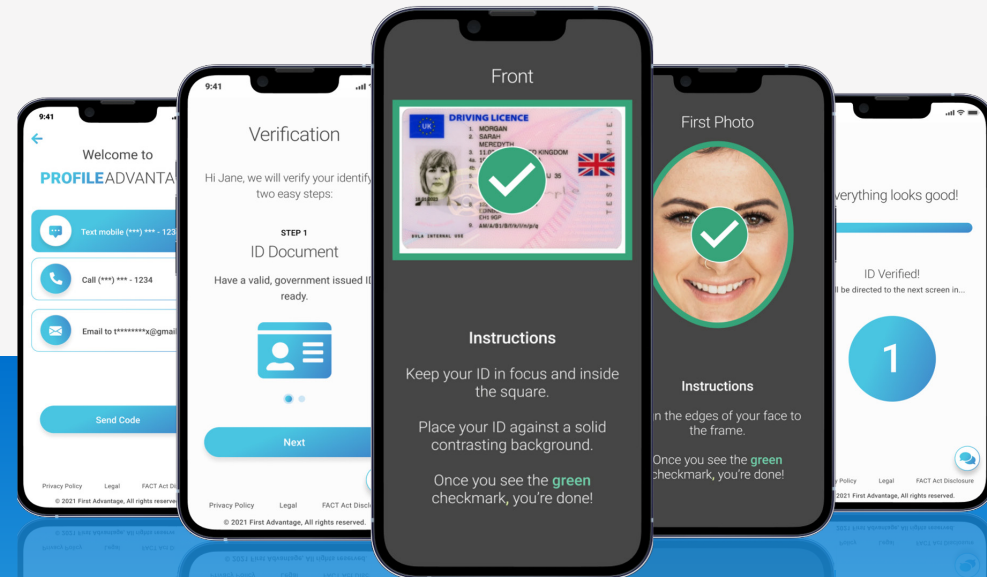
80%

## Did you know?

In the first three months after Digital ID was introduced, we saw an 86% Digital ID success rate for candidates undergoing UK DBS criminal searches. This allowed our customers to forgo the usual document sighting process for these candidates—a great time saver!



60%  
Faster  
turnaround time!



# The Candidate Experience

## Set the pace for a better candidate journey.

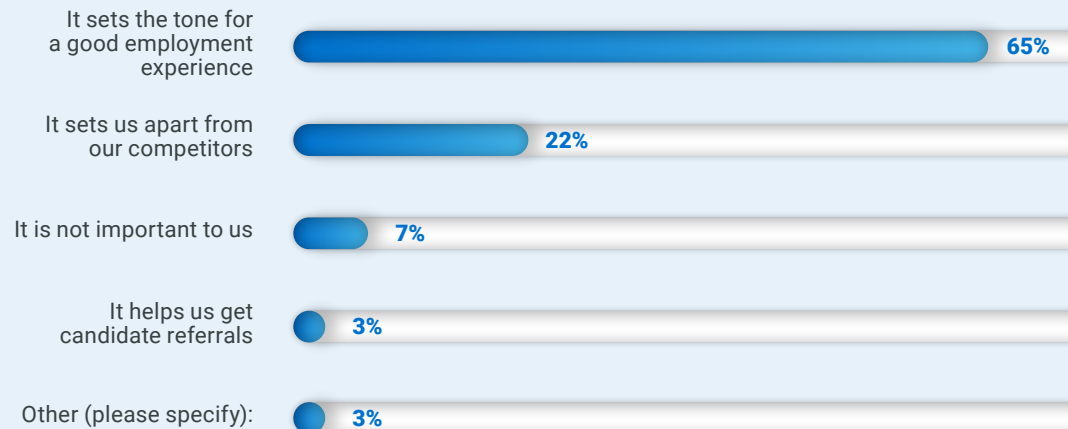
Your ability to perform fast, accurate, candidate-friendly background checks hinges on your ability to efficiently acquire accurate identity data from your candidates. And yes, we're talking about mobile optimization here. At a time when nearly 100% of the U.S. population uses smartphones, employers need a mobile-optimized, intuitive solution for gathering candidate data.

When mobile-optimized data is integrated with your applicant tracking system, the data can be passed directly from a candidate's job application to First Advantage, eliminating duplicated data entry and giving your candidates the near-instant ability to begin their background check process directly from their phone or tablet with no extra steps. Our Profile Advantage mobile-enabled solution provides this capability and much more to help employers:

- Provide easier, faster candidate experiences that involve less data entry
- Engage with candidates in real-time via their preferred communication channel
- Give candidates immediate visibility into the background screening process
- Accelerate screening, hiring and onboarding

### Survey Says

#### Is the candidate experience important to your organization?



70%



#### 70% Improvement!

Organizations that invest in a strong candidate experience improve the quality of their new hires by 70 percent.

-LinkedIn

[Top 100 Hiring Statistics for 2022 | LinkedIn](#)

# Criminal History





# Steer Clear of Risk: Mitigate your business risk by understanding a candidate's criminal history.



For many companies, a criminal search is the engine of a background check.

However, the use of criminal background checks in hiring is evolving. Instead of using the information as an immediate disqualifier, employers are taking a more inclusive approach. They're considering the relevance of a criminal record in context with the risk exposure of the job. For example, you might not hire someone with a misdemeanor driving-under-the-influence offense to drive a delivery truck, but you might hire them to work in the stock room. Even though you ultimately end up hiring the candidate, you're still safeguarding your business by using the information in a criminal background check to mindfully place the individual in a more risk-averse position.

In this sense, knowing about a candidate's criminal past can help mitigate safety risks to your employees, customers and workplace, while also protecting your brand reputation.

# Criminal background checks

## Trends that are guiding employers today.

Mitigating the risk of future criminal activity and fulfilling regulatory compliance are the two most important reasons to conduct a background check, according to respondents in our annual trends survey. In fact, they consistently outrank having the right qualifications for the job and protecting brand reputation.

However, it's important to note that these are not mutually exclusive goals. Instead, each high-priority objective supports the other. For example, minimizing future criminal activity, fulfilling regulatory compliance, and ensuring candidates have the right qualifications all help support and protect an employer's brand reputation.

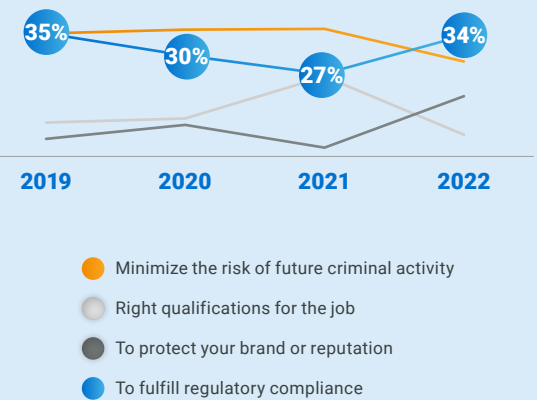
Knowing this, think about the important role background screening plays in protecting your organization's brand reputation. Do your customers want to shop where they feel unsafe? Do they want their finances managed by a company that doesn't comply with regulations or hires candidates with a prior history of fraud or financial crimes?

In short, your brand reputation means everything in business and in the eyes of your customers. Once it's damaged, it may be difficult or impossible to rebuild. Instead of thinking about criminal background checks as one-off screening tools, zoom out and consider how they can be used to support the bigger picture of your long-term success.

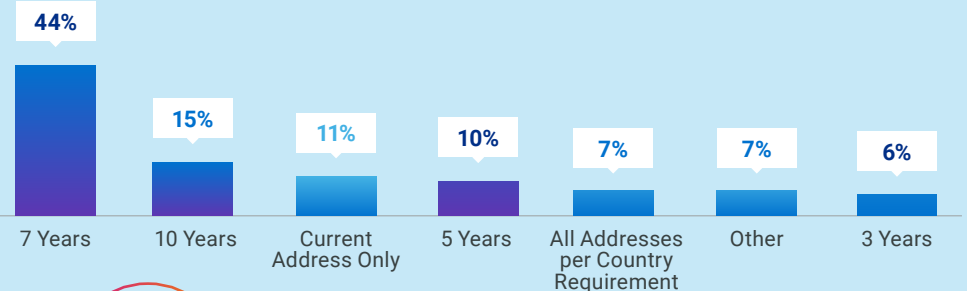
### Survey Says

Please rank the following reasons your organization conducts background checks from most to least important

### Minimize Risk of Future Criminal Activity



### Survey Says



69%

69% of respondents in our annual trends survey are requesting at least 5 years of address history when performing criminal checks.

# Statewide Criminal Searches

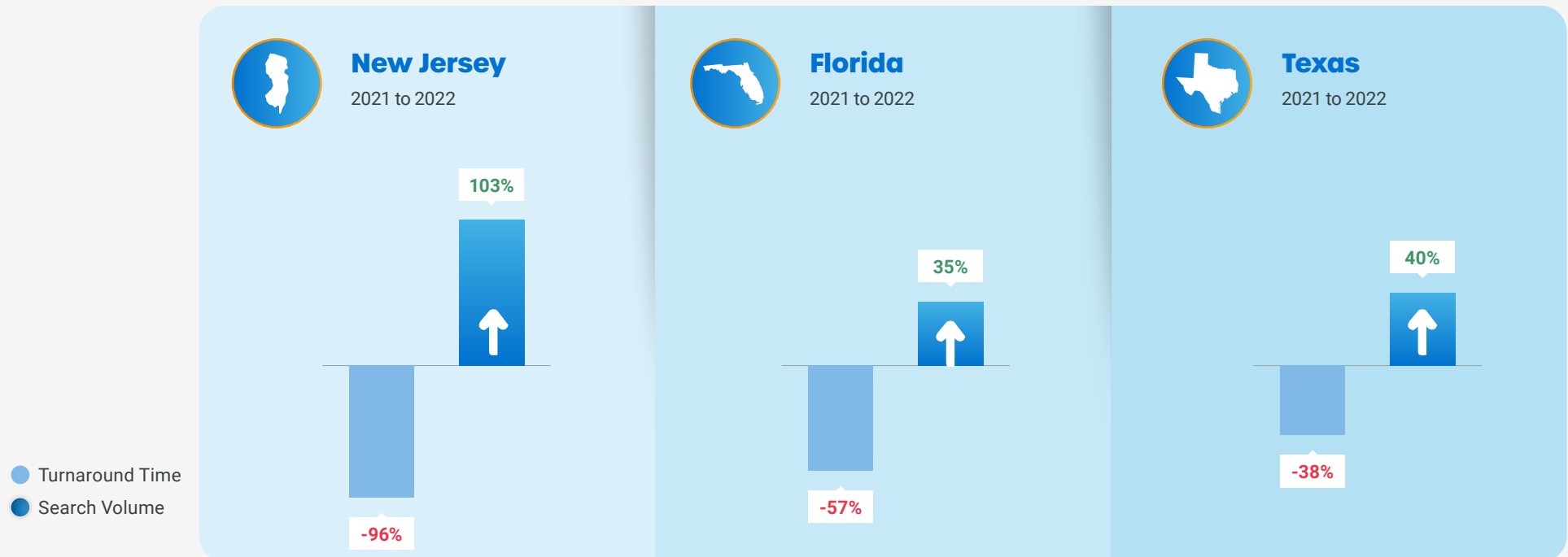
## Driving a faster, more thorough screening process.

County-level criminal components search the specific county courts requested. Statewide searches can supplement these by searching all county courts available in a statewide repository. In places like Texas that have highly-mobile intrastate populations, adding these supplementary statewide searches can mitigate risk by finding additional criminal records beyond the counties where a candidate has lived, worked, or studied.

The good news is that, despite onerous requirements in some states that require candidate fingerprinting or wet signatures on state forms, statewide searches are becoming increasingly streamlined. More court

systems are bringing their records online, which means statewide criminal searches are getting faster. In addition, increased automation by First Advantage is further accelerating these searches, making them a great supplementary option in time-sensitive hiring situations.

And as these searches become faster, the number of statewide searches by First Advantage clients in the states with streamlined access is increasing. In New Jersey, for example, search volume more than doubled from 2021 to 2022, after turnaround time was cut by 96%. Florida and Texas, along with other states, are seeing similar changes.



# County Criminal Searches

Flooring it for faster searches.



