



## HIRING THE BEST TALENT IN THE RETAIL INDUSTRY

A WHITE PAPER FROM FIRST ADVANTAGE

BEST PRACTICES FOR EMPLOYMENT SCREENING FOR RETAILERS

INFORMATION YOU NEED. PEOPLE YOU CAN TRUST.

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**First Advantage**

A Symphony Technology Group Company

# Retailers today face unique risks that have a common denominator.

Across the retail industry, businesses large and small are leveraging new data and technologies to reach more customers, move more inventory and minimize risk—both in stores and online. Yet despite the advances of modern technology, industry-specific threats in the form of inventory shrink and customer data breaches continue to be big problems that are costing retailers billions of dollars each year.

Shrink alone cost North American retailers an estimated \$42 billion in 2013-2014, according to the [2014 Global Retail Theft Barometer Study](#).<sup>1</sup> Likewise, the average total cost of a data breach increased 15 percent to \$3.5 million for companies participating in the ninth annual [Cost of a Data Breach Study: Global Study](#), released by IBM and the Ponemon Institute in 2014.<sup>2</sup> What's more, U.S. companies participating in the study reported the highest total cost at \$5.85 million, and the second highest cost-per-record at \$195.<sup>3</sup>

**Common denominators in these high-profile issues are employees.** While they're not the sole drivers of risk, employees are responsible for a significant number of incidents pertaining to shrink and data breaches. Consider these statistics:

- Employee theft is the leading cause of retail shrink in the U.S., ranking at 42.9 percent, ahead of shoplifting at 37.4 percent.<sup>4</sup>
- Dishonest employees and those involved in fraudulent activities were responsible for \$18.01 billion (by value) of shrinkage.<sup>5</sup>
- Despite accounting for nearly 3 percent of all non-public sector data security incidents, the retail industry represented almost 11 percent of all non-public incidents with confirmed data loss.<sup>6</sup>
- The root cause of the data breach 15 percent of the time was a trusted insider with malicious intent according to the Ponemon Institute.<sup>7</sup> Another survey put that figure even higher, finding that 21 percent of cyber-crimes were committed by insiders. In addition, 43 percent of respondents to that survey had experienced at least one malicious, deliberate insider incident in the previous year.<sup>8</sup>

- Insider misuse by trusted parties accounted for 8 percent of all security incidents and 18 percent of all incidents in 2013.<sup>9</sup>
  - 23 percent of the time, the insider was a cashier
  - 13 percent of the time, the insider was in finance or a manager
  - 9 percent of the time, the insider was in a call center
  - 7 percent of the time, the insider was actually considered an executive<sup>10</sup>

**Drug abuse is another concern in retail.** Since retail employees are often the 'face' of the business, those who are working while impaired by drugs or alcohol can substantially degrade the customer experience, and even pose health or safety hazards to customers and other employees. According to the 2013 National Survey on Drug Use and Health (NSDUH), nearly 69 percent of the 22.4 million current illicit drug users aged 18 or older in 2013 were employed either full or part time.<sup>11</sup> What's more, alcohol and drug abuse can also result in increased tardiness and absenteeism, decreased productivity and poor workplace morale—all of which can negatively impact operating costs and profitability.

**Pre-employment background screening can help reduce these risks to your retail organization.** In fact, the highly regarded [CERT® Program](#), part of Carnegie Mellon University's Software Engineering Institute, recommends using the hiring process as a starting point for mitigating insider threats.

"Organizations implement security mechanisms such as firewalls, intrusion detection systems, and electronic building access systems primarily to defend against external threats. Insiders, however, are not only aware of their organization's policies, procedures, and technology: they are often also aware of their vulnerabilities, such as loosely enforced policies and procedures, or exploitable technical flaws in networks or systems."<sup>12</sup>

—Common Sense Guide to Mitigating Insider Threats  
4th Edition, CERT® Program

Insiders can include employees, contractors, subcontractors and others with access to systems, services or information.

HERE'S HOW TO PROTECT AGAINST RETAIL-SPECIFIC RISKS, AND HIRE THE BEST TALENT.

**For starters, always work with a trusted employment screening provider** to create an industry-specific, best-in-class screening program that helps you hire and retain the best retail employees and contingent workforce.

An efficient, comprehensive employment screening process can, above all else, help to mitigate potential workplace risks related to physical safety, financial exposures, organizational image or reputation.

But, apart from mitigating risk, a qualified screening provider can also address other industry issues beyond shrink and data security. Things like minimizing workforce churn, creating job-related screening packages and managing contractor compliance are also benefits of a good screening provider. This can involve building a new program from the ground up, or adjusting an existing hiring and screening process to: 1) facilitate fast, scalable and consistent background screening across one or more locations by using advanced screening platforms, technologies and workflow automation; and 2) create a "world class candidate experience" that helps you attract and quickly hire the highest quality of retail employees.

