

STATE OF CALIFORNIA  
**STANDARD AGREEMENT**  
 STD 213 (Rev 06/03)

AGREEMENT NUMBER

**17-3078**

REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

California Department of Social Services

CONTRACTOR'S NAME

TALX Corporation

2. The term of this

Agreement is:

April 1, 2018 or upon approval by the Department of General Services, whichever is later,  
 through March 31, 2021

3. The maximum amount  
 of this Agreement is:

\$15,858,060.00

Fifteen Million Eight Hundred Fifty-Eight Thousand Sixty Dollars and 00/100

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work

3 pages

Exhibit B – Budget Detail and Payment Provisions

3 pages

Exhibit C\* – General Terms and Conditions

GTC 04/2017

Check mark one item below as Exhibit D:



Exhibit – D Special Terms and Conditions (Attached hereto as part of this agreement)

3 pages

☐ Exhibit – D\* Special Terms and Conditions

Exhibit E – Additional Provisions

3 pages

Exhibit E – Attachment 1 – CDSS Information Security Pre-Cautions/Requirements

2 pages

Exhibit E – Attachment 2 – Universal Membership Agreement for The Work Number Social Services

15 pages

Exhibit E – Attachment 3 – Memorandum of Understanding

5 pages

Items shown with an Asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at [www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx](http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx)

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

**CONTRACTOR**

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

TALX Corporation

BY (Authorized Signature)

DATE SIGNED (Do not type)

4-10-18

PRINTED NAME AND TITLE OF PERSON SIGNING

Ellen Stanko

ADDRESS

11432 Lackland Road, St. Louis, Missouri 63146

**STATE OF CALIFORNIA**

AGENCY NAME

California Department of Social Services

BY (Authorized Signature)

DATE SIGNED (Do not type)

4/18/18

PRINTED NAME AND TITLE OF PERSON SIGNING

Karen Dickerson, Deputy Director, Administration Division

ADDRESS

744 P Street, MS 8-14-747, Sacramento, California 95814

California Department of General  
 Services Use Only

OTC

4-30-18

**APPROVED**

**APR 30 2018**

☐ Exempt per:

OFFICE OF LEGAL SERVICES  
 DEPT. OF GENERAL SERVICES

**EXHIBIT A**  
**(Standard Agreement)**

**SCOPE OF WORK**

- A. The Federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 created sweeping Welfare reform and chief among these changes was the requirement of beneficiary's participation in employment or employment training as a condition to receive cash aid. To measure the State's success at meeting this requirement the Work Participation Rate is used. California Work and Responsibility to Kids (CalWORKs) and CalFresh participants' reported involvement of hours worked and earnings must be verified by his or her county case worker and access to fast, accurate and reliable data will help ensure the State's and counties' work participation rate data is complete.

This Agreement entered into by CDSS and TALX Corporation (herein referred to as Contractor) is necessary to provide all California counties with online access to verify employment and income for CalWORKs and CalFresh programs. Counties must obtain participants' consent, typically within the application for benefits, to access his or her employment information. Local counties will provide a list to the CDSS and the Contractor, identifying case managers who are end users of the verification service and the Contractor will provide the CDSS usage reports on the service at least monthly by county or as determined necessary by the CDSS.

The counties, if they choose to participate, will enter into a Memorandum of Understanding with the CDSS once the agreement is executed. The Fair Credit Reporting Act (FCRA) regulations and safeguards apply to counties handling participants' information and include FCRA 15 U.S.C. 1681 that requires notice be provided to inform users of consumer reports of their legal obligations and can be found in full at Consumer Financial Protection Bureau's (CFPB) website at [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

- B. The purpose of this Agreement is for the Contractor to provide the County Welfare Departments (CWD) with the ability to verify employment and income of their counties CalWORKs and CalFresh participants.
- C. Contractor Responsibilities:

This Agreement is entered into by the CDSS and the Contractor for the purpose of the Contractor to provide all participating California counties with verification information on the CalWORKs and CalFresh program participants' employment earnings and hours worked, including:

1. Provide to California counties statewide online employment verification service for employment work hours and income data furnished to the Contractor by employers.
2. Provide online access to any/all California local counties that shall include the ability to register, authenticate and monitor users and usage including monthly usage reports.
3. Provide search of employment status (Employment Verification) and income (Income Verification) by participant's Social Security Number and instantly identify if the participant has current, historical or no employment information on file.

**EXHIBIT A**  
**(Standard Agreement)**

4. Provide capability for counties to order and retrieve an employment verification, which includes:
  - a. Employer name, address and employment status;
  - b. Number of hours worked in the year if provided by the employer.
5. Order and retrieve income verification, which includes:
  - a. Employer address; employment dates and where available and position title;
  - b. Pay rate and up to one year of Year-to-Date gross income details; and
  - c. Up to one year of pay period details.
6. Contractor will provide at least weekly, and more frequently if necessary, batch access for submission of data files of participant's Social Security Numbers to be matched against the Contractor's employment and income data. There shall be no maximum to the number of participants that can be submitted for match.
  - a. Match participants against employment data and return responses weekly, with the day of the match and responses to be determined mutually by the CDSS and the Contractor.
  - b. Configure the criteria for ordered automation batch verifications, e.g., only order verifications for active employment.
  - c. Provide the content of ordered batch verifications, which shall be the same as with the online application, in a standardized file format with the specifications to be provided to the CDSS by the Contractor. The Contractor shall not alter the response file specification without coordination with the CDSS.
  - d. Provide response files that are encrypted and transmitted to the designated local County's program file server.
  - e. Provide Contractor-counties file exchanges by a method that supports full-automation without requiring human intervention.
7. Contractor to provide training if necessary and requested by the County, to assist counties in utilizing the service at no cost. Training shall be provided, as agreed upon by the requesting county and the Contractor, through a webinar, pre-recorded training and/or over the phone based on availability of resources and as compatible with the requesting county's operating system and default browser.
8. Contractor to provide a relationship manager to work directly with the county liaisons to provide training and ongoing technical assistance.

**D. CDSS Responsibilities:**

1. Prior to the effective date of the contract, and no less than thirty (30) days prior to the beginning of subsequent contract years, CDSS will identify their beginning service level for that given year.
2. Allow use of this service to those of the 58 California counties that sign and enter into the Memorandum of Understanding (MOU) with CDSS.

**EXHIBIT A**  
**(Standard Agreement)**

3. Notify the Contractor when the county has entered into an MOU with the CDSS and is able to be activated in and use the Contractor's system.
4. Facilitate the designation of a county liaison who will work with the Contractor to register users (no maximum users), initiate training requests, and resolve online access problems.
5. All printing will be sent to the California Department of General Services, Office of State Publishing (OSP). It is the responsibility of the CDSS Project Representative to obtain an exemption from OSP to competitively bid out any and all printing listed within this contract. The printing exemption process is managed by the CDSS Forms Management Unit.

E. The project representatives during the term of this Agreement will be:

**CDSS**

Michael Lee, Analyst  
Program Integrity Policy Unit  
744 P Street, MS 8-5-26  
Sacramento, CA 95814  
(916) 651-5178  
[michael.lee@dss.ca.gov](mailto:michael.lee@dss.ca.gov)

**CDSS**

Kimberly Brauer, Manager  
Program Integrity Policy Unit  
744 P Street, MS 8-5-26  
Sacramento, CA 95814  
(916) 651-3982  
[kimberly.brauer@dss.ca.gov](mailto:kimberly.brauer@dss.ca.gov)

**Contractor**

Sarah Detweiler  
TALX Corporation  
11432 Lackland Road  
St. Louis, Missouri 63146  
(314) 458-3722  
[sarah.detweiler@equifax.com](mailto:sarah.detweiler@equifax.com)

Either party may change the Agreement Representative but is required to provide written notification of the change to the other party within five (5) business days. Said changes shall not require an amendment to this Agreement.

**EXHIBIT B**  
**(Standard Agreement)****BUDGET DETAIL AND PAYMENT PROVISIONS****A. Invoicing and Payment**

1. The maximum amount payable under this agreement shall not exceed \$15,858,060.00. Shown below are the amounts that cannot be exceeded for each of the fiscal year(s):

2017/18	\$1,011,000.00
2018/19	\$4,339,500.00
2019/20	\$5,566,515.00
2020/21	\$4,941,045.00

2. For services satisfactorily rendered, and upon receipt and approval of the invoice(s), CDSS agrees to pay the Contractor for said services in accordance with the rates specified below.

<b>Total Income Verifications Per Year</b>	<b>Monthly Fixed Fee</b>	<b>Overage Rate Per Verification</b>
1,000,000	\$304,000.00	\$3.85

If the state exceeds the number of allotted income verifications in a given year, any additional transactions are billed at the overage rate per verification.

Online Employment Verifications, including Employment or SSN searches, shall be provided to the State at no additional cost.