**16%**  
County search  
turnaround times!

## Top 20 counties screened by volume

Los Angeles, CA
Maricopa, AZ
Cook, IL
Harris, TX
Dallas, TX
New York, NY
Tarrant, TX
Fulton, GA
Shelby, TN
San Bernardino, CA
Clark, NV
Franklin, OH
Hartford, CT
San Diego, CA
De Kalb, GA
Riverside, CA
Marion, IN
Dade, FL
Mecklenburg, NC (New in 2022)
Orange, FL (New in 2022)

By putting a dedicated focus on process automation and efficiency, First Advantage accelerated overall county search turnaround times by 16% and reduced the longest 10% of county search turnaround times by 22%.

The top 20 counties by screening volume within the U.S. in 2021 and 2022 are represented to the left. New to this list in 2022 are Orange, FL and Mecklenburg, NC, replacing Orange, CA and Cuyahoga, OH.

## Top 20 counties by reportable criminal record rate

Black Hawk, IA
Lancaster, NE
Stearns, MN
Beadle, SD
Polk, IA
Rock, WI
Linn, IA
Douglas, NE
Macon, IL
Saginaw, MI
Hennepin, MN
Racine, WI
St. Louis, MN
Winnebago, IL
Warren, KY
Tippecanoe, IN
Berrien, MI
Scott, IA
Vanderburgh, IN
Howard, IN

Of the counties where more than 10,000 searches were performed by First Advantage, those with the highest proportion of reportable criminal records returned are rank-ordered to the right.

In aggregate, these counties returned more than 15 criminal records for every 100 searches performed in 2021 and 2022—more than twice as high as the overall county average.

# “Touchless Processing”

## Revvng the engine for high-speed turnaround.

A fast, quality background screening process is table stakes today—it’s what our customers expect. However, our industry-leading “touchless processing” enables us to race even further ahead of the pack and deliver above-average turnaround times on our criminal searches.

So, what is touchless processing? It’s how we use technology and innovation to reduce manual handling, and increasingly automate and digitize our criminal search process to improve result quality and turnaround times.

In our world, it’s not enough for a county to simply claim to have online access. At First Advantage, we continuously evaluate online courthouse capabilities for reliability and quality, regularly adding new automation and APIs that meet our industry-leading standards. In 2022 alone, our automation increased the proportion of cases that were processed without human intervention by 8%, turning days of manual research into near-instant results.

74%

**74% of First Advantage** criminal record searches are complete in < 1 hour

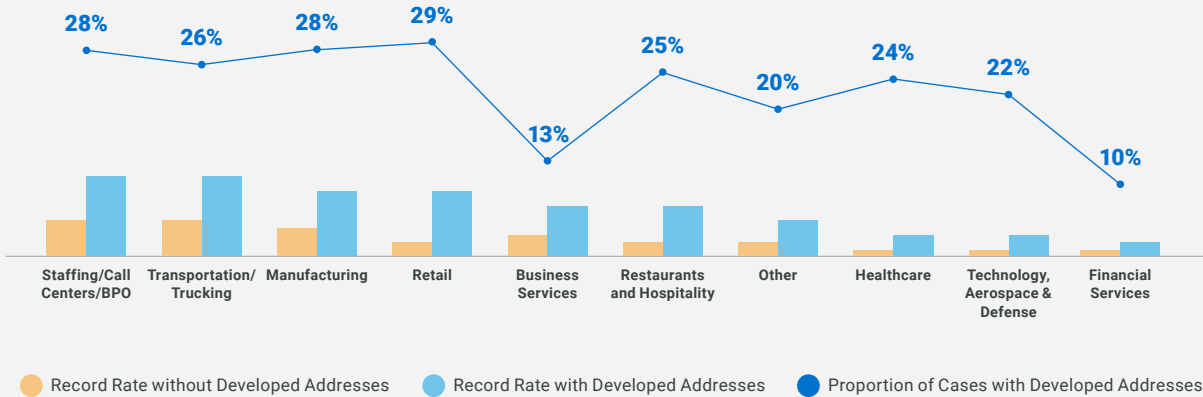
8%

**8% MORE** criminal searches returned via touchless processing, without human intervention

# Better Criminal Search Results

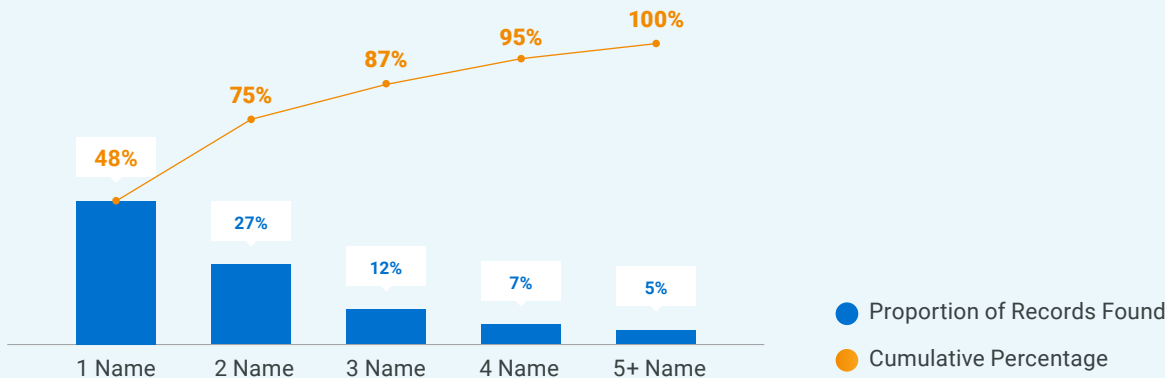
A winning strategy for locating criminal records.

## Reportable Record Rate by Developed Addresses



Sometimes candidates may have inadvertently left out information such as a maiden name, or address in their history on their application that might be linked to a criminal record. First Advantage SSNV helps employers develop additional undisclosed addresses and then searches those addresses for potential criminal records. This approach can more than double the number of reportable records employers find on their candidates and offers added risk mitigation.

## Records Found by Names Searched

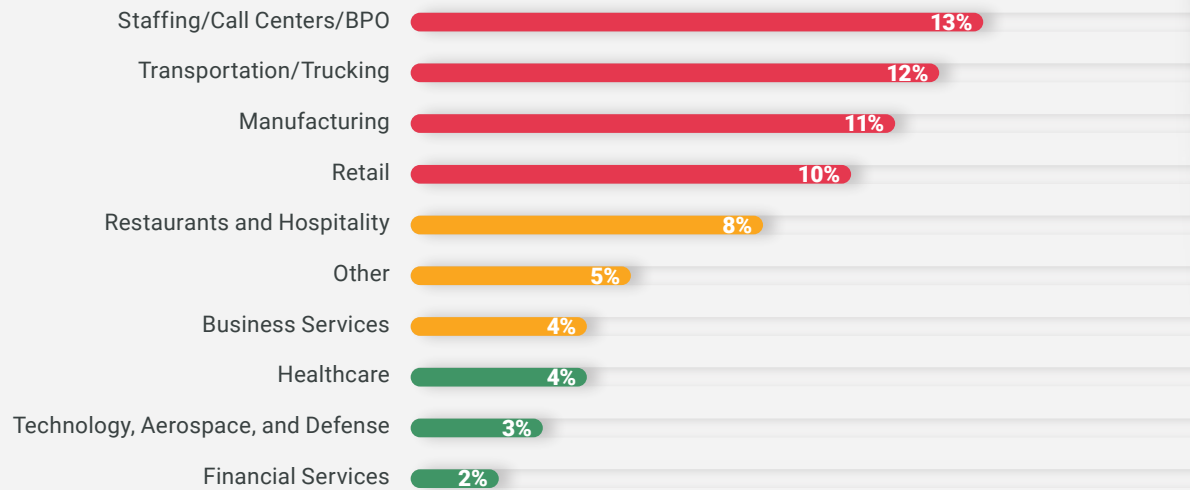


Similar to searching developed addresses, searching more than one name in county courts can provide a significant lift in the number of criminal records returned. Searching additional names does incur additional costs, but when used wisely, developed names is a great tool to balance risk mitigation with program cost.

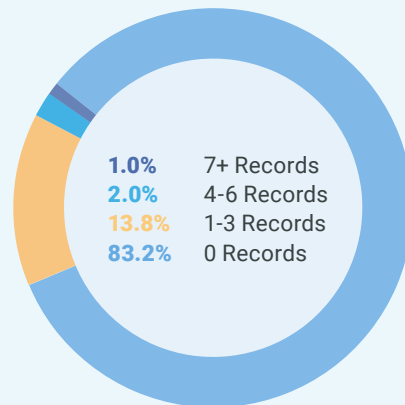
# Criminal Record Rates

Industry variation, explained.

## Proportion of Cases with Reportable Criminal Records



## Overall Cases by Number of Records Found



Every industry has a different candidate base, geographic scope, screening requirements, and appetite for risk.

Candidates with reportable criminal records will sometimes self-select for jobs where they believe their reportable records won't disqualify them (or won't be found).

Because of these and other factors that influence both job selection and personal decisions, every industry has a unique footprint regarding the types of reportable records likely to be found.

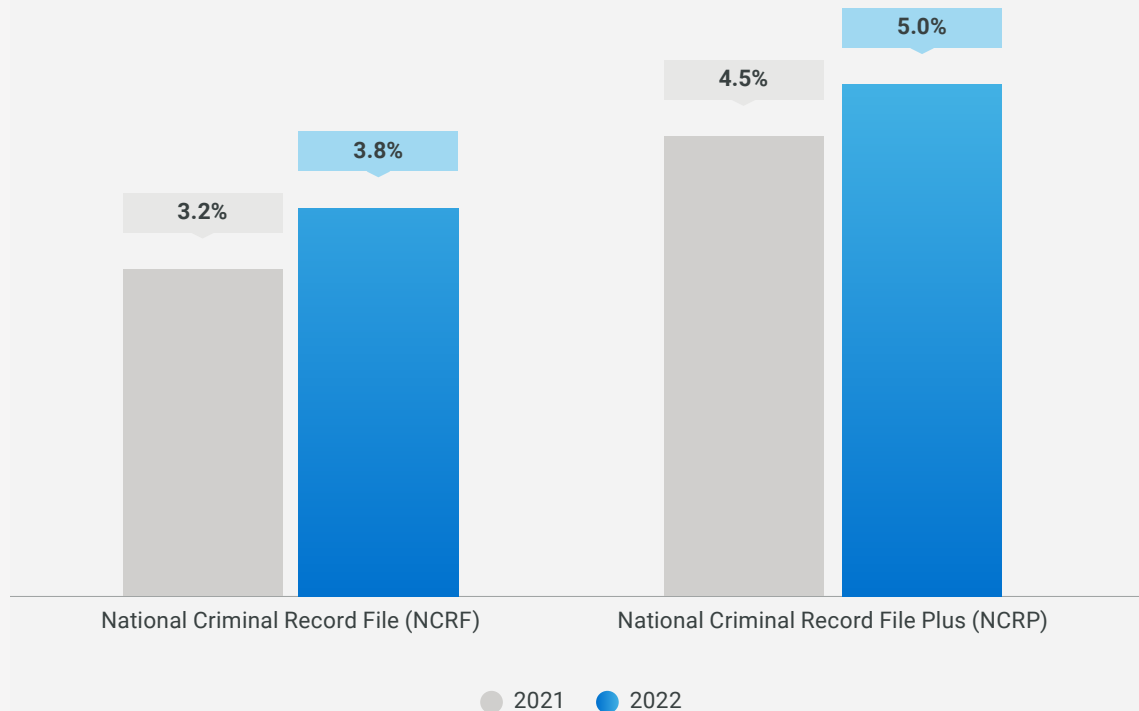
According to our analysis, high-volume employers such as staffing agencies and call centers which likely screen a higher volume of workers with more basic background checks had the highest number of reportable criminal records.

Conversely, the highly regulated financial services sector had the least amount of reportable criminal records.

# National Criminal Record File Plus

The fast lane to more criminal records.

## NCRF/NCRP Reportable Record Rate



The First Advantage National Criminal Record File is a nearly-instant search that supplements standard county and statewide criminal checks by referencing multiple proprietary sources of known reportable records.

The National Criminal Record File Plus adds the power of developed names to this search, uncovering even more reportable records from across the U.S.

32%

### The Power of Developed Names:

In 2022, National Criminal Record File Plus searches using developed names, returned 32% more reportable criminal records than the single name search of the National Criminal Record File.