**Advanced screening technology benefits retailers in numerous ways.** First, you can accomplish much more using fewer resources. For instance, instead of using administrative staff to manage stacks of paper applications—this can include making copies and retyping handwritten data into an electronic system—candidates can enter their own information directly into an integrated hiring and screening platform that will automatically use the candidate's data to pre-populate a background screening request. This saves time, requires fewer internal resources to perform data entry and improves the integrity of your candidate data by minimizing manual retyping errors.

According to the 2013 National Survey on Drug Use and Health (NSDUH), nearly 69 percent of the 22.4 million current illicit drug users aged 18 or older in 2013 were employed either full or part time.



### WHILE NOT SOLELY RESPONSIBLE, EMPLOYEES ARE RESPONSIBLE FOR A SIGNIFICANT NUMBER OF THEFT AND DATA BREACH INCIDENTS:

- Employee theft is the leading cause of retail shrink in the U.S., ranking at 42.9 percent, ahead of shoplifting at 37.4 percent.<sup>4</sup>
- Dishonest employees and those involved in fraudulent activities were responsible for \$18.01 billion (by value) of shrinkage.<sup>5</sup>
- One survey found that data breaches were committed by trusted insiders 15 percent of the time while another study indicated that 21 percent of cyber-crimes were committed by insiders.

What's more, by making it easier for candidates to interact with your organization, you automatically create a positive candidate experience. As young workers flood into the global retail talent pool, you can differentiate your organization with an electronic, online or mobile hiring process that aligns with their high-tech expectations. Sophisticated technologies such as applicant tracking systems, online applications and mobile smart phone apps enable candidates to quickly and easily search for and find career opportunities via the Internet and submit job applications and resumes online from the convenience of their homes. Apart from making your organization an attractive option for job candidates, this allows you to:

- Accelerate your hiring process
- Reduce your paperwork-related hassles and expenses
- Quickly hire the best talent before they accept an offer from another retailer

**In retail, prescreening is a must.** It simplifies your hiring process by allowing applicants to predetermine their eligibility ahead of time. Clearly communicate to potential applicants what items and prerequisites are needed to properly qualify for employment (based on the position). It helps to streamline the application review and interviewing processes, which saves time and accelerates hiring. Below is an example of information that would be needed in the application process for a cashier.

**Example 1**

Position: Cashier

Qualifier: Applicant must have a valid driver’s license.

Applicant must have a Social Security card.

Applicant must be at least 18 years old.

Applicant must be able to work weekends.

**Another big must:** quick result turnaround. Retail is fast-paced and when seasonal hiring ramps up, you need answers—fast. By updating manual tasks and processes with instant searches and automation, you can move more efficiently through the hiring process.

As a result, more retailers are integrating instant and automated employment screening products into the hiring process to gain a competitive edge when it comes to quickly hiring candidates.

- Instant searches accelerate hiring by quickly confirming or validating basic information, such as a Social Security number or name and address history.
- Automated searches speed up screening by providing electronic delivery of process updates and results, eliminating time delays often associated with manual follow-up on important screening components such as employment or education verifications.

**Program scalability is critical to future success.** To keep pace with market trends impacting large retail businesses such as global expansion and corporate mergers, retailers must build scalability into their employment screening process. This helps ensure you have the capacity to handle sudden spikes in search volume, such as seasonal holiday hiring or post-acquisition onboarding, when newly acquired employees must be rescreened by the parent firm.

Beyond capacity, scalability also helps ensure program optimization. As firms expand into global markets, a truly scalable process can accommodate both domestic and international screening to help maximize efficiencies. The same principle applies to other services such as drug testing. By working with one provider for all screening services, you can potentially increase your buying power and minimize screening and accounting hassles.

**Compliance is also crucial.** Retail employers should understand the impact that local, state and federal laws have on hiring and employment screening processes. The most prominent legislation that employers across all U.S.-based industries must abide by is the Fair Credit Reporting Act (FCRA). Making sure that your employment screening provider offers an FCRA-governed solution can help you easily meet this federal requirement. In addition, always consult with legal counsel regarding local state and federal laws, and related employment law matters.

Best Practice Features	Benefit
World Class Candidate Experience	<ul style="list-style-type: none"> <li>• Automation = Attract more candidates</li> <li>• Simplicity = Best experience for a good candidate pool</li> <li>• Process = Simple process speeds your hiring</li> </ul>
Better Customer Experience	<ul style="list-style-type: none"> <li>• Safety = Selecting the best candidates helps create a safe environment for your customers</li> </ul>
Improved User Experience	<ul style="list-style-type: none"> <li>• Smart System = Intuitive interface</li> <li>• Data = Logical data presentation</li> <li>• Flexibility of System = User controlled settings and multiple user profiles</li> <li>• Hiring = Minimizes risk of investing in the wrong candidate</li> </ul>
Quick Turnaround	<ul style="list-style-type: none"> <li>• Faster results = Faster hiring decisions</li> <li>• Competitive edge = Hire the best employees</li> </ul>
Scalability	<ul style="list-style-type: none"> <li>• Merger/Acquisitions = Quickly screen new candidates</li> <li>• Evolving business = Easily expand your program</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>• Helps meet FCRA compliance</li> <li>• Helps meet State compliance</li> <li>• Helps meet international laws and regulations</li> </ul>
Add to Your Bottom Line	<ul style="list-style-type: none"> <li>• Reduce fraud = Reduce internal theft</li> </ul>
Reduced Overall Risk	<ul style="list-style-type: none"> <li>• Protect your brand = Promote a safe workplace</li> <li>• Lower your risk = Physical, financial and legal</li> </ul>