3. Prior to the effective date of the contract, and no less than thirty (30) days prior to the beginning of subsequent contract years, CDSS will identify their beginning service level for that given year, selecting from the pricing tiers below:

<b>Year 1</b>	<b>Monthly Fixed Fee</b>	<b>Total Verifications Per Year</b>	<b>Overage Rate Per Verification</b>
Tier 1	\$250,666.67	800,000	\$3.95
Tier 2	\$304,000.00	1,000,000	\$3.85
Tier 3	\$379,000.00	1,250,000	\$3.85
Tier 4	\$447,750.00	1,500,000	\$3.80

<b>Year 2</b>	<b>Monthly Fixed Fee</b>	<b>Total Verifications Per Year</b>	<b>Overage Rate Per Verification</b>
Tier 1	\$265,466.67	800,000	\$4.19
Tier 2	\$322,000.00	1,000,000	\$4.08
Tier 3	\$401,500.00	1,250,000	\$4.08
Tier 4	\$474,375.00	1,500,000	\$4.03

<b>Year 3</b>	<b>Monthly Fixed Fee</b>	<b>Total Verifications Per Year</b>	<b>Overage Rate Per Verification</b>
Tier 1	\$286,384.00	800,000	\$4.44
Tier 2	\$347,440.00	1,000,000	\$4.33
Tier 3	\$433,300.00	1,250,000	\$4.33
Tier 4	\$512,005.00	1,500,000	\$4.27

**EXHIBIT B**  
**(Standard Agreement)**

4. Funding for necessary travel expenses and per diem are included in this agreement and will be reimbursed at rates established by the California Department of Human Resources (CalHR) for comparable classes. (See <http://www.calhr.ca.gov/employees/Pages/travel-rules-excluded.aspx>). Contractor will itemize travel expenses, including receipts, and submit to CDSS Program Contract Manager for approval. This approval, including itemization and receipts must be attached to the invoice submitted for payment.

The CDSS Program Contract Manager agrees to certify and maintain the documents substantiating travel and per diem for a period not less than three years after final payment of this Agreement.

No travel outside of the State of California by Contractor shall be reimbursed unless there is prior written authorization from CDSS.

5. Invoices shall include the Agreement Number 17-3078 and Index Code 9990 and shall be submitted in triplicate not more frequently than monthly in arrears to:

California Department of Social Services  
Program Integrity and Automation Branch  
744 P Street, MS 8-5-26  
Sacramento, CA 95814  
Attn: Michael Lee

Pursuant to Office of Management and Budget (OMB) regulations (2 CFR 200.300 and 200.331), the Contractor shall provide the sub recipients with the Catalog of Federal Domestic Assistance (CFDA) Number and Program Title. Invoices shall also include the CFDA Number and Title:

CFDA Number: 93.558

CFDA Program Title: Temporary Assistance for Needy Families

CFDA Number: 10.561

CFDA Program Title: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Any invoices submitted without the above referenced information may be returned to the Contractor for further re-processing.

**B. State Budget Contingency Clause**

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, CDSS shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
2. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, CDSS shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

**C. For Contract with Federal Funds**

1. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of Congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.

*Revised: 9-2-16*

**EXHIBIT B**  
**(Standard Agreement)**

2. This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the term of this Agreement for the purposes of this program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms, or funding of this Agreement in any manner.
3. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
4. CDSS has the option to invalidate the Agreement under the 30-day cancellation clause or to amend the Agreement to reflect any reduction of funds.

**D. Prompt Payment Clause**

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

**E. Review**

CDSS reserves the right to review service levels and billing procedures as they impact charges against this Agreement.

**F. Final Billing**

Invoices for services must be received by CDSS within 90 days following each state fiscal year, or 90 days following the end of the contract term, whichever comes first. The final invoice must include the statement "Final Billing."

**G. Nonresident Tax Withholdings**

Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have seven percent of their total payments withheld for state income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.

**EXHIBIT D**  
**(Standard Agreement)**

**SPECIAL TERMS AND CONDITIONS**

**A. Dispute Provisions**

1. If the Contractor disputes a decision of the State's designated representative regarding the performance of this Agreement or on other issues for which the representative is authorized by this Agreement to make a binding decision, Contractor shall provide written dispute notice to the State's representative within 15 calendar days after the date of the action. The written dispute notice shall contain the following information:
  - a. the decision under dispute;
  - b. the reason(s) Contractor believes the decision of the State representative to have been in error (if applicable, reference pertinent contract provisions);
  - c. identification of all documents and substance of all oral communication which support Contractor's position; and
  - d. the dollar amount in dispute, if applicable.
2. Upon receipt of the written dispute notice, the State program management will examine the matter and issue a written decision to the Contractor within 15 calendar days. The decision of the representative shall contain the following information:
  - a. a description of the dispute;
  - b. a reference to pertinent contract provisions, if applicable;
  - c. a statement of the factual areas of agreement or disagreement; and
  - d. a statement of the representative's decision with supporting rationale.
3. The decision of the representative shall be final unless, within 30 days from the date of receipt of the representative's decision, Contractor files with the California Department of Social Services a notice of appeal addressed to:

California Department of Social Services  
744 P Street, M.S. 8-14-747  
Sacramento, CA 95814  
Attention: Chief, Contracts and Purchasing Bureau

Pending resolution of any dispute, Contractor shall diligently continue all contract work and comply with all of the representative's orders and directions.

**B. Termination Without Cause**

This Agreement may be terminated without cause by the State upon 30 days written notice to the contractor.

**C. Debarment and Suspension**

For federally funded agreements, **Contractor certifies** that to the best of his/her knowledge and belief that he/she and their principals or affiliates or any sub-contractor utilized under this agreement, are not debarred or suspended from federal financial assistance programs and activities nor proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. The Contractor also certifies that it or any of its sub-contractors are not listed with any active exclusions on the System for Award Management (<http://www.sam.gov>) (Executive Order 12549, 2 CFR Parts 180, 376, 417 and 2336).

**EXHIBIT D**  
**(Standard Agreement)****D. Certification Regarding Lobbying**

Applicable to Grants, Subgrants, Cooperative Agreements, and Contracts Exceeding \$100,000 in Federal Funds.

1. For Agreements with Contractors who are State entities not under the authority of the Governor, or cities, private firms or agencies which are receiving in excess of \$100,000 in federal funds from CDSS to perform services. By signing this Agreement the Contractor certifies that to the best of his or her knowledge and belief, that:
  - a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into of a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.
  - b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal Grant or agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
  - c. The Contractor shall require that the language of this certification be included in the award documents for all covered subawards exceeding \$100,000 in Federal funds at all appropriate tiers and that all subrecipients shall certify and disclose accordingly.
2. This certification is a prerequisite for making or entering into this transaction and is imposed by Section 1352, Title 31, U. S. Code. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to a civil penalty of no less than \$10,000 and not more than \$100,000 for each such failure.

**E. Unruh Civil Rights Act and the Fair Employment & Housing Act**

Prior to bidding on, submitting a proposal for or executing an agreement or renewal for a State of California contract over \$100,000 on or after January 1, 2017, the bidder or proposer must certify compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and if a Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

**F. Computer Software Copyrights**

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

**EXHIBIT D**  
**(Standard Agreement)****G. OMB Audit**

Pursuant to Office of Management and Budget (OMB) audit requirement regulations (2 C.F.R. § 200.501), non-federal entities that expend \$750,000 or more in a year in Federal awards from all sources combined shall have a single or program-specific audit conducted for that year in accordance with the provisions of 2 C.F.R. § 200.514 (previously OMB Circular A-133). All OMB audit reports shall meet the report submission requirements established in 2 C.F.R § 200.512 and a copy shall be forwarded to CDSS.

**H. Subcontractors**

(Applicable to agreements in which the Contractor subcontracts out a portion of the work) Nothing contained in this Agreement or otherwise shall create any contractual relationship between CDSS and any subcontractors, and no subcontractor shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor agrees to be fully responsible to CDSS for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the obligation of CDSS to make payments to the Contractor. As a result, CDSS shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

**I. Indirect Costs/Administrative Overhead**

For agreements with other governmental entities and public universities, indirect costs are expenses incurred for administrative services such as, but not limited to, accounting; personnel and payroll administration; accounts payable services; general and specialized insurance coverage; compliance and regulatory monitoring; independent audit services; and legal services. Indirect costs are applied to personnel, operating expenses, supplies, equipment, and travel expenses. Per State Contracting Manual, Section 3.06.B, agencies shall assure that all administrative fees are reasonable considering the services being provided. Agencies may only pay overhead charges on the first \$25,000 of each subcontract. Any subcontractor receiving \$25,000 or more must be clearly identified in the budget display and excluded when the total indirect costs are calculated.

**EXHIBIT E**  
**(Standard Agreement)****ADDITIONAL PROVISIONS****A. Agreement Term and Amendment**

The anticipated term of the resulting Agreement is April 1, 2018 or date of approval by the Department of General Services, whichever occurs later, through March 31, 2021. The date of agreement approval by the State, however, shall be the governing factor as to the date of commencement. Should performance commence before the agreement is approved, such services may be considered voluntary. The State reserves the option to extend the term and/or add additional funding to the Agreement, at its discretion, at the originally agreed upon rate(s).