# High Record Rate Industries and Distinctive Records

Reportable Record Rate	Final Case Client Adjudication	Index High For:
<p>Staffing/Call Centers/BPO</p> 		<p>Staffing industry candidates are 72% more likely than average candidates to return traffic crimes.</p>
<p>Transportation/Trucking</p> 		<p>Transportation candidates are 37% more likely to return criminal records for violence &amp; threats than average candidates.</p>
<p>Manufacturing</p> 		<p>Manufacturing candidates return tax-related crimes over twice as often as the average candidate.</p>

# Moderate Record Rate Industries and Distinctive Records

Reportable Record Rate	Final Case Client Adjudication	Index High For:
<p>Retail</p>  <p>10%</p>	 <p>64% Ineligible 1% Decisional 35% Eligible</p>	<p>Retail candidates are nearly twice as likely than average candidates to return records for immigration offenses and 27% more likely to return vehicular manslaughter records.</p>
<p>Restaurants and Hospitality</p>  <p>8%</p>	 <p>59% Ineligible 3% Decisional 38% Eligible</p>	<p>Restaurant and hospitality candidates are 57% more likely to return criminal records for insurance-related traffic offenses.</p>
<p>Business Services</p>  <p>4%</p>	 <p>42% Ineligible 14% Decisional 44% Eligible</p>	<p>Business services candidates are less than half as likely to return sex crimes than other candidates.</p>

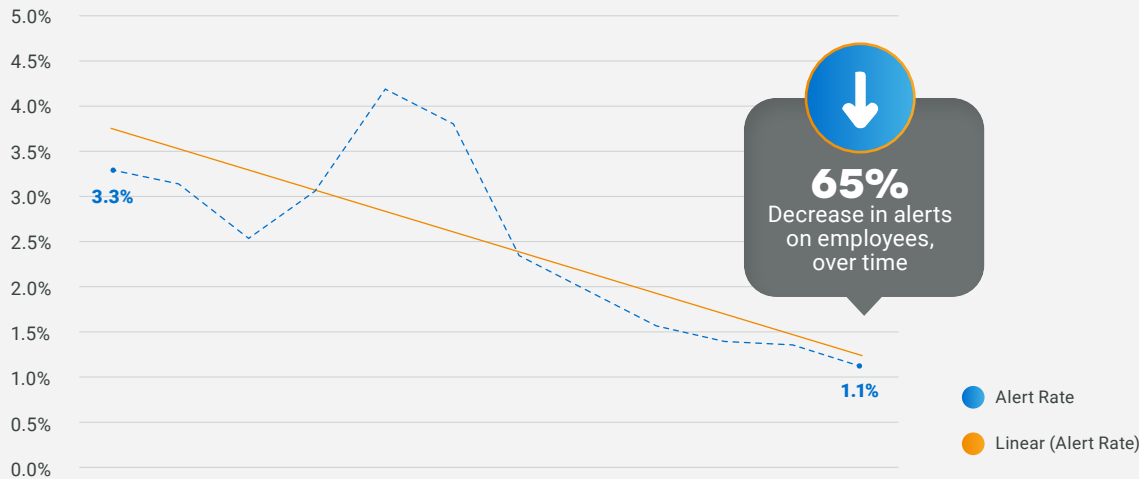
# Low Record Rate Industries and Distinctive Records

Reportable Record Rate	Final Case Client Adjudication	Index High For:
<p>Healthcare</p> 		<p>Curiously, Healthcare workers are just slightly more likely than other candidates to have child-related crimes, but almost all are for enabling truancy.</p>
<p>Technology, Aerospace, and Defense</p> 		<p>Candidates in Technology, Aerospace, and Defense are about 80% less likely than other candidates to have violent crimes or domestic crimes returned.</p>
<p>Financial Services</p> 		<p>Financial services candidates are over 7 times more likely to have criminal records for speeding than other candidates, and 3.5 times more likely to have reckless driving records.</p>

# Criminal Monitoring

Understanding the criminal activity of current employees.

## Criminal Monitoring Alert Rate 12 Month Case Study

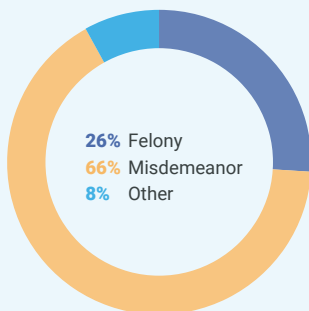


Criminal activity doesn't stop when employment starts, so it's important that employers consider expanding their background screening strategy beyond a one-and-done approach.

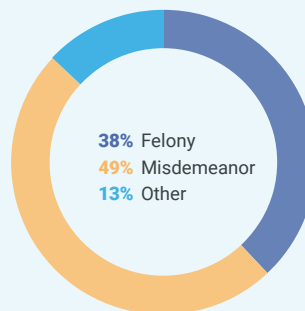
We performed a 12-month case study where we continuously monitored employees for new criminal records. After an initial one-year lookback of the employees included in this case study, criminal record monitoring continued to find new criminal alerts with an increasing prevalence of felonies.

However, it was noted that the longer candidates were knowingly monitored, fewer criminal records were returned. It may be similar to the premise behind random drug screening. When employees know they're being continuously screened for criminal records, it may impact their likelihood to commit a crime, as they want to maintain their job.

### 1 Year Lookback 3.3% Alert Rate



### 1 Year Ongoing Monitoring 1.1% Alert Rate

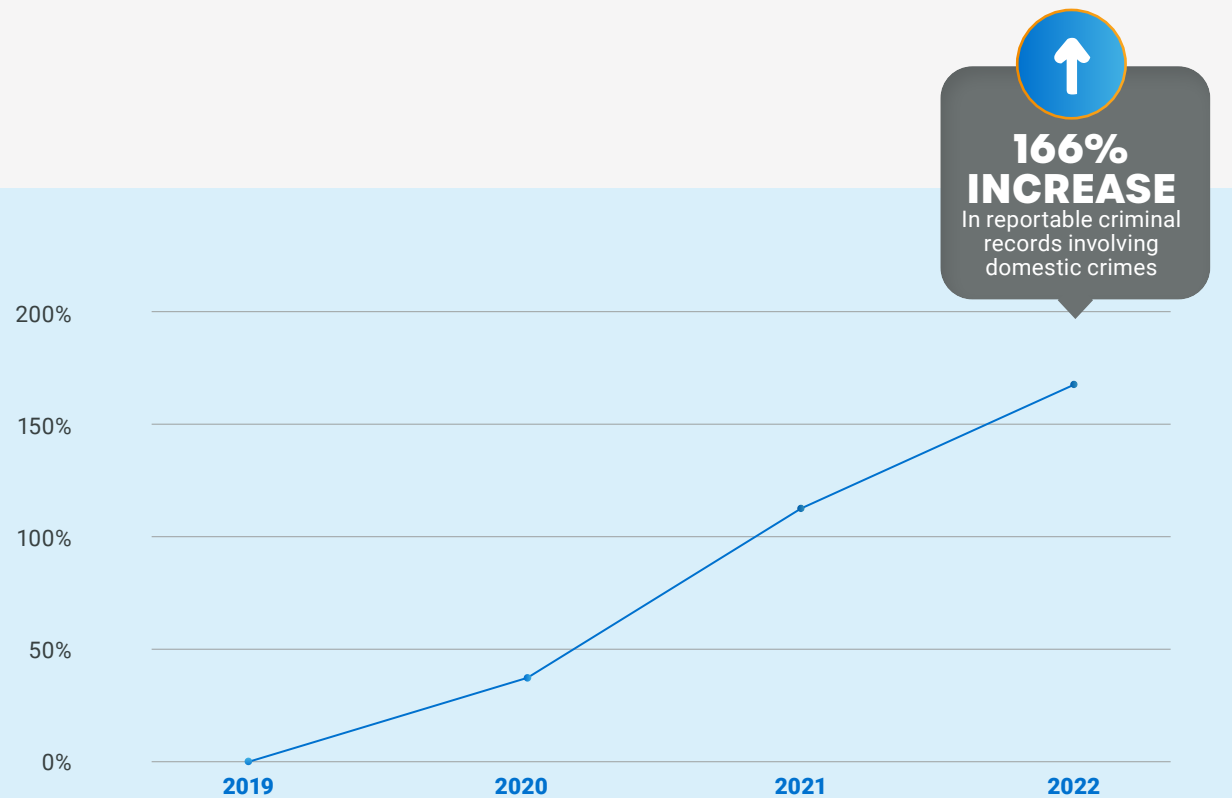


# Criminal Search Trends

Records involving domestic crimes are increasing.

We can't conclude the section on criminal history without mentioning an alarming trend. According to our analysis, instances of domestic crimes (child abuse, endangerment and neglect, custody-related, domestic violence, and nonsupport of child/spouse) in our sample of customers rose every year from 2020 through 2022 both in raw volume and in the proportion of overall criminal records found.

To get a better sense of whether this increase represented an actual increase in domestic crimes or was just an artifact of better historical reporting, we excluded all but domestic crimes disposed in the previous year. Accounting only for convictions in the prior year, the raw volume of domestic crimes increased by a shocking **166%** between 2019 and 2022.



# Experience



# Qualifying to Compete: Verifying experience better positions your employees—and your business—for success



It's an accepted best practice to verify employment history, education, driving record, professional certifications, and other experience. It helps protect your workplace and your reputation by helping you confirm that your employees have the experience required to safely, productively, and professionally perform their job.

But it's also more than that. Your candidates and employees have goals and aspirations. By clearly understanding where they've come from and what they're capable of, you can better position them for success within your business. Maybe that means offering a candidate who is applying for an entry-level position a higher-level role that better aligns with their experience. Maybe it enables you to extend skills-training to a candidate you really like, but they're just shy of the job requirements. Or maybe you recognize that a candidate is intentionally falsifying their experience. In any case, you get a confirmed baseline of verified facts so you can move forward in the best interest of the candidate, and your business.

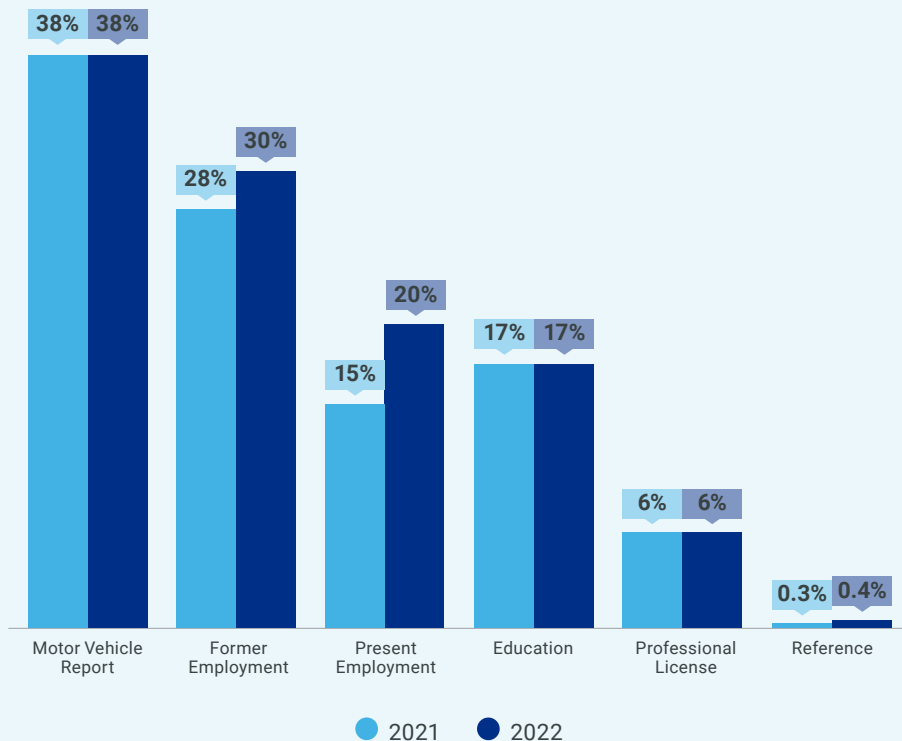
Our verifications are purpose-built to give you reliable, consistent and more complete insight into your candidates' prior experience, faster than any other solution on the market.

# Verification Discrepancies

On the rise, across the board.

Discrepancies across all our verification search results rose from 27% in 2021 to 29% in 2022. In particular, Present Employment led with a 5-percentage point increase driven by more discrepancies in job titles and dates of employment.