## IMPLEMENTING A RECOMMENDED EMPLOYMENT SCREENING PACKAGE

The following four-step process provides a high-level overview of general areas that should be addressed in a retail-based employment screening process.

**Step 1. Determine initial candidate communication** – When your candidates submit their applications, resumes or other required pre-employment forms via the Web, it is important to determine the most efficient method of communicating with these people. This is your first chance to make an impression as a potential employer. This eases the burden on your Human Resources staff because they only work within one system.

- If you currently use a Human Resource Information System (HRIS) or Applicant Tracking System (ATS), it is recommended that you work with an employment screening provider that can integrate background screening products into your application. This eases the burden on your Human Resources staff because they only work within one system.
- If you're not currently using an HRIS or ATS, contact your current or prospective employment screening provider to

inquire if a solution is available. Otherwise, be sure you are working with a provider who can provide electronic, Web-based services.

**Step 2. Choose your screening components** – The following screening packages include specially selected components based on positions that are specific to the retail industry. These recommendations are based on your risk tolerance associated with:

- Access to sensitive company or customer information, such as handling cash and credit cards.
- Responsibility (direct or indirect) for the safety and welfare of others.
- Control over public perception, brand reputation and/or investor satisfaction (primarily C-level positions).

The packages below are best practices recommendations only. Individual employers should always consult with in-house legal counsel and internal teams such as HR, compliance, security and loss prevention when creating screening packages and building a screening program to determine what is most appropriate for their particular circumstance or situation.

Checks for Non-Key Holders	Checks for Key Holders	Checks for Executive Level
Non-Key Holders: Greeters, Janitors, Sales Associates, Freight Team, Backroom and Warehouse Team	Key Holders: Cashiers, Managers, Loss Prevention, Department/Assistant Managers, Designer	Executive Level: Executive/Corporate Staff
For Pre-Employment, Promotion	For Pre-Employment, Promotion	For Pre-Employment, Promotion
Background Components	Background Components	Background Components
Social Security Number Verification	Social Security Number Verification	Social Security Number Verification
		Employment Verification (five years)
		Education Verification (Highest Degree)
		Credit Check
National Criminal File Search	National Criminal File Search	National Criminal File Search
Felony Including Misdemeanor: Current county - seven years	Felony Including Misdemeanor: Current county - seven years MVR (only applicable to positions with driving responsibilities)*	Felony Including Misdemeanor: Two counties - seven years MVR (For Fleet Drivers)
Web-based Employment Eligibility Verification Services (I-9)	Web-based Employment Eligibility Verification Services (I-9)	Web-based Employment Eligibility Verification Services (I-9)
Drug Testing Components (For Pre-Employment, Promotion, Random,	Drug Testing Components (For Pre-Employment, Promotion, Random,	Drug Testing Components (For Pre-Employment, Promotion, Random)
Oral based method (non DOT program)	Oral Based Method (non DOT program)	Urine Conventional (non DOT program)
Drug Testing Components (For Post-Accident & Reasonable Suspicion	Drug Testing Components (For Post-Accident & Reasonable Suspicion)	Drug Testing Components (For Post-Accident & Reasonable Suspicion)
Breath Alcohol Test	Breath Alcohol Test	Breath Alcohol Test
Urine Conventional	Urine Conventional	Urine Conventional

\*Additional services for fleet drivers and a Driver Qualification Program are also available.



**Step 3. Streamline your process** – To promote increased process transparency, a Monthly Compliance Exception Report should also be included in your employment screening process. This report will provide visibility into your hiring process by informing you which candidates have completed various parts of the screening process and which have not. The report also updates you as to which components are missing from a candidate’s employment screening process.

**Step 4. Conduct Quarterly Business Review Meetings** – Your service provider should meet with you once a quarter to present data analysis and a recap of your background and drug testing program. A service provider can also alert you to trends in screening and updated services now available to your industry.

## Product and Service Descriptions

### Criminal History

These solutions help you promote a safe, secure workplace by potentially reducing employment-related risk linked to a criminal history. For a comprehensive criminal search, the following services are recommended dependent upon the type of position the candidate is seeking. Despite today’s prevalent and ever-expanding technology, many public records are still only on paper and have yet to be converted to instant digital access. When comparing sources for your information, be sure to include all possible avenues. A search that checks Web-based files and may also include sending a trained investigator to check records at the appropriate court jurisdiction is recommended. The goal is to conduct a broad search in order to protect your company, your reputation and your most valuable asset, your employees.