**B. Confidentiality Requirements**

Contractor and its employees agree to comply with CDSS Confidentiality and Information Security Requirements as described in Exhibit E – Attachment 1.

**C. Insurance Requirements**

1. Contractor, at his/her own expense, shall maintain the following insurance coverage:

- a. Commercial General Liability – Contractor shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability.

**The policy must include California Department of Social Services, State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under the contract.**

This endorsement must be supplied under form acceptable to the Office of Risk and Insurance Management. In the case of Contractor's utilization of subcontractors to complete the contracted scope of work, contractor shall include all subcontractors as insureds under Contractor's insurance or supply evidence of insurance to The State equal to policies, coverages and limits required of Contractor.

- b. Automobile Liability – Contractor shall maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles.

**The policy must be endorsed to include The State of California, its officers, agents, employees and servants as additional insured, but only with respect to work performed under the contract. The additional insured endorsement is to be provided with the certificate of insurance.**

- c. Workers Compensation and Employers Liability – Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Contract. Employer's liability limits of \$1,000,000 are required.

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**The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the State. The waiver of subrogation endorsement is to be provided with the certificate of insurance.**

2. Certificates evidencing Contractor's insurance coverage shall be filed with CDSS prior to execution of this Agreement.

**D. General Provisions Applying to All Insurance Policies**

1. Coverage Term – Coverage needs to be in force for the complete term of the contract. If insurance expires during the term of the contract, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the contract.
2. Policy Cancellation / Termination & Notice of Non-Renewal – Contractor shall provide to the State within five business days a copy of any notice of Cancellation/Termination or Non-renewal received by contractor for any of the required insurance policies. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this Contract upon the occurrence of such event, subject to the provisions of this Contract.
3. Deductible – Contractor is responsible for any deductible or self-insured retention contained within their insurance program.
4. Primary Clause – Any required insurance contained in this contract shall be primary, and not excess or contributory, to any other insurance carried by the State.
5. Insurance Carrier Required Rating – All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the Contractor is self insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
6. Endorsements – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
7. Inadequate Insurance – Inadequate or lack of insurance does not negate the contractor's obligations under the contract.

**E. Contractor Evaluation**

Contractor is hereby notified that the State will evaluate Contractor's performance for compliance with the terms of this Agreement within 60 days of the completion of the Agreement. The evaluation shall be prepared on a "Contract/Contractor Evaluation," Std. Form 4. If the performance of the Contractor is not satisfactory, the State shall send a copy of the evaluation to the California State Department of General Services, Office of Legal Services, within five working days after the completion of the evaluation. Contractor shall be notified and sent a copy of the unsatisfactory evaluation within 15 days after its completion.

**F. Disabled Veteran Business Enterprise Subcontractors**

1. If for this agreement contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then contractor must within 60 days of receiving final payment under this agreement (or within such other time period as may be specified elsewhere in this agreement) certify

**EXHIBIT E  
(Standard Agreement)**

in a report to the awarding department: (1) the total amount the prime contractor received under the contract; (2) the name and address of the DVBE(s) that participated in the performance of the contract; (3) the amount each DVBE received from the prime contractor; (4) that all payments under the contract have been made to the DVBE(s); and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Military & Veterans Code (M&VC) §999.5(d)).

2. Contractor understands and agrees that should award of this contract be based in part on their commitment to use the Disabled Veteran Business Enterprise (DVBE) subcontractor(s) identified in their bid or offer, per Military and Veterans Code 999.5 (e), a DVBE subcontractor may only be replaced by another DVBE subcontractor and must be approved by the Department of General Services (DGS). Changes to the scope of work that impact the DVBE subcontractor(s) identified in the bid or offer and approved DVBE substitutions will be documented by contract amendment.
3. Failure of Contractor to seek substitution and adhere to the DVBE participation level identified in the bid or offer may be cause for contract termination, recovery of damages under the rights and remedies due to the State, and penalties as outlined in M&VC § 999.9; Public Contract Code (PCC) § 10115.10, or PCC § 4110 (applies to public works only).

**G. Substitution of Subcontractor**

1. Subcontracting is permissible to the extent that the subcontractor(s) must fulfill all requirements of this Agreement and must be approved by the State prior to providing service.
2. Contractor shall be responsible for all work performed under this Agreement. If any subcontractor fails to perform a portion of the work in a manner satisfactory to the State, the subcontractor will be removed immediately upon request of the State and shall not be re-employed in the work.
3. Contractor may not substitute any subcontractor without advance written consent of CDSS.

**H. DVBE Subcontractor Invoices**

To ensure that DVBE participation is applied correctly, all DVBE subcontractor invoices submitted to the contractor must include the contract number.

- I. The model Memorandum of Understanding between CDSS and participating counties, Exhibit E – Attachment 2, is made part of this Agreement. Participating counties are required to execute the Memorandum of Understanding with CDSS in order to use services as described in this Agreement.

**California Department of Social Services (CDSS)**  
**Information Security Pre-Cautions/Requirements**

**A. Confidentiality of Data**

Please note the following definitions relating to confidential and sensitive information.

- Confidential information is information which identifies an individual (i.e., name, social security number, home/mailling address, telephone number, etc.) and/or entity (i.e., employing unit, etc.) and/or information in the possession of the Department in which the disclosure is limited by contractual agreement (i.e., proprietary information, etc.).
  - Sensitive information is information maintained by the Department that requires special precautions to protect it from unauthorized access (i.e., financial or operational information). Sensitive information is information in which the disclosure would jeopardize the integrity of CDSS (i.e., CDSS' fiscal resources and operations).
1. All financial, statistical, personal, technical, and other information relating to CDSS operations which are designated confidential or sensitive by CDSS and which may become available to the Contractor as a result of the implementation of this Agreement, shall be protected by the Contractor from unauthorized access, use, and disclosure.
  2. Contractor is notified that there are civil and criminal actions that may be invoked for unauthorized disclosure of information from confidential records. (California Penal Code Section 11140-11144, 13301-13303, Civil Code Section 1798, Chapter 709, Statute of 1997 define civil and criminal actions for unauthorized disclosure of information from confidential records.)
  3. The Contractor shall:
    - a. Instruct all employees with access to the CDSS confidential and sensitive information regarding: (1) the confidential nature of the information, and (2) the sanctions against unauthorized access, use, or disclosure found in the California Civil Code Section 1798.55, and the Penal Code Section 502.
    - b. Ensure that their employees will not intentionally seek out, read, use, or disclose CDSS confidential or sensitive information.
    - c. Not disclose any individually identifiable CDSS information to any person.
    - d. Require that all Contractor's staff or subcontractor and its employees with access to CDSS confidential information sign the CDSS Confidentiality Agreement (See Section B).
    - e. Immediately notify CDSS within 24 hours of initial detection of any unauthorized access, use, and disclosure of CDSS information. Notification shall be reported by telephone or email to:
 

Lloyd Indig  
Information Security & Privacy Officer  
California Department of Social Services  
744 P Street, M.S. 9-9-70  
Sacramento, CA 95814

916-651-5558  
[iso@dss.ca.gov](mailto:iso@dss.ca.gov)
    - f. Cooperate in any investigations of information security incidents.

Agreement 15-STD-00907  
CDSS/TALX Corporation

Exhibit E – Attachment 1  
Page 2 of 2

**B. Confidentiality Agreement**

The California Department of Social Services (CDSS) public assistance records and documents are subject to strict confidentiality requirements imposed by State and federal law including California Welfare and Institutions Code sections 10850, California Penal Code section 11167.5, and 45 Code of Federal Regulations.

I acknowledge that unauthorized access, use, or disclosure of CDSS confidential information is a crime.

I agree that unauthorized access, use, or disclosure of CDSS confidential information is grounds for immediate termination of this Contract/Memorandum of Understanding/Agreements with the CDSS and the Contractor may be subject to penalties both civil and criminal.

Contractor:  TALX Corporation	
Employee:  Ellen Stanko	
Employee's Signature:  Ellen Stanko	
Title:  Vice President	Date:  4-17-18
Phone:  314-214-7108	E-Mail Address:  ellen.stanko@equifax.com

**UNIVERSAL MEMBERSHIP AGREEMENT**  
**for**  
**The Work Number® Social Services**

This **Universal Membership Agreement** (the “Agreement”) is entered into by and between TALX Corporation (a provider of Equifax Verification Services), a Missouri Corporation, 11432 Lackland Road, St. Louis, Missouri (“TALX”), and State of California – Department of Social Services (“Agency”). This Agreement shall be included as Exhibit E, Attachment 2 of CDSS Agreement 17-3078 between TALX and Agency.