## Percentage with Discrepancies



Not all verification discrepancies are created equal. In fact, the most common discrepancies (think: date discrepancies) rarely result in a decision to deny employment.

This is where a high-performing adjudication matrix is helpful. By defining eligible verification discrepancies, clients can reduce the amount of manual review required on screening results and focus on more serious discrepancies that require true judgement calls.

The top three benefits of a well-honed adjudication matrix:

1. Adjudicators can focus on value-added assessments where human review is genuinely necessary to decide hireability.
2. It reduces the chance of adjudicator bias by consistently applying a single outcome to common results.
3. It reduces the total time to hire by leveraging First Advantage automation to accelerate eligible candidates through the process.

**TIP!**



**Too many decisions to make?** First Advantage can help. Using your historical hiring decisions, we can provide data-driven insights about which search results are truly material to you.

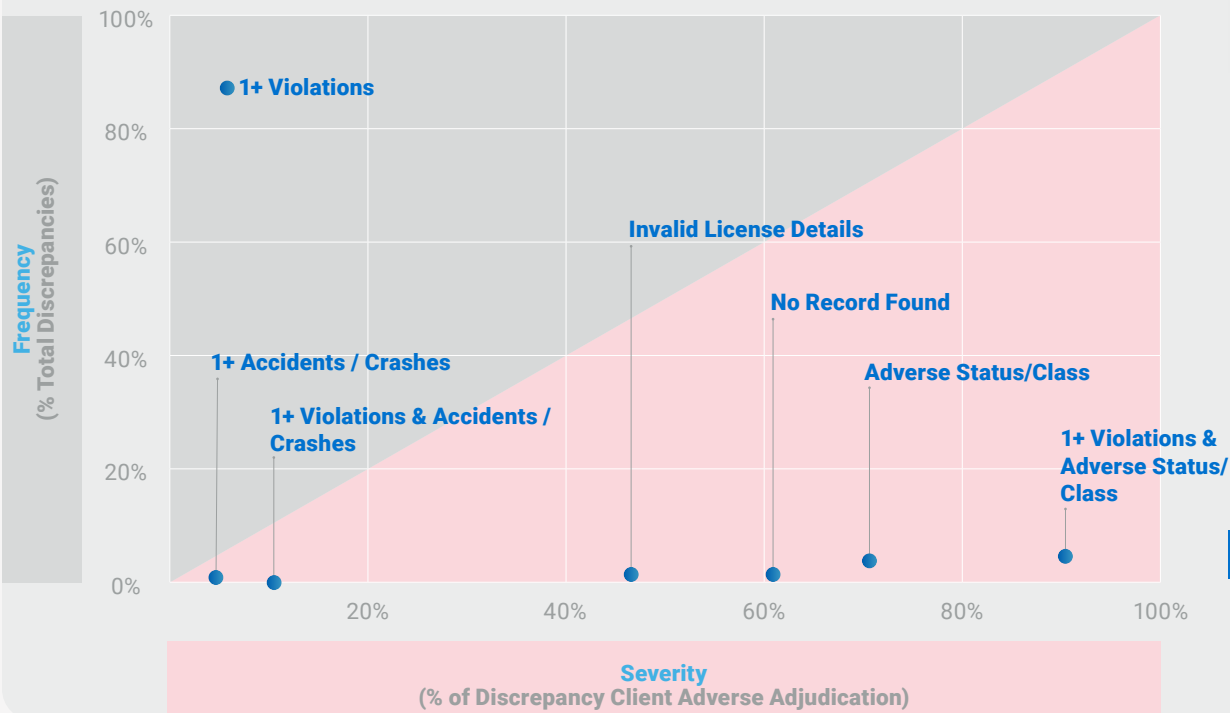


# Motor Vehicle Violations

Discrepancies are common, but often immaterial to hiring.

The Motor Vehicle Report (MVR) is used to determine fitness for driving positions, use of company vehicles, or use of personal vehicles for company purposes. Clients focus on results most relevant to the future role while also complying with regulations and policies.

## Top Discrepancies



### High Frequency, Low Severity - optimize what you review:

Violations such as speeding, failure to stop/yield, defective equipment, and others, made up 88% of the discrepancies returned on MVR searches, but only resulted in client adverse adjudication 6% of the time.

### Low Frequency, High Severity - value-added reviews:

While only seen on 4% of discrepancies, 70% of candidates with adverse status such as license suspended or revoked, or classification status such as "state ID only" or "learner's permit," were adversely adjudicated by clients. When coupled with a violation, the rate rose to 90%.

### TIP!



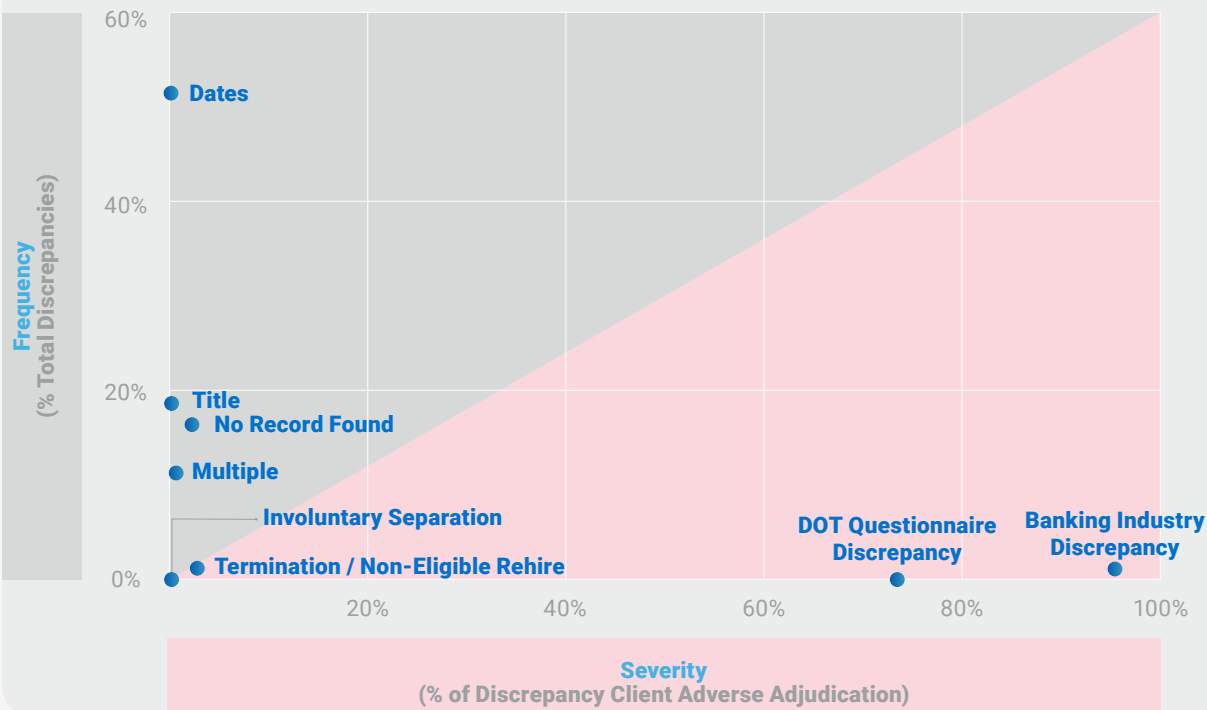
If a candidate's MVR results are unacceptable to your position standards, some clients increase their employee pool by redirecting them to non-driving positions.

# Employment Verifications

Dates are 51% of discrepancies, but rarely are adjudicated adversely by clients.

Employment verifications are performed to establish if a candidate has the required work experience claimed and to confirm information provided in their application, resume, or CV. Notably, transportation and banking clients use employment verifications to meet government and industry regulations.

## Top Discrepancies



### High Frequency, Low Severity - optimize what you review:

Date discrepancies dominate employment discrepancies at 51% of the total; however, only 0.4% of these were adversely adjudicated by the client. Similarly, title mismatches are also frequent, but only adversely adjudicated by clients 0.3% of the time.

### Low Frequency, High Severity - value-added reviews:

74% of discrepancies on the DOT questionnaire - often related to safety or substance violations - resulted in adverse adjudication by clients. Banking industry regulated reference discrepancies - often dates or job title - resulted in a 96% adverse client adjudication.

### TIP!



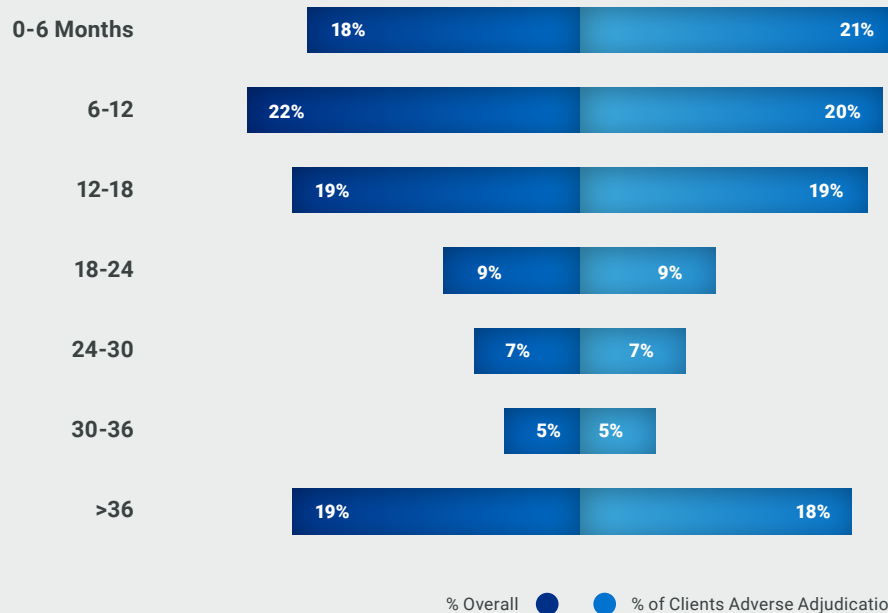
Many clients are using First Advantage automation to apply adjudication matrix rules that focus on discrepancies relevant to the candidate's future role.

# Employment Verifications

Larger date discrepancies aren't more likely to be adjudicated adversely by clients.

A check of employment dates remains central to many clients' screening programs. However, final adjudication data does not support these date discrepancies as a key factor in the ultimate hiring decision. While most clients are not prepared to eliminate dates from consideration entirely, many have optimized their adjudication matrices to allow more discrepancies to pass through.

## Employment Date Discrepancies



21%

### Did you know?

Candidates within the 0-6 month discrepancy band were the most likely to be adjudicated by clients adversely, at 21%.



### TIP!

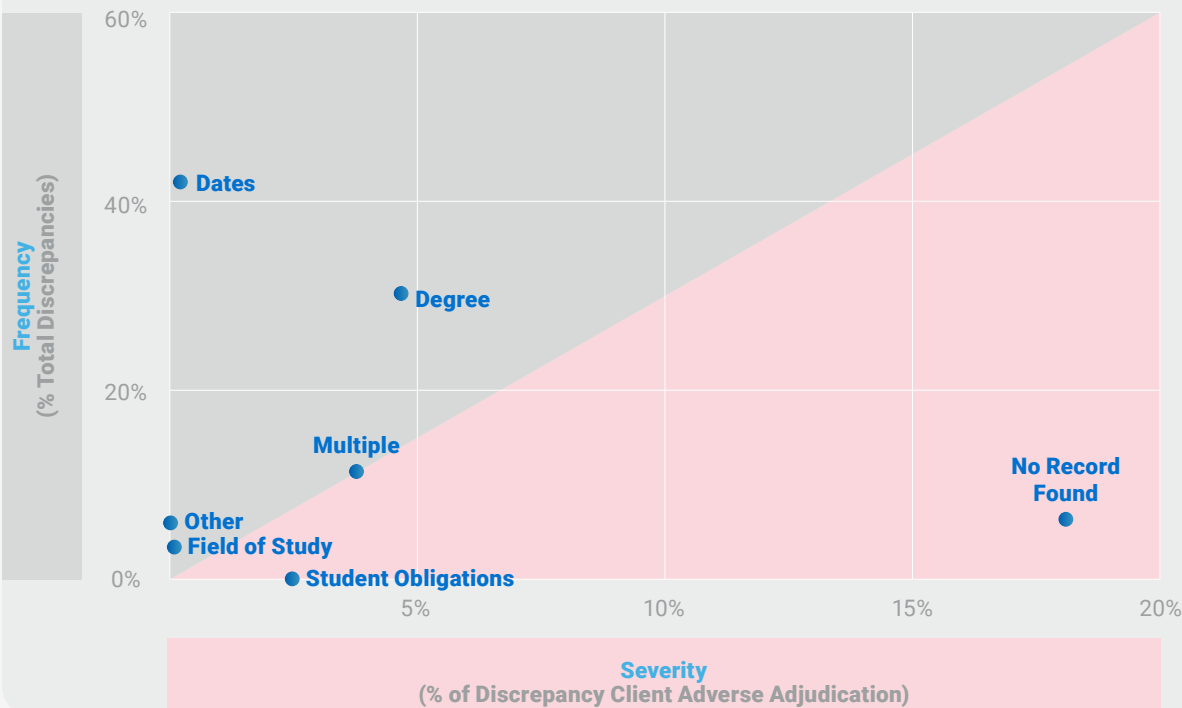
Level of date of discrepancy does not correlate to client adverse adjudication. Use First Advantage analytics to understand your adjudication of date discrepancies.