NOTE: It is recommended that all criminal background checks return seven years of information regarding an applicant’s past; however, results that are permitted to be included within a report will depend on the laws and regulations for the applicable jurisdiction and state

- **Proprietary National Criminal File Search** – Most background screening providers offer access to proprietary national criminal records database search. Although the scope of coverage will vary depending on the provider, some vendors can offer access to a nationwide database of criminal records gathered from across all 50 states. Criminal records are aggregated from a variety of sources,



The goal of a background check is to conduct a broad search in order to protect your company, your reputation and your most valuable asset, your employees.



such as Sex Offender Registries, state and county criminal courts and state-level departments of corrections. This search can assist in identifying criminal records that may not be found when conducting searches in jurisdictions based on addresses provided by candidate. These databases do not include all possible criminal records and should not be used as the only criminal history search.

- **Felony and Misdemeanor Search** – This county courthouse search includes a search of all felonies and misdemeanors on all indexes available at the main county seat court location for where the consumer/applicant has resided in the last seven (7) years (typically this is what is requested from the applicant to determine the proper jurisdictions to search). There are different product options available depending on how in-depth a search you wish to perform. This is a more thorough search in that it will include records that may not necessarily be contained in a national criminal database, for example because not all records are in electronic or digitized formats and thus not always included in a national criminal database search.
- **Motor Vehicle Report** – A Motor Vehicle Report (MVR) reveals the status of an applicant’s driver’s license and any violation history. This search should be conducted on all candidates who will have driving responsibility for a company, including those who will not only drive a company vehicle but will also drive a personal vehicle on company time or for company purposes.

### Verification and Qualification Solutions

These products and services help you quickly and efficiently validate crucial information provided by your potential employees so you can move forward in the hiring process and make informed hiring decisions.

- **Social Security Number Verification (SSNV)** – This search matches the input information against millions of consumer

credit header files contained in the databases of nationwide credit reporting agencies. The SSNV returns other names and addresses associated with the identifying information used to request the report. The information from the addresses is used to identify additional county level searches.

- **Credit Check** – This search matches the candidate’s information to information held by the credit reporting agencies, and returns the candidate’s credit information to be used for employment purposes.
- **Employment Verification and/or Education Verification** – These two products are used to verify the information provided by your candidate.
- **Worksite Enforcement** – Due to changing immigration laws, the federal and state governments are placing a higher burden on employers to prove that their workforce is eligible to legally work in the United States. An employment eligibility verification service can assist you in streamlining your Form I-9 process so you can proactively stay ahead of the curve. Several states have already passed laws requiring certain businesses to participate in the federal government’s E-Verify program. The E-Verify program mandates that employers confirm every new hire’s employment eligibility by sending the information used to complete the I-9 through the Social Security Administration (SSA) and Department of Homeland Security (DHS) databases. In the future more states may add this law for hiring practices.
- **Web-based Employment Eligibility Verification (EEV) Services** – These systems efficiently and effectively automate the return of employee eligibility results via the Internet and can be used to electronically manage your I-9 forms across your organization. A Web-based I-9 system allows a retailer to manage an electronic copy of the I-9

form to ensure company compliance. The system can also transmit employee data through the E-Verify Program, which verifies a new hire’s date of birth, Social Security number and name with the SSA and DHS databases. In addition, an authorization status of the applicant’s eligibility for hire is addressed. Using an EEV Services system with access to the E-Verify program can assist you in proactively increasing your compliance related to the new SSA No Match program mandates. These systems also allow you to manage the process electronically by uploading documents, reducing the burden of filing millions of supporting documents away for the legal amount of time required. Through these systems employers can be notified when certain documents, such as work visas, are set to expire so that you can ensure your workplace stays legal.

**Drug Free Workplace / Occupational Services**

These services provide applicant drug free workplace/substance abuse information and are critical to ensuring a safe workplace. Look for a service provider who will track your results, provide reports and ensure you stay in compliance with the law. Your service provider should:

- Recommend a strategy for policy development or updating your drug testing policy
- Provide drug testing services for clients who need Department of Transportation (DOT) compliance
- Recommend drug testing methods and drug test panels that best fits your organization’s business needs and job roles for your non-regulated drug testing program.
- Provide a random drug test program for DOT and Non-DOT clients