**RECITALS:**

- A. TALX operates The Work Number® (the “Service”), a service used to verify certain employment-related information about an individual (“Consumers”); and
- B. Agency wishes to obtain access to the Service, on behalf of County Welfare Departments (“CWDs”) that sign the Memorandum of Understanding, Exhibit E, Attachment 3 of CDSS Agreement 17-3078 (“County”), for use to confirm employment and/or income information of Consumers through the Service. Agency shall pay for, but not access, the Service used by County as set forth herein.

**NOW, THEREFORE**, the parties agree as follows:

1. **SCOPE OF THE AGREEMENT.** This Agreement consists of the general terms set forth in the body of this Agreement, Exhibit 1 – Notice to Users of Consumer Reports, Exhibit 2 – Vermont Fair Credit Reporting Contract Certification, Exhibit 3 – Fair Credit Reporting Act, and Exhibit B – Budget Detail and Payment Provisions of CDSS Agreement 17-3078 executed by the parties which may contain additional terms. If there is a conflict between the general terms and conditions of this Universal Membership Agreement and Exhibit 1, Exhibit 2, Exhibit 3 or Exhibit B, the provisions of the Exhibit will govern and control. This Agreement specifically supersedes and replaces any agreement between the parties that predates this Agreement and which relates to the Service as provided in Exhibit B, even if the prior agreement contains an “entire agreement” or “merger” clause, and any such agreements are terminated.
2. **TALX OBLIGATIONS.** The Service will provide Agency with automated access to certain employment and/or income data (“Data”) furnished to TALX by employers.
3. **AGENCY OBLIGATIONS.**
  - a. Agency shall pay for the Services as provided in CDSS Agreement 17-3078. All prices stated in this Agreement are exclusive of, and Agency shall pay, all sales, use, privilege, or excise taxes.
  - b. Agency shall ensure that County be made aware of and agree to comply with all terms set forth in this Agreement to access the Service.
  - c. To the extent Agency accesses any Data obtained by County, Agency will comply with County Obligations, below.
  - d. Agency shall notify TALX if it learns County has ceased use of the Service or if it has reason to suspect that County has violated the terms of the MOU and/or this Agreement.
4. **COUNTY OBLIGATIONS.**
  - a. County shall comply with the terms set forth in this Agreement which includes Exhibits 1, 2, and 3.
  - b. County certifies that it will order Data from the Service only when County intends to use the Data (i) in accordance with the Fair Credit Reporting Act (“FCRA”) and all state law FCRA counterparts as though the Data is a consumer report, and (ii) for one of the following FCRA permissible purposes: (1) in connection with a credit transaction involving the Consumer on whom the Data is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer, (2) in connection with a determination of the consumer’s eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant’s financial responsibility or status, or (3) when County otherwise has a legitimate business need for the information either in connection with a business transaction that is initiated by the Consumer, or to review an account to determine whether the Consumer continues to meet the terms of the account; and for no other purpose.

Agency agrees to only use the Data consistent with the obligations of users of consumer reports as provided for in the Consumer Financial Protection Bureau (the “CFPB”)’s Notice Form attached as Exhibit 1.

- c. To the extent County requests Data on a Vermont resident, County certifies that it will comply with applicable provisions under Vermont law. In particular, County certifies that it will order Data relating to Vermont residents only after County has received prior Consumer consent in accordance with VFCRA Section 24803 and applicable Vermont Rules. County further certifies that the attached copy of VFCRA Section 2480e applicable Vermont Rules as referenced in Exhibit 2 was received from TALX.
- d. County may use the Data provided through the Service only as described in this Agreement. County may reproduce or store the Data obtained from the Service solely for its own use in accordance with this Agreement, and will hold all Data obtained from the Service under this Agreement in strict confidence and will not reproduce, reveal, or make it accessible in whole or in part, in any manner whatsoever, to any others unless required by law, or unless County first obtains TALX’s written consent; provided, however, that County may discuss Consumer Data with the Data subject when County has taken adverse action against the subject based on the Data. County will not provide a copy of the Data to the Consumer, except as may be required or permitted by law or approved in writing by TALX, except in any state where this contractual prohibition would be invalid. County will refer the Consumer to TALX whenever the Consumer disputes the Data disclosed by County. County will not interpret the failure of TALX to return Data as a statement regarding that consumer’s credit worthiness, because the failure may result from one or more factors unrelated to credit worthiness.
- f. County may access, use and store the Data only at or from locations within the territorial boundaries of the United States, Canada, and the United States territories of Puerto Rico, Guam and the Virgin Islands (the “Permitted Territory”). County may not access, use or store the Data or TALX Confidential Information at or from, or send the Data or Confidential Information to, any location outside of the Permitted Territory without County first obtaining TALX’ written permission.
- g. County represents and warrants it (i) is administering a government funded benefit or program, (ii) has been given the legal authority to view the Data by the Consumer or by operation of law, and (iii) is requesting the Data in compliance with all laws.
- h. County acknowledges it shall employ decision making processes appropriate to the nature of the transaction in accordance with commercially reasonable standards and will utilize the Data as part of its process.
- i. County represents and warrants it has written authorization from the Consumer to verify income. County need not use any particular form of authorization or obtain a separate signature for verifying income provided that the form constitutes Consumer authorization. Notwithstanding the foregoing, in the event County is using the Service to collect on defaulted child support obligations, County is not required to obtain such authorization.
- j. County may not allow a third party service provider (hereafter “Service Provider”) other than participating CWD’s (set forth above) to access, use, or store the Service or Data on its behalf without first obtaining TALX’s written permission and without the Service Provider first entering into a Client Service Provider Information Use and Nondisclosure Agreement with TALX.
- k. In order to ensure compliance with this Agreement, applicable law and TALX policies, TALX may conduct reviews of County activities, from time to time, during normal business hours, at all locations containing relevant records, with respect to County’s requests for Data and/or its use of Data. County shall provide documentation within a reasonable time to TALX as reasonably requested for purposes of such review. County (i) shall cooperate fully with any and all investigations by TALX of allegations of abuse or misuse of the Services and allow TALX to access its premises, records, and personnel for purposes of such investigations if TALX deems such access is necessary to complete such investigation(s), (ii) agrees that any failure to cooperate fully and promptly in the conduct of any audit constitutes grounds for immediate suspension of the Service and/or termination of the Agreement, and (iii) shall promptly correct any discrepancy revealed by such investigation(s). County shall include the

name and email address of the appropriate point of contact to whom such request should be made in the space provided below. County may change its contact information upon written notice:

Audit Contact Name	Audit Contact E-mail Address

## 5. COUNTY USE OF SERVICE.

Data on the Service may be accessed by County authorized by law to administer government funded benefits or programs in the State of California to verify Consumer's employment status ("Employment Verification") or income ("Income Verification") for the purposes of determining eligibility for receipt of public aid or assistance, prevention or identification of fraud, overpayments associated with the receipt of public aid or assistance.

## 6. DATA SECURITY. This Section 6 applies to any means through which County orders or accesses the Service including, without limitation, system-to-system, personal computer or the Internet. For the purposes of this Section 6, the term "Authorized User" means a County employee that County has authorized to order or access the Service and who is trained on County's obligations under this Agreement with respect to the ordering and use of the Service, and the Data provided through same, including County's FCRA and other obligations with respect to the access and use of Data.

### a. County will, with respect to handling any Data provided through the Service:

1. ensure that only Authorized Users can order or have access to the Service,
2. ensure that Authorized Users do not order Data for personal reasons or provide Data to any third party except as permitted by this Agreement,
3. inform Authorized Users that unauthorized access to Data may subject them to civil and criminal liability under the FCRA punishable by fines and imprisonment,
4. ensure that all devices used by County to order or access the Service are placed in a secure location and are accessible only by Authorized Users, and that such devices are secured when not in use through such means as screen locks, shutting power controls off, or other commercially reasonable security procedures,
5. take all necessary measures to prevent unauthorized ordering of or access to the Service by any person other than an Authorized User for permissible purposes, including, without limitation, (i) limiting the knowledge of the County security codes, user names, User IDs, and any passwords County may use, to those individuals with a need to know, (ii) changing County's user passwords at least every ninety (90) days, or sooner if an Authorized User is no longer responsible for accessing the Service, or if County suspects an unauthorized person has learned the password, (iii) using all security features in the software and hardware County uses to order or access the Service, and (iv) requiring each individual Authorized User to have a unique User ID and password to access the Service.
6. in no event access the Service via any unsecured wireless hand-held communication device, including but not limited to, web enabled cell phones, interactive wireless pagers, personal digital assistants (PDAs), mobile data terminals, and portable data terminals, or other portable devices which do not store data in a manner consistent with the encryption requirements provided in Section 6.a.8,
7. not use non-company owned assets such as personal computer hard drives or portable and/or removable data storage equipment or media (including but not limited to laptops, zip drives, tapes, disks, CDs, and DVDs) to store the Data. In addition, Data must be encrypted when not in use and all printed Data must be stored in a secure, locked container when not in use, and must be completely destroyed when no longer needed by cross-cut shredding machines (or other equally effective destruction method) such that the results are not readable or useable for any purpose. In either case, commercially reasonable practices for the type of Data received from TALX must be employed,