# Education Verifications

Dates are 42% of discrepancies, but rarely are adjudicated adversely by clients.

Education searches are generally used to validate that candidates have the education and degrees stated on an application, resume, or CV. In some industries, this acts as a basic qualifications check, whereas in others, such as technology or banking, this ensures a candidate has the requisite skills for their future role.

## Top Discrepancies



### High Frequency, Low Severity - optimize what you review:

Date discrepancies dominated at 42% but were rarely a reason to deny employment by clients with only 0.2% failing. This is largely due to candidates having accurate graduation dates, but inconsistent attendance dates. In fact, 78% of such candidates had matching graduation years and a further 16% were within one year.

### Low Frequency, High Severity - value-added reviews:

“No record found” had the highest client adverse adjudication at 18%. In some cases, this was due to candidates declaring they had a degree from an institution they did not attend. Similarly, degree discrepancies (think: a master’s degree versus a bachelor’s degree) straddled a middle ground, being both frequent – 30% of discrepancies – and also leading client adverse adjudication 5% of the time.

TIP!



Many clients have limited the importance of date comparisons.

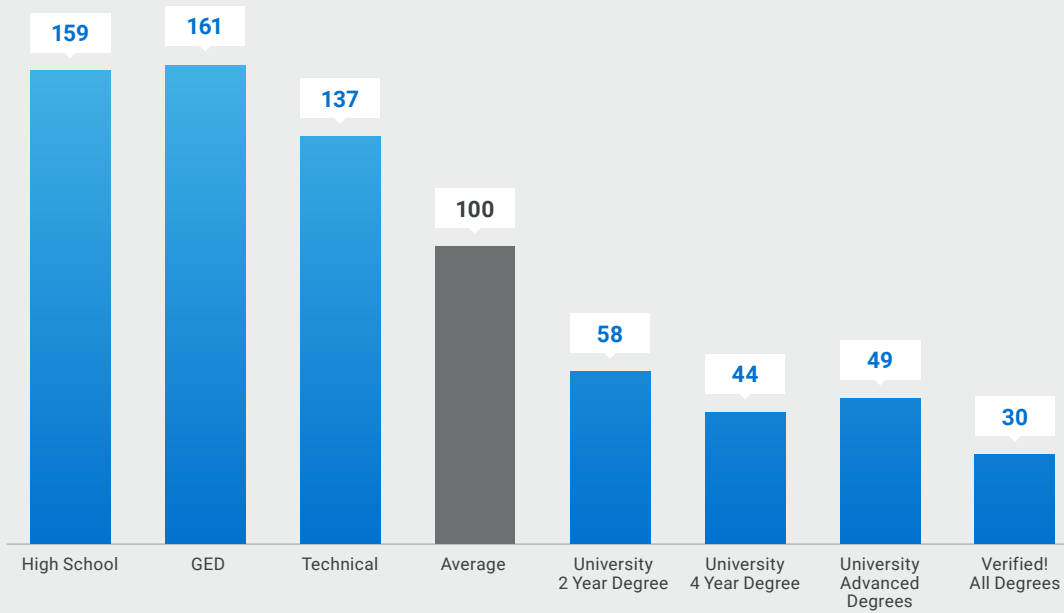
# Education Verifications

## Different degrees, different TATs.

University-level education verifications are highly automated, allowing for 2x to 4x faster turnaround times (TATs) than high school or GED verifications. The First Advantage Verified! capability enables employers to search a database comprised of previously completed employment and education records for a near-instant verification.

### 2022 Average TATs by Degree Type

(Indexed to base 100)



90%

35%

According to U.S. Census Bureau data, 90% of people over age 25 have attained a high school diploma or GED. In comparison, only 35% of people have attained a bachelor's degree. This implies the odds of a candidate misrepresenting the completion of a Bachelor's degree is much greater.



#### TIP!

Clients aim to balance risk, speed, and cost. In the case of high school education, the statistics show that the risk of misrepresentation is significantly lower while the time required to perform the check is much longer.

# Risk Exposure



# The Blind Turn When “known strangers” borrow your reputation



The last few years have seen an explosion of delivery and gig worker positions. To keep up with demand, some companies have started using the services of drivers with their own vehicles, often with a branded magnet on the side, and/or branded uniforms. These workers are your brand ambassadors, and can drive customer satisfaction like few other roles.

These individuals frequently work in and around customer homes, and when this happens, these “known strangers” borrow your organization’s reputation. Customers don’t think twice about giving them access to their homes or personal space in order to perform a vast range of tasks from installing dishwashers to delivering packages—all because of the credibility you’ve worked so hard to build.

When you allow others to borrow your reputation, you run the risk that it’s returned in worse condition. Crimes committed by these “known strangers” can directly damage the brand, credibility, and even the perceived safety of your business. For this reason and others, we urge our clients to proactively identify these “known stranger” positions and address any screening gaps.

This unique approach to background screening is all about reducing your risk exposure. At First Advantage, we’re always thinking ahead, searching for new ways to keep you ahead of emerging risk and intelligently adapt your screening program. We use our expert knowledge of the latest employment and hiring trends to configure tailored, next-gen solutions that fit your business model.

# Rising Reputational Searches

## Work is changing—your background screening should adapt.

Given the changing definition of work today, it's a good idea to review the various levels of worker positions within your organization to determine if you have any "known stranger" positions, and if so, optimize your screening levels to address the risk. A minimum background screening package for a "known stranger"—also appropriate for many types of gig workers—should include the following and accounts for most currently accepted risk factors:

- Social Security Number Verification
- County Criminal (Statewide, where appropriate)
- First Advantage National Criminal File Plus
- National Sex Offender Registry
- Position-specific requirements (e.g., MVR, employment/education verification)

↑ 40%

### Increase in sex offenders

Since 2019, we've seen a 1.5x growth in the use of the National Sex Offender Registry, resulting in an increase in reportable records of 40%.

Add-ons for organizations with increased risk exposure or an interest in future proofing their background screening program:

- An **Online Content Search** flags online activity that violates your company's code of conduct, including harassment, violent social media posts, and other potential "red flags," as well as positive activities such as volunteering and community support.
- **Criminal Monitoring** continuously monitors nationwide arrest records and provides notification when an employee or contractor has a new reportable court record – regardless of when they were initially screened.



# Rising Reputational Searches

Online content and reputational media searches are up.

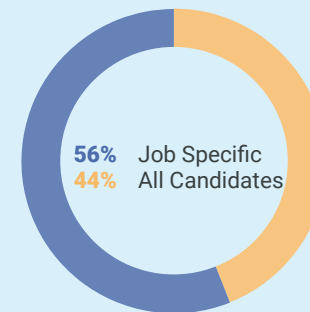
Employee misconduct is now front-page news, and often the first question asked in the court of public opinion is “should their employer have known?” An increasingly popular area of background screening research involves investigating a candidate’s publicly available online content and reputational media.

Since 2019, First Advantage doubled the number of online content (including social media) and reputational media searches performed for our clients. For those employers who use online content screening, they use it for all employees almost as often as they use it for targeted or high-risk positions.

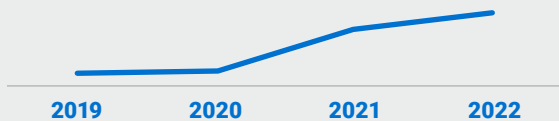
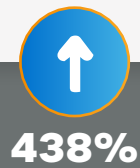
A few industries drove this growth both in the U.S. and globally: Business Services, Retail, and Transportation.

## Survey Says

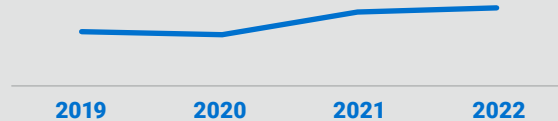
Does your social media screening apply to all candidates or is it job-specific?



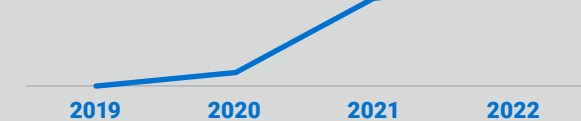
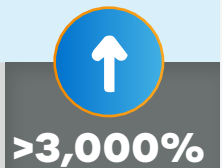
### Business Services



### Retail



### Transportation



# Online and Offline Employee Behaviors

## How can you ensure candidates align with your code of conduct?

Ubiquitous mobile Internet access, the saturation of social media into everyday life, and a shift toward computer-optimized interactions in everything from reservations to physical, in-person purchases has ensured that, for most of us, our digital presence is as revealing as our physical presence.

In this environment, the distinction between “online” and “offline” behavior evaporates, and a candidate’s behavior online is simply *their behavior*. Searching a candidate’s public online content history can help employers determine if a candidate habitually violates an employer’s code of conduct in ways that would endanger the company, customers, or other employees.

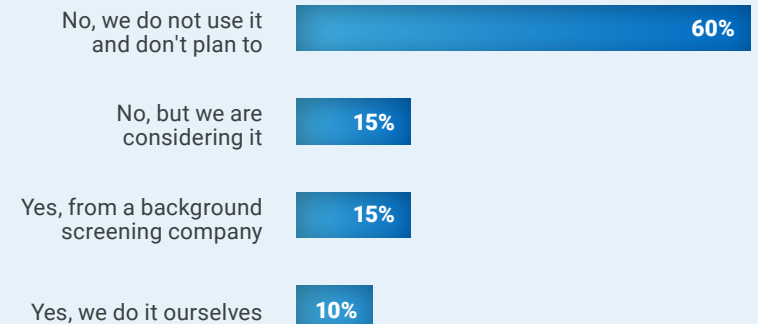
According to our recent customer survey, 75% of employers currently

do not use social media screening. However, some hiring professionals may unknowingly take a “quick peek” online which can shape their judgement of the candidate in incomplete ways. These quick peeks can potentially violate a candidate’s privacy rights or other applicable employment laws. When 21% of our clients have used social media information to make an employment decision, that distinction matters.

There are more than 500 million new Twitter posts every day, and that’s just one social media platform. The sheer profusion of available sources and material make it essential to have a technology-assisted, systematic, and FCRA-compliant method of identifying potential code-of-conduct violations online and applying criteria fairly across areas of potential concern.

### Survey Says

#### Does your company leverage social media screening?



Have you not offered a position or terminated an employee on the basis of information obtained from social media?

**79%** → **Said No**

# Regulatory & Compliance



# Keep It On Track: Fulfilling industry requirements shouldn't slow you down—it should drive you forward



Certain industries are subject to regulatory requirements for background screening. In these cases, background screening must be performed to specifications, well documented, and available for audit.

It can be a lot to manage on top of delivering on your core mission—be it healthcare, financial services, transportation, etc.—which is why it's critically important to work with an experienced provider like First Advantage. Not only do we offer a deep selection of specialized searches that fulfill specific requirements, we also offer dedicated industry-specific screening packages and consultative expertise to help you better understand the best screening strategy based on the size and scope of your business **and** what other businesses like yours are doing within the industry.