Drug Test	Pros	Cons	Recommended For:
Urine (conventional)	<ul style="list-style-type: none"> <li>• Labs are standard</li> <li>• Good turnaround time</li> <li>• Gold Standard</li> <li>• Customer service and tracking done by service provider</li> </ul>	<ul style="list-style-type: none"> <li>• Not immediate</li> <li>• Collection site management is offsite</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Employment</li> <li>• Promotion</li> <li>• Random</li> <li>• Post Accident</li> <li>• Reasonable Suspicion</li> </ul>
Breath Alcohol Test - BAT (conventional) – If allowed by law	<ul style="list-style-type: none"> <li>• Instant results</li> <li>• Defensible in court</li> <li>• Non-invasive</li> <li>• Governed by the ADA - helps with compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Limited availability</li> <li>• Results are returned directly to customer due to federal regulations</li> <li>• Customer self administration and tracking, or if service provider is tracking info, then customer or clinic must send it to provider</li> <li>• Price</li> </ul>	<ul style="list-style-type: none"> <li>• Post Accident</li> <li>• Reasonable Suspicion</li> </ul>

- Support your Medical Surveillance physical and testing program requirements including storing and maintaining exam records

### Background Screening Adjudication and Alerts

This process involves applying the employer's own hiring criteria against the results of the candidate's background search and adjudicating the results regarding the candidates typically as eligible, decisional or where permitted by law, ineligible for hire. This analysis is based upon an adjudication matrix determined by the employer's own requirements. The service provider should provide ongoing consultation allowing the employer to adjust the adjudication program as may be required by the employer. Based on the employer's hiring requirements, these services can help applying a consistency in the review of screening results.

It is recommended that retail companies incorporate a criminal records adjudication policy (based on the criteria), as an integral part of their screening process.

Also, you and your provider should agree on who will manage all FCRA-mandated Adverse Action letters for candidates that fail to meet specific screening criteria set forth by your organization. (Bret needs to review above statement)

- Although service levels vary, many service providers administer an Adverse Action mailing service in which the provider sends the FCRA-mandated letters on client's behalf
- Choose a service provider that maintains a toll-free consumer dispute hotline that provides your candidates with the appropriate channel to dispute the finding in a timely manner.
- Note: FCRA generally does not apply to Drug Testing but depending on your provider if the testing results are included in a consumer report, the FCRA may apply.

### A SAMPLE IMPLEMENTATION PLAN

An implementation plan should describe the main areas of consideration in developing and deploying a comprehensive employment screening program. The plan should identify the key representatives and subject matter experts from all necessary departments, including human resources, operations, loss prevention, recruiting personnel and technology.



It is recommended that retail companies incorporate a criminal records adjudication policy (based on the criteria), as an integral part of their screening process.



These descriptions provide a quick reference for each implementation area you should consider. Your actual process may need to be customized depending on the needs of your organization and internal teams. However, this is a good overview of the implementation process.

#### 1. Administration

The employment screening provider should assign a dedicated resource from a client solutions/engineering team to manage all aspects of the implementation process. That dedicated resource should then work with the appropriate legal, technology and training teams and subject matter experts to offer advice and best practices that help establish a quality program. Once established, this implementation team should conduct weekly meetings to define and resolve all components of the proposed employment screening program.

#### 2. Legal

Important service level agreements (SLAs), statements of work (SOWs), out of the ordinary processes, scope of work, pricing and compliance issues are negotiated throughout the service agreement signing period. In addition, state-specific Department of Motor Vehicle (DMV) forms are signed and submitted to state DMVs to receive proper authorization for accessing Motor Vehicle Reports (MVR). The employment screening provider and the prospective client should mutually agree upon and sign off on the Adverse Action process before the actual account setup begins.

#### 3. Account Setup

Your company's existing internal corporate organization will help determine how your field, regional and global locations will be setup. A list of the organization's physical locations



that includes its approved users (and their different levels of access rights) is a key item of information necessary to complete the account setup process. Sometimes accounts are setup in phases to accommodate large territories.

**4. Technology**

Technology is a critical component to the entire implementation project timeline. For example, your target completion dates may be impacted when your screening system interface deviates from a standard process to a complex or customized process. During the discovery phase, all required data elements for ordering and returning results should be identified and properly documented to ensure the front-end input information is propagated to back-end systems.

In addition, the system interface with an HRIS and/or an ATS should be clearly defined so that all of the applications integrate into a cohesive screening program.

After the discovery phase and business requirements are documented then a Statement of Work (SOW) is prepared for legal to approve.

**5. Communications**

A vital component of a successful implementation is communicating helpful information and a timeline to the user community about the roll-out. This allows all users at various locations to set expectations and prepare for new system training. User names and passwords are distributed after training is complete.

**6. Training**

Supporting materials such as training documentation and user guides should be developed and distributed by the employment screening provider to ensure users understand the system and the new process changes when onboarding new employees.

**SUMMARY IMPLEMENTATION PLAN**

A summary implementation plan provides a sample snapshot timeline for a 60-day time period, from contract signatures to a production-ready, go-live date. The 45 total duration days represent the number of business days that will elapse during a 60-day implementation time period. When expanding the program scope, the duration days may increase depending on how complex the plan may become. The following chart of summary tasks provides the estimated number of duration days that will elapse to complete that part of the project. For example, the “Training” 18-day duration period includes the development of training documentation and the actual training schedule. The “Legal Approvals” duration period may take only five days of review but could include approving all other process documents within a 10-day period of time.