8. if County sends, transfers or ships any Data, encrypt the Data using the following minimum standards, which standards may be modified from time to time by TALX: Advanced Encryption Standard (AES), minimum 128-bit key or Triple Data Encryption Standard (3DES), minimum 168-bit key, encrypted algorithms,
  9. not ship hardware or software between County's locations or to third parties without deleting all TALX County number(s), security codes, User IDs, passwords, County user passwords, and any consumer information, or Data unless such information is encrypted as provided herein,
  10. monitor compliance with the obligations of this Section 6, and immediately notify TALX if County suspects or knows of any unauthorized access or attempt to access the Service, including, without limitation, a review of TALX invoices for the purpose of detecting any unauthorized activity,
  11. if, subject to the terms of this Agreement, County uses a Service Provider to establish access to the Service, be responsible for the Service Provider's use of County's user names, security access codes, or passwords, and County will ensure the Service Provider safeguards County's security access code(s), User IDs, and passwords through the use of security requirements that are no less stringent than those applicable to County under this Section 6,
  12. use commercially reasonable efforts to assure data security when disposing of any Data obtained from TALX. Such efforts must include the use of those procedures issued by the federal regulatory agency charged with oversight of County's activities (e.g. the Federal Trade Commission, the applicable banking or credit union regulator) applicable to the disposal of consumer report information or records,
  13. use commercially reasonable efforts to secure Data when stored on servers, subject to the following requirements: (i) servers storing Data must be separated from the Internet or other public networks by firewalls which are managed and configured to meet industry accepted best practices, (ii) protect Data through multiple layers of network security, including but not limited to, industry-recognized firewalls, routers, and intrusion detection/prevention devices (IDS/IPS), (iii) secure access (both physical and network) to systems storing Data, which must include authentication and passwords that are changed at least every ninety (90) days; and (iv) all servers must be kept current and patched on a timely basis with appropriate security-specific system patches, as they are available,
  14. not allow Data to be displayed via the Internet unless utilizing, at a minimum, a three-tier architecture configured in accordance with industry best practices, and
  15. use commercially reasonable efforts to establish procedures and logging mechanisms for systems and networks that will allow tracking and analysis in the event there is a compromise, and maintain an audit trail history for at least three (3) months for review.
- b. If TALX reasonably believes that County has violated this Section 6, TALX may, in addition to any other remedy authorized by this Agreement, with reasonable advance written notice to County and at TALX's sole expense, conduct, or have a third party conduct on its behalf, an audit of County's network security systems, facilities, practices and procedures to the extent TALX reasonably deems necessary, including an on-site inspection, to evaluate County's compliance with the data security requirements of this Section 6.
7. **CONFIDENTIALITY.** To the extent consistent with law, each party acknowledges that all materials and information disclosed by a party ("Disclosing Party") to another party ("Recipient") in connection with performance of this Agreement, including the terms of this Agreement and the pricing terms contained in Exhibit B of CDSS Agreement 17-3078, consist of confidential and proprietary data ("Confidential Information"). Each Recipient will hold those materials and that information in strict confidence, and will restrict its use of those materials and that information to the purposes anticipated in this Agreement. If the law or legal process requires Recipient to disclose confidential and proprietary data, Recipient will notify the Disclosing Party of the request. Thereafter, the Disclosing Party may seek a protective order or waive the confidentiality requirements of this Agreement, provided that Recipient may only disclose the minimum amount of information necessary to comply with the requirement. Recipient will not be obligated to hold confidential any information from the Disclosing Party which (a) is or becomes publicly known, (b) is received from any person or entity who, to the best of Recipient's knowledge, has no duty of confidentiality to the Disclosing Party, (c) was already known to Recipient prior to the disclosure, and that knowledge was evidenced in writing

prior to the date of the other party's disclosure, or (d) is developed by the Recipient without using any of the Disclosing Party's information. The rights and obligations of this Section 7 with respect to (i) confidential and proprietary data that constitutes a "trade secret" (as defined by applicable law), will survive termination of this Agreement for so long as such confidential and proprietary information remains a trade secret under applicable law; and (ii) all other confidential and proprietary data, will survive the termination of this Agreement for the longer of two (2) years from termination, or the confidentiality period required by applicable law.

TALX acknowledges that Agency and County are Public Agencies subject to the California Public Records Act (Government Code section 6250 et seq.) and Brown Act (Government Code section 54950 et seq.) and are required to make available for inspection public contracts unless exempted by law. TALX agrees that Agency and County may make available for public inspection the contents of Agreement 17-3078 and/or the associated County Memorandum of Understanding if required under the California Public Records Act and Brown Act without providing prior notice to TALX.

- 8. TERM AND TERMINATION.** Unless otherwise provided for in Exhibit B – Budget Detail and Payment Provisions, TALX may change the price of the Service and/or the Service Schedule and/or Description with thirty (30) days notice. Agency's use of the Service after such thirty (30) day period shall constitute its agreement to such change(s), without prejudice to its right to terminate this Agreement as provided above. If either party materially breaches this Agreement, the non-breaching party may terminate this Agreement after providing written notice of the breach to the breaching party with fifteen (15) calendar days opportunity to cure. TALX may, in its own discretion, suspend services during any cure period. Either party, by written notice to the other party, may immediately terminate this Agreement or suspend any Service(s) if based on a reasonable belief that the other party has violated the FCRA, any of the state law counterparts to the FCRA, or any other applicable law or regulation for Client.
- 9. RIGHTS TO SERVICE.** The Service and the Data, including all rights thereto, are proprietary to TALX.
- 10. WARRANTY.** TALX warrants that the Service will be performed in all material respects in a reasonable and workmanlike manner and in compliance with laws and regulations applicable to TALX' performance thereof. Agency and County acknowledge that the ability of TALX to provide accurate information is dependent upon receipt of accurate information from employers. TALX does not warrant that the Service will be error free. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH HEREIN, TALX MAKES NO OTHER WARRANTIES AS TO THE SERVICE OR THE DATA, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF GOOD TITLE, MERCHANTABILITY, AND/OR FITNESS FOR A PARTICULAR PURPOSE EVEN IF TALX KNOWS OF SUCH PURPOSE.
- 11. INDEMNIFICATION.** County and TALX agree to indemnify, defend and hold harmless ("Indemnify") the other party and its affiliates, and their directors, officers and employees (each, an "Indemnified Party"), from and against claims, demands, liabilities, suits, damages, expenses and costs, including reasonable attorneys', experts' and investigators' fees and expenses ("Claims"), but only in proportion to and to the extent such claims, demands, liabilities, suits, damages, expenses and costs, including reasonable attorneys' fees, experts' and investigators fees and expenses brought by third parties against the Indemnified Party and are caused by or arise from the indemnifying party's, or its affiliates', directors', officers' or employees' ("Indemnifying Party") (i) breach of this Agreement, (ii) negligent or intentional, wrongful act or omission, (iii) infringement on third party proprietary rights. Further, each party agrees to Indemnify the other from and against the Indemnifying Party's (i) violation of applicable law, or (ii) breach of Section 7 Confidentiality.
- 12. LIMITATION OF LIABILITY.** In no event shall either party or its officers, agents or employees be liable for loss of profits or for indirect, special, incidental or consequential damages arising out of or related to the performance of this Agreement, even if that party has been advised of the possibility of such damages. In no event shall damages of any kind payable by TALX hereunder exceed the sum paid by Agency for the service which causes Agency's or County's claim.
- 13. APPLICABLE LAW.** This Agreement shall be governed by the laws of the State of California, without giving effect to the principles of conflict of laws thereof.
- 14. FORCE MAJEURE.** Neither party will be liable to the other for any delay, or interruption in performance as to any obligation hereunder resulting from governmental emergency orders, judicial or governmental action,

emergency regulations, sabotage, riots, vandalism, labor strikes or disputes, acts of God, fires, electrical failure, major computer hardware or software failures, equipment delivery delays, acts of third parties, or delays or interruptions in performance beyond its reasonable control.

- 15. MISCELLANEOUS.** Except as otherwise provided in this Agreement, this Agreement may be amended only by a subsequent writing signed by both parties. This Agreement may not be assigned or transferred by Agency without TALX' prior written consent. This Agreement shall be freely assignable by TALX and shall inure to the benefit of and be binding upon the permitted assignee of either Agency or TALX. If any provision of this Agreement is held to be invalid or unenforceable under applicable law in any jurisdiction, the validity or enforceability of the remaining provisions thereof shall be unaffected as to such jurisdiction and such holding shall not affect the validity or enforceability of such provision in any other jurisdiction. To the extent that any provision of this Agreement is held to be invalid or unenforceable because it is overbroad, that provision shall not be void but rather shall be limited only to the extent required by applicable law and enforced as so limited. Any notice under this Agreement shall be effective upon personal delivery by an overnight or other courier or delivery service, or three (3) days after pre-paid deposit with the postal service, in either case to the party's address in the first sentence of this Agreement or any substitute therefore provided by notice.