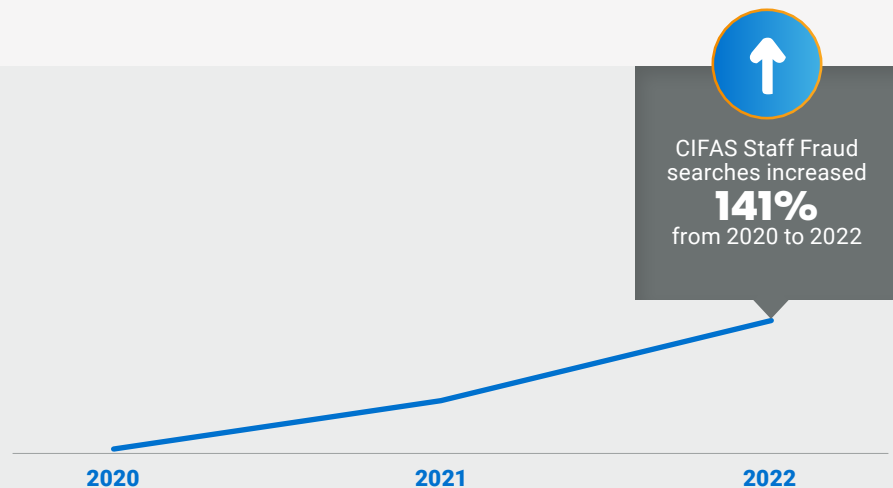
# Regulated Searches

## Make sure you pass inspection

According to the UK's Fraud Prevention Community known as the Credit Industry Fraud Avoidance System, or 'CIFAS':

*"Cases of fraud have continued to soar as the cost-of-living crisis pushes households to breaking point. In the first nine months of 2022, over 309,000 cases were recorded to the National Fraud Database, a 17% rise compared to last year. This also marks an 11% increase on pre-pandemic levels."*

Requests to conduct staff fraud searches on their candidates have increased by an eye-popping 141% in 2022, compared to 2021.



### What are Financial Regulated searches?

Financial Regulatory Check is a search of a specific database managed by an in-country regulatory authority. This search can reveal if an individual has any disciplinary action charged by the Financial Regulatory Body. As an example, the financial regulatory body of Singapore is the Monetary Authority of Singapore (MAS).

### Did you know?

In the world of international financial regulatory searches, a whopping 58% of our regulatory search volume in 2022 originates from Australia, followed by Singapore with 11%, and Hong Kong with 7% of the overall volume. The UK accounts for 2% of the overall volume.

# MVR Driving Records Monitoring

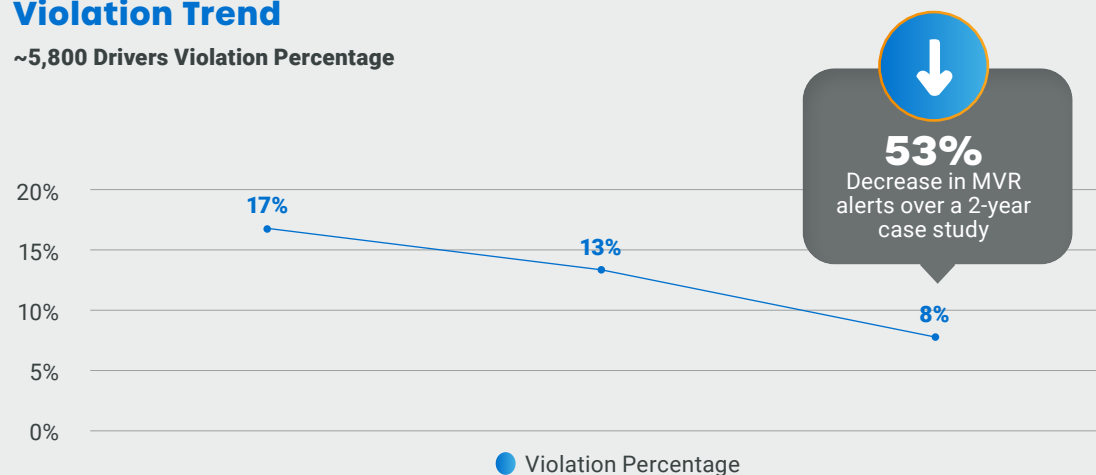
## Mitigating risk on our roads—and your brand.

Here's a simple fact: monitored drivers are more careful drivers. We performed an MVR driving records case study in which roughly 5,800 drivers were continuously monitored over a two-year period. It revealed a massive 53% drop in violation alerts during the study, with violation rates decreasing from 17% near the start to just 8% by the end.

The takeaway? If you're not already monitoring your drivers, it's a good idea to start.

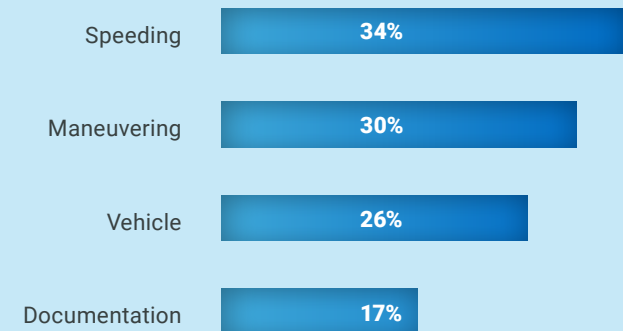
### Violation Trend

~5,800 Drivers Violation Percentage



### Incidence of Alerts Returned

Some candidates had more than one type



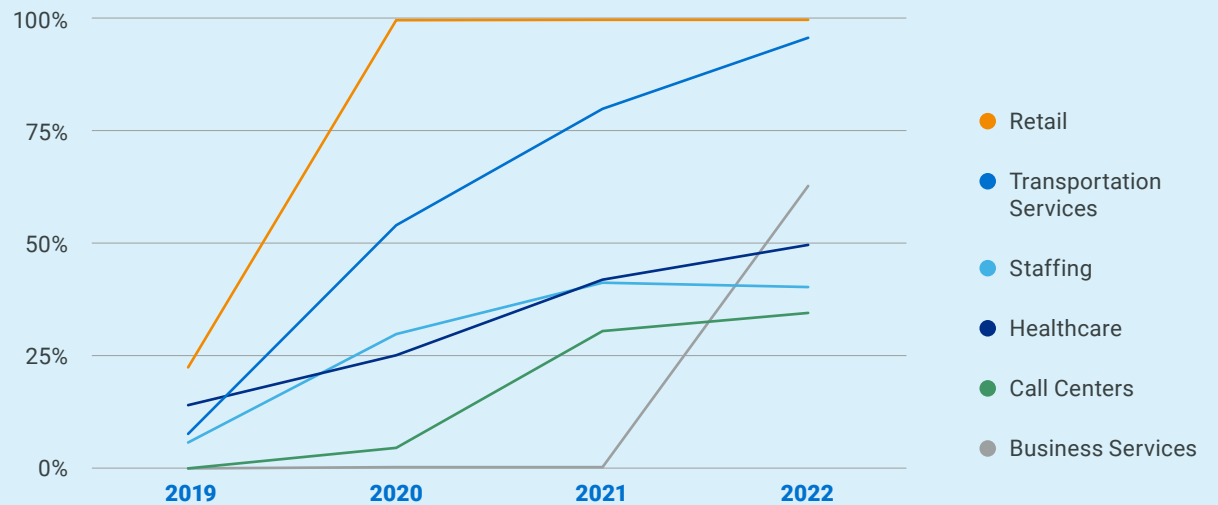
# Healthcare Screening

## HEAL™ on the floor, toe on the pedal.

Healthcare Exclusions, Actions, and Licensure (HEAL™) helps employers with U.S. government contracts build and maintain a compliant workforce by confirming if individuals are on exclusion lists and ensuring compliance with healthcare industry mandates.

Since its release, adoption has grown significantly as clients across several industries recognize the strength of the First Advantage product offering compared to traditional providers. For example, the First Advantage HEAL™ offering automates the monitoring of exclusions, sanctions, board actions and licensure. It also gives employers the flexibility to enroll by batch or single records and manage various levels of monitoring for different groups of employees.

### Adoption of HEAL™ by Industry



#### TIP!



Work with FA to identify the right level of HEAL™ screening for pre-employment or monitoring.

#### Speed Focus:

Retail and Transportation clients that use these types of searches, reached nearly 100% adoption of HEAL™. Amidst the accelerating race for talent, they have leveraged the faster turnaround time and reliable uptime of HEAL™.

#### Compliance Focus:

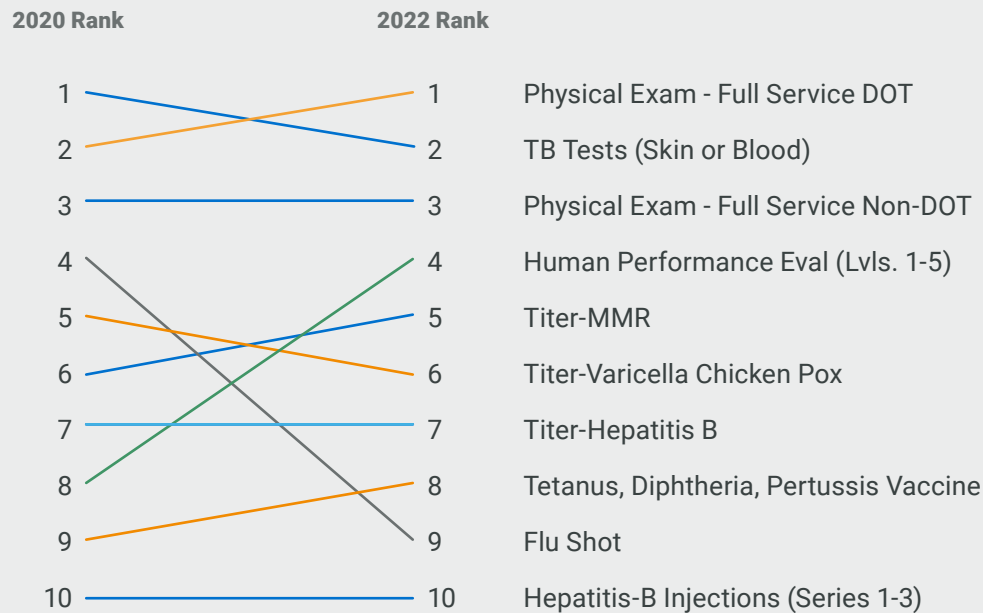
Healthcare is a highly regulated and risk-averse industry where displacing an incumbent process is not taken lightly. As a testament to HEAL's™ comprehensive data sources, this industry reached 50% adoption in 2022.

# Medical Services

## Increasing utilization in a shifting landscape.

Since 2019, First Advantage medical services has seen 110% growth due to several factors. Amid the COVID-19 pandemic, clients sought to limit candidate exposure to clinics by coupling visits for medical services with drug screening. Many also sought to consolidate their entire pre- and post-hire candidate screening programs under a single provider. And last, regulated industries such as Transportation also experienced a tidal wave of hiring to meet soaring consumer demand.

### Change in Rank - Top 10 Medical Services



**Transportation and warehouse** positions drove much of the growth with DOT Physicals rising to the most common medical service. Non-DOT Physicals remained at number three, and Human Performance Evaluations rose to the number four spot in 2022.

**Flu Shots**, while still very common, declined five positions to number nine. This may reflect a changing landscape – fewer in-office positions, increased likelihood of coupling with a COVID-19 vaccine, or general vaccine fatigue.

**Healthcare** positions continued driving titers and vaccinations to keep their employees and patients safe.



#### TIP!

With well over 100 available medical services, consider how First Advantage can help manage your compliance with government regulations and company policies.



# Wellness



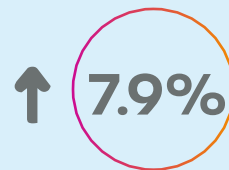
# Keeping the Engine Clean: Modernize your substance abuse program



The drug screening landscape is changing quickly. Local and state laws are continuously evolving regarding the legalized use of cannabis. Thirty-seven states have legalized medical use of marijuana, while 21 states (plus the District of Columbia) have legalized recreational use.

But the recent rise in abuse of synthetic opioids has become the headline. In particular, the latest threat is coming from the deadly drug, fentanyl. You can bet if these drugs are impacting society, they're impacting your workplace.

At First Advantage, our drug screening solutions integrate the latest digital technology, process automation and screening approaches, along with consultative support from a team of industry experts to help employers create modern substance abuse screening programs. We work closely with our clients to regularly evaluate the efficacy and appropriateness of drug screening panels and programs to help them remain agile in a constantly shifting environment.