Task	Duration	Month 1	Month 2	Month 3
Total Implementation	45 days	[Progress bar spanning all three months]		
Administrative Work	5 days	[Progress bar in Month 1]		
Legal Approvals	10 days	[Progress bar in Month 1]		
Future Process Flow	5 days		[Progress bar in Month 2]	
Customize Program	10 days		[Progress bar in Month 2]	
Account Setup	5 days		[Progress bar in Month 2]	
Technology Integration Plan	30 days	[Progress bar spanning Month 1 and Month 2]		
Communications	19 days		[Progress bar in Month 2]	
Training	18 days		[Progress bar in Month 2]	

APPENDIX A

Screening Solution Recommendations

Background Component	Pros	Cons	Recommended For
National Criminal File (NCRF)	<ul style="list-style-type: none"> <li>• Approximately 6,000 new records added daily</li> <li>• A database of criminal convictions and includes sex offender registry records (48 states plus Washington, D.C.)</li> <li>• Product is available on FADV ordering platforms</li> <li>• Searches single given name against database</li> </ul>	<ul style="list-style-type: none"> <li>• Should be used as a supplement to a county search</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Employment</li> <li>• Current Employee Prescreening</li> <li>• Promotion</li> </ul>
National Criminal File PLUS (NCRF PLUS)	<ul style="list-style-type: none"> <li>• Approximately 6,000 new records added daily</li> <li>• A database of criminal records and includes sex offender registry records (48 states plus Washington, D.C.)</li> <li>• Product is available on FADV ordering platforms</li> <li>• Checks name and all pseudonyms/nicknames/alias provided and/or developed</li> </ul>	<ul style="list-style-type: none"> <li>• Should be used as a supplement to a county search</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Employment</li> <li>• Current Employee Prescreening</li> <li>• Promotion</li> </ul>
Felony & Misdemeanor (F&M)	<ul style="list-style-type: none"> <li>• Best coverage for misdemeanors – searches multiple courts.</li> <li>• Search of up to two court locations, , in order to obtain a felony and separately-held misdemeanor searches tied to the addresses/geographies provided on the subject on the search</li> <li>• This in conjunction with NCRF Plus provides a strong due diligence search</li> </ul>	<ul style="list-style-type: none"> <li>• Court turnaround time and access fees vary by jurisdiction</li> <li>• Delays can be expected at lower court locations where direct public access is not allowed, requiring court clerks to conduct the searches</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Employment</li> <li>• Promotion</li> </ul>
County Seat Felony and Misdemeanor (FAM)	<ul style="list-style-type: none"> <li>• Less expensive than F&amp;M search</li> <li>• Good turnaround time</li> <li>• Good misdemeanor coverage</li> <li>• Search of the county seat court location</li> <li>• Felony and misdemeanors will be searched as long as the misdemeanor court is at the same physical court location. (Ex. Felonies–Room 101, Misdemeanors–Room 202)</li> </ul>	<ul style="list-style-type: none"> <li>• More costly than FIM and may impact turnaround time.</li> <li>• Not as complete as F&amp;M</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Employment</li> <li>• Promotion</li> </ul>

Background Component	Pros	Cons	Recommended For
Felony Including Misdemeanor (FIM)	<ul style="list-style-type: none"> <li>• Less expensive than FAM</li> <li>• Better turnaround time than FAM</li> <li>• Search of the primary court index (Superior, Circuit, etc.)</li> <li>• All felonies will be reported as well as misdemeanors that do not require additional court searches for complete information. (Misdemeanors held within same database system as felonies)</li> <li>• The FIM Search is the most efficient, cost-effective search due to the single primary index search</li> </ul>	<ul style="list-style-type: none"> <li>• May not capture all misdemeanors in certain courts</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Employment</li> <li>• Promotion</li> </ul>
Felony Record Search (FRI)	<ul style="list-style-type: none"> <li>• Less costly than FIM</li> <li>• Search of the primary court index (Superior, Circuit, etc.)</li> <li>• Only felony hits will be searched and reported</li> </ul>	<ul style="list-style-type: none"> <li>• No misdemeanor information reported</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Employment</li> <li>• Promotion</li> </ul>
Statewide Searches (CR)	<ul style="list-style-type: none"> <li>• Search of either the State Centralized State Police Repository or State Administrative Office of the Court and will research and report all Felony &amp; Misdemeanors found</li> </ul>	<ul style="list-style-type: none"> <li>• Possible hits that often require additional search(es)</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Employment</li> <li>• Promotion</li> </ul>
Federal Felony and Misdemeanor (FFM)	<ul style="list-style-type: none"> <li>• Search of the appropriate federal jurisdictional court based on residential address and includes both federal felony and misdemeanors found</li> </ul>	<ul style="list-style-type: none"> <li>• Low criminal hit (record) percentages found in the federal courts</li> <li>• Possible hits often require additional search(es) in order to obtain pertinent case data, particularly ID information</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Employment</li> <li>• Promotion</li> </ul>
Social Security Number Verification (SSN)	<ul style="list-style-type: none"> <li>• Verifies 2 out of 3 for DOB, SSN, and Name</li> <li>• Returns all names associated with the above</li> </ul>	<ul style="list-style-type: none"> <li>• Based on credit header info, not a name match from Social Security Administration</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Employment</li> </ul>
Sex Offender Search	<ul style="list-style-type: none"> <li>• Helps to protect employees and customers against violent sexual offenders in the workplace</li> <li>• Protects children and at-risk individuals</li> <li>• Gives property owners/Realtors a sense of security when renting property</li> <li>• Demonstrates good due diligence</li> <li>• Sex Offender Registries (48 states plus Washington, D.C.)</li> </ul>	<ul style="list-style-type: none"> <li>• Not all states are covered</li> <li>• Not all states allow all levels of sex offender information to be shared (Ex: level 1 offenders aren't shared for some states)</li> <li>• Information shared with the public may differ state by state</li> <li>• Not all sex offender information can be used in making a hiring decision (depends on the state)</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Employment</li> <li>• Promotion</li> </ul>