**UNIVERSAL MEMBERSHIP AGREEMENT**  
**for**  
**The Work Number® Social Services**

**Exhibit 1**

**All users of consumer reports must comply with all applicable regulations. Information about applicable regulations currently in effect can be found at the Consumer Financial Protection Bureau's website, [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).**

**NOTICE TO USERS OF CONSUMER REPORTS: OBLIGATIONS OF USERS UNDER THE FCRA**

The Fair Credit Reporting Act (FCRA), 15 U.S.C. 1681-1681y, requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. The text of the FCRA is set forth in full at the Consumer Financial Protection Bureau's (CFPB) website at [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore). At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the CFPB's website.

**Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.**

The first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports. The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. If you are a furnisher of information to a consumer reporting agency (CRA), you have additional obligations and will receive a separate notice from the CRA describing your duties as a furnisher.

**I. OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS**

***A. Users Must Have a Permissible Purpose***

Congress has limited the use of consumer reports to protect consumers' privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report. Section 604 contains a list of the permissible purposes under the law. These are;

- As ordered by a court or a federal grand jury subpoena. *Section 604(a)(1)*
- As instructed by the consumer in writing. *Section 604(a)(2)*
- For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer's account. *Section 604(a)(3)(A)*
- For employment purposes, including hiring and promotion decision, where the consumer has given written permission. *Section 604(a)(3)(B) and 604(b)*
- For the underwriting of insurance as a result of an application from a consumer. *Section 604(a)(3)(C)*
- When there is a legitimate business need, in connection with a business transaction that is *initiated* by the consumer. *Section 604(a)(3)(F)(i)*
- To review a consumer's account to determine whether the consumer continues to meet the terms of the account. *Section 604(a)(3)(F)(ii)*
- To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status. *Section 604(a)(3)(D)*
- For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or prepayment risks associated with an existing credit obligation. *Section 604(a)(3)(E)*
- For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof. *Sections 604(a)(4) and 604(a)(5)*

In addition, creditors and insurers may obtain certain consumer report information for the purpose of making “prescreened” unsolicited offers of credit or insurance. *Section 604(c)*. The particular obligations of users of “prescreened” information are described in Section VII below.

***B. Users Must Provide Certifications***

Section 604(f) prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for

any other purpose.

### ***C. Users Must Notify Consumers When Adverse Actions Are Taken***

The term “adverse action” is defined very broadly by Section 603. “Adverse actions” include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact as defined by Section 603(k) of the FCRA - such as denying or canceling credit or insurance, or denying employment or promotion. No adverse action occurs in a credit transaction where the creditor makes a counteroffer that is accepted by the consumer.

#### **1. Adverse Actions Based on Information Obtained From a CRA**

If a user takes any type of adverse action as defined by the FCRA that is based at least in part on information contained in a consumer report, Section 615(a) requires the user to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

- The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report.
- A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made.
- A statement setting forth the consumer's right to obtain a free disclosure of the consumer's file from the CRA if the consumer makes a request within 60 days.
- A statement setting forth the consumer's right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

#### **2. Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies**

If a person denies (or increases the charge for) credit for personal, family, or household purposes based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) requires that the user clearly and accurately disclose to the consumer his or her right to be told the nature of the information that was relied upon if the consumer makes a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer's written request.

#### **3. Adverse Actions Based on Information Obtained From Affiliates**

If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notice must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. If consumer report information is shared among affiliates and then used for an adverse action, the user must make an adverse action disclosure as set forth in I.C.1 above.

### ***D. Users Have Obligations When Fraud and Active Duty Military Alerts are in Files***

When a consumer has placed a fraud alert, including one relating to identity theft, or an active duty military alert with a nationwide consumer reporting agency as defined in Section 603(p) and resellers, Section 605A(h) imposes limitations on users of reports obtained from the consumer reporting agency in certain circumstances, including the establishment of a new credit user must have reasonable policies and procedures in place to form a belief that the user knows the identity of the applicant or contact the consumer at a telephone number specified by the consumer; in the case of extended fraud alerts, the user must contact the consumer in accordance with the contact information provided in the consumer's alert.

### ***E. Users Have Obligation When Notified of an Address Discrepancy***

Section 605(h) requires nationwide CRAs, as defined in Section 603(p), to notify users that request reports when the address for a consumer provided by the user in requesting the report is substantially different from the addresses in the consumer's file. When this occurs, users must comply with regulations specifying the procedures to be followed. Federal regulations are available at [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

### ***F. User Have Obligation When Disposing of Records***

Section 628 requires that all users of consumer report information have in place procedures to properly dispose of records containing this information. Federal regulations have been issued that cover disposal.

## II. CREDITORS MUST MAKE ADDITIONAL DISCLOSURES

If a person uses a consumer report in connection with an application for, or a grant, extension, or provision of, credit to a consumer on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person must provide a risk-based pricing notice to the consumer in accordance with regulations prescribed by the

Section 609(g) requires a disclosure by all persons that make or arrange loans secured by residential real property (one to four units) and that use credit scores.

These persons must provide credit scores and other information about credit scores to applicants, including the disclosure set forth in Section 609(g)(1)(D) ("Notice to the Home Loan Applicant").

## III. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES

### A. *Employment Other Than in the Trucking Industry*

If information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

- Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
- Obtain from the consumer prior written authorization. Authorization to access reports during the term of employment may be obtained at the time of employment.
- Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer's rights will be provided to the consumer.
- **Before** taking an adverse action, the user must provide a copy of the report to the consumer as well as the summary of consumer's rights. (The user should receive this summary from the CRA.) A Section 615(a) adverse action notice should be sent after the adverse action is taken.

An adverse action notice also is required in employment situations if credit information (other than transactions and experience data) obtained from an affiliate is used to deny employment. *Section 615(b)(2)*

The procedures for investigative consumer reports and employee misconduct investigations are set forth below.

### B. *Employment in the Trucking Industry*

Special rules apply for truck drivers where the only interaction between the consumer and the potential employer is by mail, telephone, or computer. In this case, the consumer may provide consent orally or electronically, and an adverse action may be made orally, in writing, or electronically. The consumer may obtain a copy of any report relied upon by the trucking company by contacting the company.

## IV. OBLIGATIONS WHEN INVESTIGATIVE CONSUMER REPORTS ARE USED

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews by an entity or person that is a consumer reporting agency. Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 requires the following:

- The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer at some time before or not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and the summary of consumer rights required by Section 609 of the FCRA. (The summary of consumer rights will be provided by the CRA that conducts the investigation.)
- The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.
- Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation. This must be made in a written statement that is mailed, or otherwise delivered, to the consumer no later than five days after the date on which the request was

received from the consumer or the report was first requested, whichever is later in time.

## **V. SPECIAL PROCEDURES FOR EMPLOYEE INVESTIGATIONS**

Section 603(x) provides special procedures for investigations of suspected misconduct by an employee or for compliance with Federal, state or local laws and regulations or the rules of a self-regulatory organization, and compliance with written policies of the employer. These investigations are not treated as consumer reports so long as the employer or its agent complies with the procedures set forth in Section 603(x), and a summary describing the nature and scope of the inquiry is made to the employee if an adverse action is taken based on the investigation.

## **VI. OBLIGATIONS OF USERS OF MEDICAL INFORMATION**

Section 604(g) limits the use of medical information obtained from consumer reporting agencies (other than payment information that appears in a coded form that does not identify the medical provider). If the information is to be used for an insurance transaction, the consumer must give consent to the user of the report or the information must be coded. If the report is to be used for employment purposes – or in connection with a credit transaction (except as provided in federal regulations) – the consumer must provide specific written consent and the medical information must be relevant. Any user who receives medical information shall not disclose the information to any other person (except where necessary to carry out the purpose for which the information was disclosed, or as permitted by statute, regulation, or order).

## **VII. OBLIGATIONS OF USERS OF “PRESCREENED” LISTS**

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstance. *Section 603(1), 604(c), 604(E), and 615(d)*. This practice is known as “prescreening” and typically involves obtaining from a CRA a list of consumers who meet certain preestablished criteria. If any person intends to use prescreened list, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and to grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

- Information contained in a consumer's CRA file was used in connection with the transaction.
  - The consumer received the offer because he or she satisfied the criteria for credit worthiness insurability used to screen for the offer.
  - Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer does not furnish required collateral.
  - The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. The statement must include the address and toll-free telephone number of the appropriate notification system.
- In addition, the CFPB has established the format, type size, and manner of the disclosure required by Section 615(d), with which users must comply. The relevant regulation is 12 CFR 1022.54.