From 2021 to 2022 our clients increased their volume of drug screens by 7.9%

# Drug Screen Results

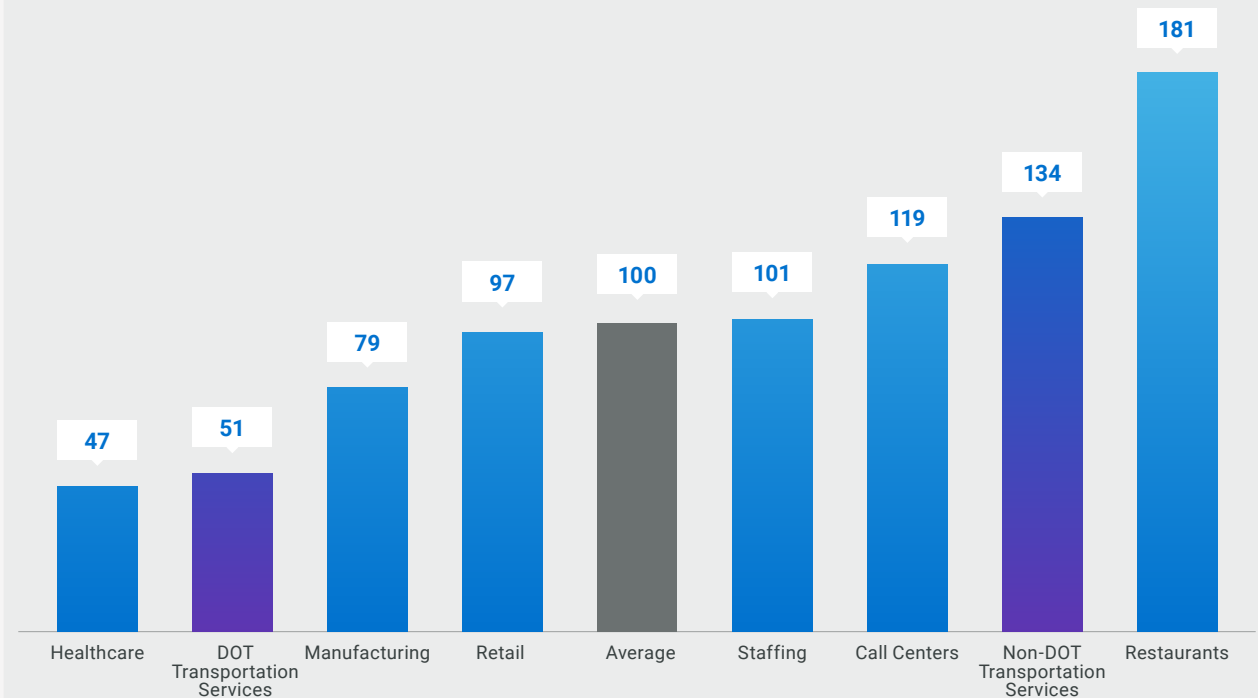
## Industry variation, explained.

Some industries drug screen all employees, others rarely screen. Some are required by regulators to perform drug screen, while many aren't. And for some industries, the repercussions of on-the-job substance abuse are far more punitive, professionally, than others. Because of these and other factors, drug screen Medical Review Officer (MRO) positivity rates understandably differ by industry, and sometimes even within an industry, based on DOT regulations.

If we consider an average index of 100 across all industries that perform drug screens, we see that subjects from the restaurant industry screen MRO-Positive at almost twice the rate of all candidates (index of 181). On the other hand, healthcare industry subjects screen at less than half the average MRO positivity rate (index of 47).

DOT-regulated subjects in the transportation sector screen MRO-positive at almost twice the rate of all candidates (index of 181). On the other hand, healthcare industry subjects screen at less than half the average MRO positivity rate (index of 47).

### Drug MRO Positivity Index

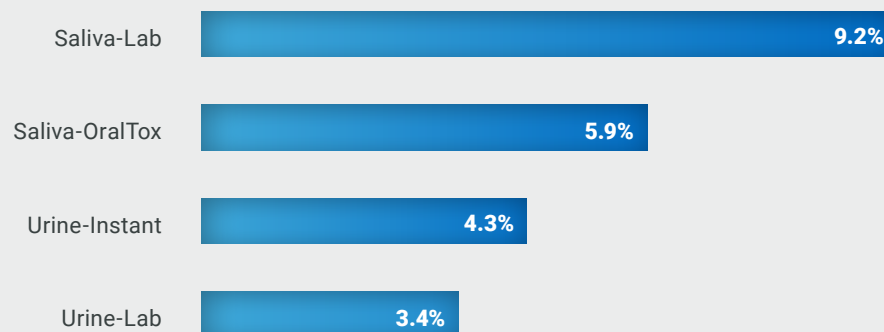


# The Frontrunner: Saliva-based Drug Screens

## Lapping traditional urine-based screens.

Lab-based saliva, also known as oral fluid, screens out-performed all other screening types in terms of MRO positivity rates in 2022. These screens are typically administered during an interview or mass hiring event—which happened a lot in 2022 due to the tight labor market—and then sent to the lab for processing. They are effective at mitigating cheating tactics associated with urine-based drug screens performed at collection sites. Lab-based saliva screens are the preferred solution for clients who want to mitigate risks associated with drug use by their employees.

### 2022 MRO Positivity Rate by Type of Drug Screen



#### Hire faster, with confidence.

First Advantage is innovating saliva-based screening with OralTox, an instant saliva screen. You get instant results for negative screens to speed up turnaround times for most candidates from days to minutes.

Inconclusive results are sent to a lab for additional screening. If the results are MRO-positive, the candidate is contacted by a Medical Review Officer. Yet even for this subset of candidates, the average turnaround time for results was still remarkably fast—just 1.3 days.

OralTox screens are favored by clients who want a faster time-to-hire without compromising their risk mitigation strategy.



#### TIP!

Consider saliva-based drug screening for Non-DOT positions for fast turn around time.

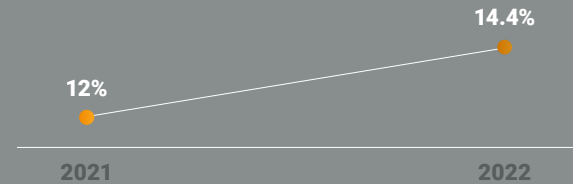
# Saliva-based Screening is the Future

## The data confirm it.

The annual employer survey, Drugs At Work, performed by Current Consulting Group, clearly points to the future of drug screening. It includes feedback from employers of all sizes across the country and offers a highly representative sample of what's happening in the American workplace.

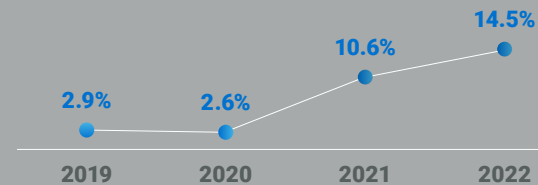
In 2022, the survey revealed a surging 20% increase in employer adoption of instant saliva-based screening, within just one year. Likewise, the annual drug screening metrics from First Advantage clients support this trend, reflecting an enormous 37% one-year jump in the use of this kind of screening.

### Current Consulting Group Survey Says



In 2022, employers who responded to the Current Consulting Group's Annual Drug Testing Survey, have increased adoption of instant oral fluid screening by 20% compared to 2021.

### Percentage of Instant Oral Fluid Screens Since 2019



First Advantage customers are well aligned with this trend. Customers increased adoption of OralTox and other saliva-based screens by 37% from 2021 to 2022.

# DOT Drug Regulations

## A difference maker, and a game changer.

It makes sense that drivers who are susceptible to random DOT-regulated drug screening are more likely to abstain from on-the-job substance abuse. In turn, they're more likely to produce fewer MRO-positive drug screens. Until recently, this has been a clear difference maker, as DOT-regulated drivers tested MRO-positive less than half as often as non-regulated drivers.

However, since 2020, we have seen a slight reversal in the MRO positivity drug screen rate when comparing DOT to Non-DOT clients. Interestingly, DOT MRO-positive drug screens increased by 22% since 2020, while Non-DOT MRO-positive drug screens decreased by 14%.

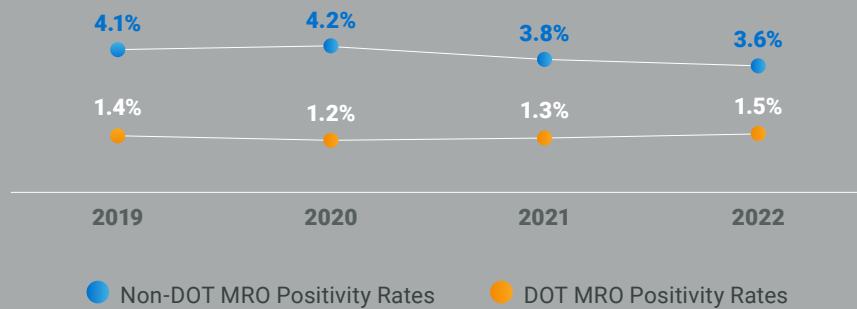
This trend may be partially driven by the reduction in overall marijuana screens administered by Non-DOT clients. Marijuana is the most commonly found substance in drug screens.

**Also, look out for a game-changing DOT rule change.** Dr. Josephine Kenney, Chief Compliance Officer for First Advantage, points out that:

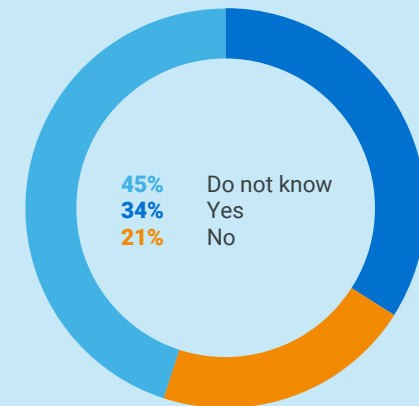
*"Employers governed by DOT regulations should keep an eye on the proposed changes to the DOT drug testing program regulations. The DOT may green light the use of oral fluid testing to combat employee cheating and provide a less expensive and less intrusive option to employers. First Advantage has extensive experience with Non-DOT customers using oral fluid testing and can help you make this transition if needed."*

According to the Current Consulting Group Annual Employer Drug Testing Survey, the market seems ready for the rule change. If the DOT adds lab-based oral fluid as an accepted testing specimen, 34% of its survey respondents say they will likely add it to their drug testing program.

DOT DRUG SCREEN MRO POSITIVITY RATES VS. NON-DOT



If the DOT adds lab-based oral fluid as an accepted testing specimen, are you likely to add it to your drug testing program?



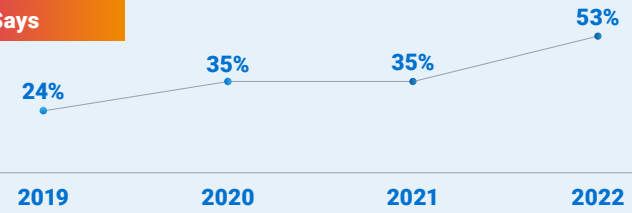
# Marijuana Screening Trends

It's still popular but some employers are open to MRO-positive results.

The most common standard 5-drug panel screens includes marijuana, cocaine, amphetamines, opiates, and PCP. Other employer-specific drug panels may include more substances. Regardless, Marijuana reigns as the number one substance found in drug screens for the last four years.

However, marijuana MRO positivity rates are decreasing as a percentage of all MRO-positive screens in part because some clients have reduced the number of marijuana screens. And as marijuana screens decrease, we are seeing an increase in cocaine and amphetamine MRO-positives.