Background Component	Pros	Cons	Recommended For
Motor Vehicle Registration (MVR)	<ul style="list-style-type: none"> <li>• Uncover new driving offenses that might put you at risk</li> <li>• Batch processing capability allows easy uploading of lists of names to be searched</li> <li>• Typical results: DL number, class and status, name, DOB, physical description, conviction dates, violations, accidents, docket numbers, court locations and accident report numbers.</li> <li>• User-friendly</li> <li>• Quick results, from instant to within 24 hours</li> </ul>	<ul style="list-style-type: none"> <li>• Results vary state by state</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Employment</li> <li>• Yearly for drivers (DOT)</li> </ul>
Employment Verifications	<ul style="list-style-type: none"> <li>• Helps verify the employers for which the candidate worked</li> <li>• The number of employers verified is dependent on the customer's needs</li> <li>• Items that can be verified: employer name, employer address, dates employed, position, full or part time, temp or permanent, voluntary or involuntary termination, eligibility for rehire</li> </ul>	<ul style="list-style-type: none"> <li>• Employer may not cooperate</li> <li>• Applicant release may be needed</li> <li>• May be difficult to contact if employer no longer in business</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Employment</li> </ul>

APPENDIX B

Other Drug Testing Alternatives

Background Component	Pros	Cons	Recommended For
Urine (conventional)	<ul style="list-style-type: none"> <li>Labs are standard</li> <li>Good turnaround time</li> <li>Gold Standard</li> <li>Customer service and tracking done by First Advantage</li> </ul>	<ul style="list-style-type: none"> <li>Not immediate</li> <li>Collection site management is offsite</li> </ul>	<ul style="list-style-type: none"> <li>Pre-Employment</li> <li>Promotion</li> <li>Random</li> <li>Post-Accident</li> <li>Reasonable Suspicion</li> </ul>
Urine (rapid) - Self Collect	<ul style="list-style-type: none"> <li>Rapid Results</li> <li>Cheaper than conventional</li> </ul>	<ul style="list-style-type: none"> <li>Not legal in all states</li> <li>Tampering can occur</li> <li>Customer self-administration and tracking, or if service provider is tracking info, then customer must send it to provider</li> <li>Test results are subject to interpretation (no quality control)</li> <li>For non-negative results, must follow up with a Urine (conventional) test</li> </ul>	<ul style="list-style-type: none"> <li>Pre-Employment</li> <li>Promotion</li> <li>Random</li> <li>Post-Accident</li> <li>Reasonable Suspicion</li> </ul>
Urine (rapid) - Clinic	<ul style="list-style-type: none"> <li>Rapid results</li> </ul>	<ul style="list-style-type: none"> <li>Not legal in all states</li> <li>Tampering can occur</li> <li>Customer self-administration and tracking, or if service provider is tracking info, then customer or clinic must send it to provider</li> <li>Test results are subject to interpretation (no quality control)</li> <li>More expensive than urine conventional</li> </ul>	<ul style="list-style-type: none"> <li>Pre-Employment</li> <li>Promotion</li> <li>Random</li> <li>Post-Accident</li> <li>Reasonable Suspicion</li> </ul>
Oral Fluids (lab based) - Self Collect	<ul style="list-style-type: none"> <li>Cannot adulterate the specimen collected on-location</li> <li>No gender-specific staff needed for collection</li> </ul>	<ul style="list-style-type: none"> <li>Not legal in all states</li> <li>Marijuana retention time is short</li> </ul>	<ul style="list-style-type: none"> <li>Pre-Employment</li> <li>Promotion</li> <li>Random</li> <li>Reasonable Suspicion</li> </ul>
Oral Fluids (rapid) - Self Collect	<ul style="list-style-type: none"> <li>Rapid results</li> <li>Cannot adulterate the specimen</li> <li>Cheaper than urine conventional</li> </ul>	<ul style="list-style-type: none"> <li>Not legal in all states</li> <li>Marijuana retention time is short</li> <li>Customer self-administration and tracking, or if service provider is tracking info, then customer must send it to provider</li> <li>Test results are subject to interpretation (no quality control)</li> <li>For non-negative results, must follow up with a Urine (conventional) test</li> </ul>	<ul style="list-style-type: none"> <li>Pre-Employment</li> <li>Promotion</li> <li>Post-Accident</li> <li>Reasonable Suspicion</li> </ul>