## **VIII. OBLIGATIONS OF RESELLERS**

### ***A. Disclosure and Certification Requirements***

Section 607(e) requires any person who obtains a consumer report for resale to take the following steps:

- Disclose the identity of the end-user to the source CRA.
- Identify to the source CRA each permissible purpose for which the report will be furnished to the end-user.
- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain:
  - (1) the identity of all end-users;
  - (2) certifications from all users of each purpose for which reports will be used;and
  - (3) certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller.Resellers must make reasonable efforts to verify this information before selling the report.

**B. Reinvestigations by Resellers**

Under Section 611(f), if a consumer disputes the accuracy or completeness of information in a report prepared by a reseller, the reseller must determine whether this is a result of an action or omission on its part and, if so, correct or delete the information. If not, the reseller must send the dispute to the source CRA for reinvestigation. When any CRA notifies the reseller of the results of an investigation, the reseller must immediately convey the information to the consumer.

**C. Fraud Alerts and Resellers**

Section 605A(f) requires resellers who receive fraud alerts or active duty alerts from another consumer reporting agency to include these in their reports.

**IX. LIABILITY FOR VIOLATIONS OF THE FCRA**

Failure to comply with the FCRA can result in state government or federal government enforcement actions, as well as private lawsuits. *Sections 616, 617, and 621*. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. *Section 619*.

The CFPB's website, [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore), has more information about the FCRA, including publications for businesses and the full text of the FCRA.

**Citations for FCRA sections in the U.S. Code, 15 U.S.C. § 1681 et seq.:**

Section 602 15 U.S.C. 1681  
Section 603 15 U.S.C. 1681a  
Section 604 15 U.S.C. 1681b  
Section 605 15 U.S.C. 1681c  
Section 605A 15 U.S.C. 1681cA  
Section 605B 15 U.S.C. 1681cB  
Section 606 15 U.S.C. 1681d  
Section 607 15 U.S.C. 1681e  
Section 608 15 U.S.C. 1681f  
Section 609 15 U.S.C. 1681g  
Section 610 15 U.S.C. 1681h  
Section 611 15 U.S.C. 1681i  
Section 612 15 U.S.C. 1681j  
Section 613 15 U.S.C. 1681k  
Section 614 15 U.S.C. 1681l  
Section 615 15 U.S.C. 1681m  
Section 616 15 U.S.C. 1681n  
Section 617 15 U.S.C. 1681o  
Section 618 15 U.S.C. 1681p  
Section 619 15 U.S.C. 1681q  
Section 620 15 U.S.C. 1681r  
Section 621 15 U.S.C. 1681s  
Section 622 15 U.S.C. 1681s-1  
Section 623 15 U.S.C. 1681s-2  
Section 624 15 U.S.C. 1681t  
Section 625 15 U.S.C. 1681u  
Section 626 15 U.S.C. 1681v  
Section 627 15 U.S.C. 1681w  
Section 628 15 U.S.C. 1681x  
Section 629 15 U.S.C. 1681y

**UNIVERSAL MEMBERSHIP AGREEMENT**  
**for**  
**The Work Number® Social Services**

**Exhibit 2**

**VERMONT FAIR CREDIT REPORTING CONTRACT CERTIFICATION**

The undersigned, \_\_\_\_\_ (“Agency”), acknowledges that it subscribes to receive various information services from TALX Corporation (“TALX”) in accordance with the Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999), as amended (the “VFCRA”), and the federal Fair Credit Reporting Act, 15, U.S.C. 1681 et. seq., as amended (the “FCRA”), and its other state law counterparts. In connection with Agency's continued use of TALX services in relation to Vermont consumers, Agency hereby certifies as follows:

Vermont Certification. Agency certifies that it will comply with applicable provisions under Vermont law. In particular, Agency certifies that it will order Data relating to Vermont residents, that are credit reports as defined by the VFCRA, only after Agency has received prior consumer consent in accordance with VFCRA § 2480e and applicable Vermont Rules. Agency further certifies that the attached copy of VFCRA § 2480e applicable Vermont Rules were received from TALX.

Agency: \_\_\_\_\_

Signed By: \_\_\_\_\_

Printed Name and Title: \_\_\_\_\_

Account Number: \_\_\_\_\_

Date: \_\_\_\_\_

Please also include the following information:

Compliance Officer or Person Responsible for Credit Reporting Compliance

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

**Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999)**

**§ 2480e. Consumer consent**

(a) A person shall not obtain the credit report of a consumer unless:

- (1) the report is obtained in response to the order of a court having jurisdiction to issue such an order; or
- (2) the person has secured the consent of the consumer, and the report is used for the purpose consented to by the consumer.

(b) Credit reporting agencies shall adopt reasonable procedures to assure maximum possible compliance with subsection (a) of this section.

(c) Nothing in this section shall be construed to affect:

- (1) the ability of a person who has secured the consent of the consumer pursuant to subdivision (a)(2) of this section to include in his or her request to the consumer permission to also obtain credit reports, in connection with the same transaction or extension of credit, for the purpose of reviewing the account, increasing the credit line on the account, for the purpose of taking collection action on the account, or for other legitimate purposes associated with the account; and
- (2) the use of credit information for the purpose of prescreening, as defined and permitted from time to time by the Federal Trade Commission.

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**VERMONT RULES \*\*\* CURRENT THROUGH JUNE 1999 \*\*\***

**AGENCY 06. OFFICE OF THE ATTORNEY GENERAL  
SUB-AGENCY 031. CONSUMER PROTECTION DIVISION  
CHAPTER 012. Consumer Fraud--Fair Credit Reporting  
RULE CF 112 FAIR CREDIT REPORTING  
CVR 06-031-012, CF 112.03 (1999)  
CF 112.03 CONSUMER CONSENT**

**(a) A person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing if the consumer has made a written application or written request for credit, insurance, employment, housing or governmental benefit. If the consumer has applied for or requested credit, insurance, employment, housing or governmental benefit in a manner other than in writing, then the person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing or in the same manner in which the consumer made the application or request. The terms of this rule apply whether the consumer or the person required to obtain consumer consent initiates the transaction.**

(b) Consumer consent required pursuant to 9 V.S.A. §§ 2480e and 2480g shall be deemed to have been obtained in writing if, after a clear and adequate written disclosure of the circumstances under which a credit report or credit reports may be obtained and the purposes for which the credit report or credit reports may be obtained, the consumer indicates his or her consent by providing his or her signature.

(c) The fact that a clear and adequate written consent form is signed by the consumer after the consumer's credit report has been obtained pursuant to some other form of consent shall not affect the validity of the earlier consent.

**UNIVERSAL MEMBERSHIP AGREEMENT**  
**for**  
**The Work Number® Verifier Services**

**Exhibit 3**

The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under the FCRA. **For more information, including information about additional rights, go to [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) or write to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.**

• **You must be told if information in your file has been used against you.** Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment - or to take another adverse action against you - must tell you, and must give you the name, address, and phone number of the agency that provided the information.

• **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your “file disclosure”). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:

- a person has taken adverse action against you because of information in your credit report;
- you are the victim of identity theft and place a fraud alert in your file;
- your file contains inaccurate information as a result of fraud;
- you are on public assistance;
- you are unemployed but expect to apply for employment within 60 days.

In addition, all consumers are entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) for additional information.

• **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.

• **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) for an explanation of dispute procedures.

• **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.

• **Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.

• **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need - usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.

• **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

• **You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.** Unsolicited “prescreened” offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt out with the nationwide credit bureaus at 1-888-5-OPT OUT (1-888-567-8688).

• **You may seek damages from violators.** If a consumer reporting agency, or in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.

• **Identity theft victims and active duty military personnel have additional rights.** For more information, visit [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

**States may enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General. For information about your federal rights, contact:**