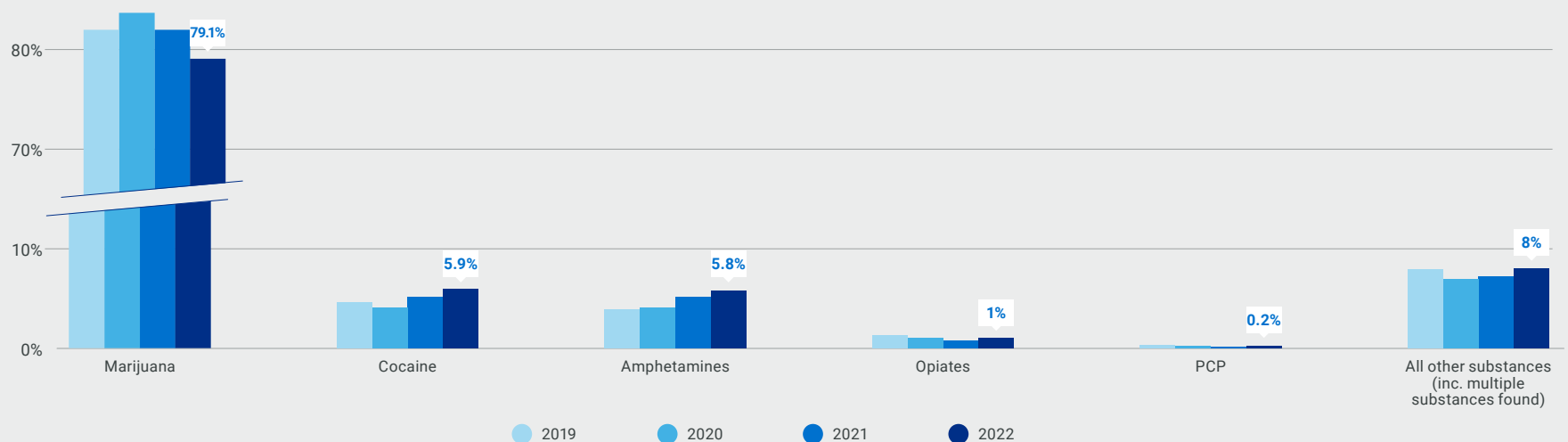
## Survey Says



### Employers seem to be more accepting of marijuana use

Since 2019, the percentage of our annual trends survey respondents who say that the presence of marijuana in a drug screen result does not result in an automatic disqualification from the company has more than doubled.

## MRO Positivity Rates by Drug in 2022



# Marijuana Legalization

## Keeping up with evolving marijuana laws.

In 2022 city and state laws shifted around the possession and consumption of marijuana. Though Federal laws supersede these, some employers began to make changes to their marijuana screening practices and policies for job applicants.

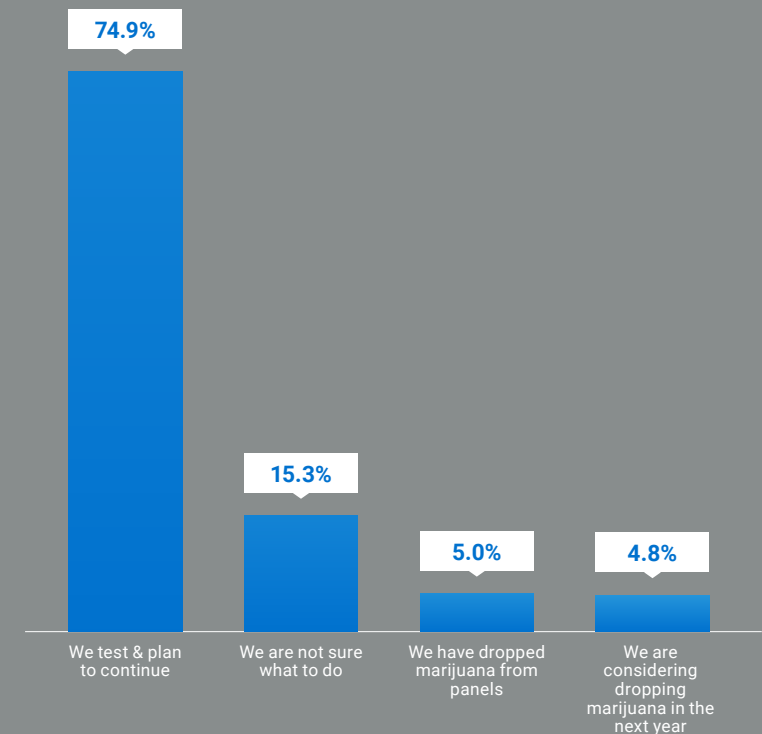
Post-accident and reasonable cause drug screening policies remained largely unchanged, and DOT drug screens still require screens for marijuana. But where employer policies did change, they tended to fall into one of four buckets:

1. Removal of pre-employment marijuana screening altogether.
2. Removal of pre-employment marijuana screening in select markets such as New York and Nevada.
3. Recreational marijuana directives that consider MRO-positive marijuana screens acceptable in jurisdictions with legal recreational marijuana.
4. Medical marijuana directives that consider MRO-positive marijuana screens acceptable where candidates can provide medical marijuana prescription information to a First Advantage MRO.

As the legal landscape around marijuana continues to change, you may want to have proactive discussions with your legal counsel about your organization's policies and consider factors such as negligent hiring and social justice and equity in any changes you make.

### Current Consulting Group Survey Says

While some policy and attitudinal changes are occurring, most employers responding to the Current Consulting Group's Annual Drug Testing Industry Survey are not planning any changes to their marijuana testing policies.





# Fentanyl

## In the news, but *not* in the screening panels.

Fentanyl is a synthetic opioid up to 100 times more potent than morphine. It played a leading role in the more than 107,000 U.S. drug overdose deaths in 2021, according to the [American Medical Association](#).

According to Dr. Abe Hammell, Chief Medical Officer at First Advantage:

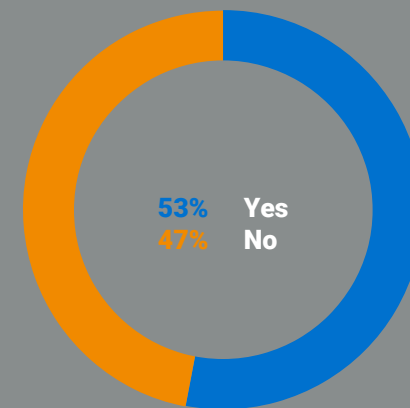
*"Fentanyl is more popular now and continuing to trend upward in usage. It is, in all practicality, a substitute for heroin where it was once an additive. Fentanyl has grown to be a larger risk than heroin in many areas of the country."*

But, when Current Consulting Group's Drug Testing Survey respondents were asked, "Regarding Fentanyl, did you know that it is typically not included in a drug test panel that includes opioids?" their response was surprising. Nearly half, 47%, were **not aware** that fentanyl is not normally included in a drug testing panel with opioids.

Employers who are concerned about fentanyl use and its potential impact on employees and the workplace should consider amending their drug screening policy to include fentanyl testing.

### Current Consulting Group Survey Says

Regarding Fentanyl, did you know that it is typically not included in a drug test panel that includes opioids?



#### TIP!

It's time to reevaluate your drug panels to make sure your drug screening program is keeping up with new drug use trends.

# Screening Around **the World**



# Full throttle: Expand your screening program to cover *wherever* candidates have lived and worked.



Soaring workforce mobility and remote work have increased the global talent pool available to employers. Yet, with global hiring comes the challenge of performing international background checks in multiple countries, jurisdictions and regions that are all different. A search that's permissible in the U.S. might not be allowed in Singapore. The type of criminal record data available in Canada might not exist in Laos or Uganda.

Employers need an experienced provider they can trust and rely on to intelligently guide them through the obstacle course of restrictions, regulations, available searches, local customs, political unrest, natural disasters, and other thorny issues regularly encountered when screening abroad.

At First Advantage, we offer unrivaled global screening expertise with screening offices in 19 countries, and the ability to perform background checks in more than 200 countries and territories. First Advantage only offers searches that are permissible within the specified jurisdiction and ensures that all required fields and forms are complete prior to submitting a global search request. No matter where your candidates have lived or worked, we can help you Hire Smarter, and Onboard Faster.

# Global Screening Overview

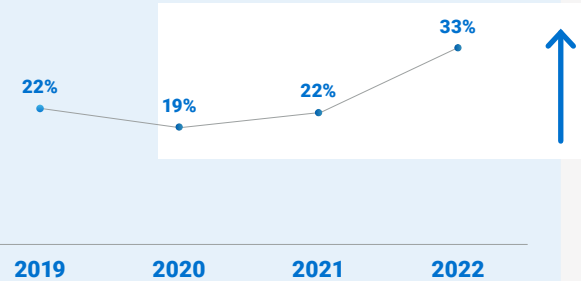
If your workforce is global, your screens should be too.

After a decline in 2020, which was likely due to the global pandemic, 33% of our annual trends survey respondents are seeing an overall increase in the number of employees who have lived or worked in multiple countries.

Nearly half of our survey respondents run background checks outside of North America because they have locations outside of the region, or their candidates have lived or worked elsewhere in the world.

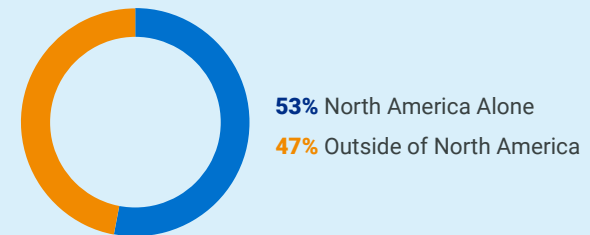
## Survey Says

FA clients seeing an increase in number of employees who have lived or worked in multiple countries



## Survey Says

Proportion of clients with background checks outside North America





# Check points around the world

## Island countries emerge among First Advantage screens

It was a busy year for background checks in island countries, as 62% of these nations saw an increase in the number of background checks performed in 2022.

- Five of the top 10 countries with the most background checks were island countries.

- **Indonesia** led the way with the highest growth in gross volume, more than tripling its 2021 volume.

- **The Philippines** and **Singapore** more than doubled their background checks since 2019.

- Background checks in the **UK** increased by 36% in 2022.



## Onshoring and nearshoring impacts screening volumes

Onshoring describes the relocation of business operations within domestic borders. Nearshoring describes the relocation of business activities to a nearby country to benefit from proximity, similar time zones, culture, or shared language.

Onshoring and nearshoring trends had a notable impact on background check volumes. More than 75% of countries in the Americas increased their background check volumes.

- The **U.S.** and **Canada** led the way in gross volume.

- **Jamaica** continued its explosive growth, up twelvefold since 2019 and 84% in 2022.

- **Eight Caribbean islands** increased their background check volume at least ten-fold in 2022.

- The nearshoring trend is also seen in Europe where countries like **Portugal, Romania,** and **Poland** all saw double-digit growth in background check volumes.

# Going **Forward**



# Use Rear-View Mirror Insights to Win the Race for Talent

Go forward with a leaner more candidate-friendly approach to background screening.

In hiring and background screening, as in most other things, it pays to reflect on lessons learned and advances over time. Especially during periods of widespread change, as in recent years. It's why—for three years in a row—we've compiled this collection of annual feedback and statistics and share it with our valued clients.

## Priority 1: Risk mitigation



- Many clients are using developed names and addresses within their criminal records search to find additional criminal records.
- Criminal record and driving monitoring are becoming increasingly popular. This may not be appropriate for every position, but for those in high-risk roles or with driving responsibilities it's worth considering.
- Clients are considering reviewing the screening programs associated with all workers representing their brand, including "known strangers" and gig workers – pre- and post-employment. Consider using a dedicated background screening package for these types of workers.
- Traditional 5-panel screens do not include one of the deadliest drugs on the streets today: fentanyl. If this is a concern for your organization, work with First Advantage to add it to your program.

## Priority 2: Speed



- Evaluate the use of statewide criminal checks in areas where you can supplement your program.
- Everything is going mobile and companies with mobile enabled access have a competitive advantage in hiring candidates faster.
- More and more Non-DOT clients are adopting the use of instant oral-fluid drug screen. Since it can be administered on the spot, you can get negative results in minutes. Non-negative results undergo review by a trained MRO to ensure result quality, but even those results are returned on average in 1.3 days.

## Priority 3: Cost



- Mitigating risk can save money in the long run because background screening is strategic investment in your employees and larger workforce that can pay big dividends over time. For instance, verifying that candidates have the right skills and experience may improve productivity.
- Consider the costs involved in managing multiple vendors. By consolidating with First Advantage, you unlock the potential of streamlining processes and costs.
- Don't forget about Work Opportunity Tax Credits (WOTC) along with other tax credits and incentives that can be a source of cost savings. Depending on the size of your business, we're talking anywhere from thousands of dollars to hundreds of thousands, or more. And figuring out what you're due doesn't have to be a burden that requires extra resources. Instead, consider an integrated tax credit solution that can batch process employee lists to automatically identify and process tax credits and incentives using information collected during the background screening process.



At First Advantage, we're here to help. Get in touch any time to discuss the ideas and solutions included in this report.

**Hire Smarter.  
Onboard Faster.™**

For more information,  
contact First Advantage today:

Call: +1-844-717-0510

Email: [solutions@fadv.com](mailto:solutions@fadv.com)

Visit: [fadv.com](http://fadv.com)