Background Component	Pros	Cons	Recommended For
Breath Alcohol Test - BAT (conventional)	<ul style="list-style-type: none"> <li>Instant results</li> <li>Defensible in court</li> <li>Non-invasive</li> <li>Governed by the ADA - helps with compliance</li> </ul>	<ul style="list-style-type: none"> <li>Limited availability</li> <li>Results are returned directly to customer due to federal regulations</li> <li>Customer self-administration and tracking, or if service provider is tracking info, then customer or clinic must send it to provider</li> <li>Price</li> </ul>	<ul style="list-style-type: none"> <li>Post-Accident</li> <li>Reasonable Suspicion</li> </ul>
Breath Alcohol Test - BAT (oral) For Screening only - Evidential Breath Test Confirmation either a regulatory or legal requirement	<ul style="list-style-type: none"> <li>Rapid results</li> <li>Non-invasive</li> <li>Cheaper than breath alcohol conventional</li> <li>Governed by the ADA - helps with compliance</li> </ul>	<ul style="list-style-type: none"> <li>Not legal in all states</li> <li>Results are returned directly to customer due to federal regulations</li> <li>Customer self-administration and tracking, or if service provider is tracking info, then customer or clinic must send it to provider</li> <li>Price</li> <li>For non-negative results, must follow up with a Breath Alcohol Test (conventional)</li> </ul>	<ul style="list-style-type: none"> <li>Post-Accident</li> <li>Reasonable Suspicion</li> </ul>
Driver Qualification File (DQF)	<ul style="list-style-type: none"> <li>Electronic file and monitoring service</li> <li>Supports compliance</li> <li>User-friendly reporting</li> </ul>		<ul style="list-style-type: none"> <li>Pre-Screening: Drivers/ DOT</li> <li>Annual screening: Drivers/ DOT</li> </ul>
Finger Printing	<ul style="list-style-type: none"> <li>Saves money; no investment in expensive equipment for use in one location</li> <li>Cost-effective "pay as you go" volume-based pricing</li> <li>Flexible easy scheduling with National Scheduling Center and scalable solutions to fit your hiring process</li> <li>Easily defended in court</li> <li>Results usually delivered in three to five hours</li> <li>Print-based as opposed to demographic-based</li> <li>Receive results with electronic print submission capability</li> <li>Third-party collection network: LabCorp and Medtox (one stop shop for drug testing and finger printing)</li> </ul>	<ul style="list-style-type: none"> <li>There will always be a percentage of individuals who cannot be printed; five percent or less. After two to three rejections, a name check can be ordered, which takes several months</li> </ul>	<ul style="list-style-type: none"> <li>Pre-Employment for regulated industries including: Banking, Finance, TSA and FINRA</li> </ul>

Background Component	Pros	Cons	Recommended For
Physical Exams	<ul style="list-style-type: none"> <li>• Consent forms are not required if the medical exam is required for the job</li> <li>• Provides clients with a comprehensive review of their wellness programs</li> <li>• Helps with compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Critical to have all details clearly documented</li> <li>• Must have applicant consent in some states, if medical exam is not a job requirement</li> <li>• Service provider may not be able to order the exam, due to not being licensed in every state</li> <li>• Incompetent performance of the DOT examination can result in liability</li> <li>• Applicant must consent that service provider can call the physician for any further review of questionable results</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Screening: Drivers/ DOT</li> <li>• Annual screening: Drivers/ DOT</li> </ul>
Immunization	<ul style="list-style-type: none"> <li>• Consent forms are not required if the immunization is required for the job</li> </ul>	<ul style="list-style-type: none"> <li>• Critical to have all details clearly documented</li> <li>• Must have applicant consent in some states, if medical exam is not a job requirement</li> <li>• Service provider may not be able to order the exam, due to not being licensed in every state</li> <li>• Applicant must consent that service provider can call the physician for any further review of questionable results</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Screening: Drivers/ DOT</li> <li>• Annual screening: Drivers/ DOT</li> </ul>

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