<b>TYPE OF BUSINESS:</b>	<b>CONTACT:</b>
<b>1.a.</b> Banks, savings associations, and credit unions with total assets of over \$10 billion and their affiliates.  <b>b.</b> Such affiliates that are not banks, savings associations, or credit unions also should list, in addition to the CFPB:	<b>a.</b> Consumer Financial Protection Bureau 1700 G Street NW Washington, DC 20552  <b>b.</b> Federal Trade Commission: Consumer Response Center - FCRA Washington, DC 20580 (877) 382-4357
<b>2.</b> To the extent not included in item 1 above:  <b>a.</b> National banks, federal savings associations, and federal branches and federal agencies of foreign banks  <b>b.</b> State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and Insured State Branches of Foreign Banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act  <b>c.</b> Nonmember Insured Banks, Insured State Branches of Foreign Banks, and insured state savings associations  <b>d.</b> Federal Credit Unions	<b>a.</b> Office of the Comptroller of the Currency Customer Assistance Group 1301 McKinney Street, Suite 3450 Houston, TX 77010-9050  <b>b.</b> Federal Reserve Consumer Help Center P.O. Box 1200 Minneapolis, MN 55480  <b>c.</b> FDIC Consumer Response Center 1100 Walnut Street, Box #11 Kansas City, MO 64106  <b>d.</b> National Credit Union Administration Office of Consumer Protection (OCP) Division of Consumer Compliance and Outreach (DCCO) 1775 Duke Street Alexandria, VA 22314
<b>3.</b> Air carriers	Asst. General Counsel for Aviation Enforcement & Proceedings Aviation Consumer Protection Division Department of Transportation 1200 New Jersey Avenue, SE Washington, DC 20590
<b>4.</b> Creditors Subject to Surface Transportation Board	Office of Proceedings, Surface Transportation Board Department of Transportation 395 E Street, SW Washington, DC 20423
<b>5.</b> Creditors Subject to Packers and Stockyards Act, 1921	Nearest Packers and Stockyards Administration area supervisor
<b>6.</b> Small Business Investment Companies	Associate Deputy Administrator for Capital Access United States Small Business Administration 409 Third Street, SW, 8th Floor Washington, DC 20416
<b>7.</b> Brokers and Dealers	Securities and Exchange Commission 100 F Street, NE Washington, DC 20549
<b>8.</b> Federal Land Banks, Federal Land Bank Associations, Federal Intermediate Credit Banks, and Production Credit Associations	Farm Credit Administration 1501 Farm Credit Drive McLean, VA 22102-5090
<b>9.</b> Retailers, Finance Companies, and All Other Creditors Not Listed Above	FTC Regional Office for region in which the creditor operates <i>or</i> Federal Trade Commission: Consumer Response Center - FCRA Washington, DC 20580 (877) 382-4357

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN THE**  
**CALIFORNIA DEPARTMENT OF SOCIAL SERVICES**  
**AND**  
**THE COUNTY OF \_\_\_\_\_**

**I. PURPOSE**

The California Department of Social Services (“CDSS”) has established an income verification program for California counties regarding the California Work and Responsibility to Kids (CalWORKs) and CalFresh programs. As part of this program, the CDSS has contracted with TALX Corporation (“TALX”), a provider of Equifax Verification Services, for participating counties to verify consumer-recipient employment, income and other work related information. The Agreement between CDSS and TALX, CDSS Agreement 17-3078 (hereafter “Agreement”), is attached as Exhibit 1.

This Memorandum of Understanding (MOU) is entered into by the CDSS and the County named above (“County”) for the purpose of authorizing County access to TALX’s on-line employment verification service (hereafter “The Work Number®”), pursuant to the Agreement, or subsequent agreements. This MOU authorizes County to retrieve and verify certain employment and/or income data of a consumer-recipient applying for or currently receiving public social service assistance where such information has been furnished to TALX by employers. County agrees to comply with the obligations of the Agreement as a condition of access to The Work Number.

**II. SCOPE OF WORK**

The Work Number may be accessed by County employees to verify a consumer-recipient’s employment status or income for purposes of determining eligibility for receipt of public aid or assistance, prevention or identification of overpayments associated with the receipt of public aid or assistance. Accordingly, The Work Number permits County the ability to:

- A. Search for a recipient’s employment status or income by a recipient’s Social Security Number.
- B. Register, authenticate, and monitor users and usage, including producing monthly reports.
- C. Identify if a recipient has current, historical, or no employment information on file.

- D. Order and retrieve an employment verification, which shall include the employer name and employment status; or an income verification which shall include the employer address, dates of employment, title of position, pay rate, and year-to-date gross income and pay period details for up to a three-year period.
- E. Through this MOU, CDSS authorizes County to access The Work Number solely for the purpose described in this Scope of Work. Counties not entering into this MOU will not have access to The Work Number unless they have a separate independent agreement with TALX.

### **III. CDSS RESPONSIBILITIES**

- A. Pursuant to a third-party beneficiary Agreement between CDSS and TALX, CDSS has, on behalf of participating counties, secured access to The Work Number for use in the CDSS income verification program.
- B. CDSS will not be directly accessing or using The Work Number but shall have the right as the pass-through entity to inspect, review, or otherwise monitor all activities, procedures, records, reports or forms related to the County's access of The Work Number in order to ensure compliance with this MOU.

### **IV. COUNTY RESPONSIBILITIES**

- A. County shall comply with the obligations of the Agreement, including the TALX Universal Membership Agreement (UMA) requirements (Exhibit E, Attachment 2 of CDSS Agreement 17-3078), or subsequent agreements.
- B. County shall maintain any and all information/data provided by The Work Number in strict confidence, and will not reproduce, disclose, or make accessible in whole or in part, in any manner whatsoever, to any third party, unless mandated by law.
- C. County represents and warrants it is administering a government funded benefit or program, has been granted the legal authority to view the information/data by the consumer or by operation of law, and shall only request the information/data in compliance with state and federal laws. County further represents and warrants that it has written authorization from the Consumer to verify income.
- D. County certifies that it will order data from The Work Number only when it intends to use the data in accordance with the Fair Credit Reporting Act ("FCRA") and all state law FCRA counterparts as though the data is a consumer report, in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required

by law to consider an applicant's financial responsibility or status, and for no other purpose.

- E. County agrees to only use the data consistent with the obligations of users of consumer reports as provided for in the Consumer Financial Protection Bureau (“CFPB”) Notice Form attached as Exhibit 1 to the UMA.
- F. To the extent County requests data on a Vermont resident, County certifies that it will comply with applicable provisions under Vermont law. In particular, County certifies that it will order data relating to Vermont residents only after County has received prior Consumer consent in accordance with VFCRA Section 24803 and applicable Vermont Rules. County further certifies that it received the copy of VFCRA Section 2480e applicable Vermont Rules as referenced in Exhibit 2 to the UMA.
- G. County certifies it will establish safeguards to ensure only Authorized Users can order or have access to the Work Number. “Authorized User” is defined as a County employee authorized to order or access The Work Number in relation to the performance of their official duties.
- H. County shall take all necessary measures to prevent unauthorized ordering of or access to The Work Number by any person other than the Authorized User for permissible purposes. County agrees to monitor County employees’ access of The Work Number to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others.
- I. County shall take all necessary measures to ensure employees do not access consumer-recipient employment or income information for personal reasons or benefit. No County employee shall engage in any employment, activity, or enterprise which is clearly inconsistent, incompatible, in conflict with, or inimical to the guidelines set forth under this MOU or his/her duties as a County employee.
- J. County agrees to indemnify, defend, and save harmless CDSS and TALX , and their respective directors, officers, managers, agents, and employees from any and all claims, actions, demands, damages, liabilities, obligations, losses, settlements, judgments, fines, penalties, sanctions, charges, costs and expenses, arising out of, relating to, or in connection with County’s use of The Work Number and/or the unauthorized disclosure or dissemination of consumer-recipient information/data by County employees in the performance of this Agreement. County does not assume the risk on behalf of or agree to indemnify any other county.
- K. County acknowledges that neither TALX nor its officers, agents or employees will be liable for loss of profits or for indirect, special, incidental or consequential

damages arising out of or related to the provision of verifications of employment and/or income, even if that party has been advised of the possibility of such damages. In no event shall damages of any kind payable by TALX exceed the sum paid by CDSS for the service which causes County's claim. This provision shall survive any termination or expiration of this MOU.

- L. County hereby certifies it will employ all necessary measures to maintain data security and confidentiality when sending, transferring, shipping, or otherwise disposing of any consumer report information. In addition to any requirements of this MOU, County agrees to comply with the data security provisions of the Agreement, including the UMA.
- M. County shall ensure that all County employees comply with California Welfare & Institutions Code section 10850 to protect any confidential information it may receive and possess from The Work Number from unauthorized use, access, or disclosure.
- N. Unauthorized use, access, or disclosure of confidential information is considered a breach of security. County shall immediately notify CDSS of any and all suspected, attempted, or confirmed breach of security by contacting the CDSS Information Security Officer (ISO), Lloyd Indig at (916) 651-5558.
- O. The use of The Work Number includes information that is protected by the FCRA and may subject an unauthorized user to possible civil and criminal liability, punishable by fines and imprisonment.
- P. When County ceases to use the services of TALX furnished pursuant to this MOU, it shall notify CDSS that it is no longer receiving services from TALX. If County is dissatisfied with the services of TALX, it shall provide a letter to CDSS describing its dissatisfaction.
- Q. Without limitation as to any other applicable rights or remedies, in the event of a breach of security caused by County employee(s), through the use of the information/data provided by TALX, County is responsible for any and all breach notifications to the consumer, along with associated costs.
- R. County may not assign or delegate any of its rights or duties under this MOU.
- S. County acknowledges that its access to The Work Number is subject to audit by TALX as described in the Agreement. County agrees to cooperate with CDSS and TALX in responding to any such audit.
- T. For the purposes of the employment verification program that is the subject of this MOU, County is not required to purchase separate or additional services from TALX. CDSS has no expectation that there will be a separate or continuing arrangement for future services between County and TALX.

## V. TERM

This MOU shall remain in effect until terminated by either party.

## VI. GENERAL PROVISIONS

- A. No condition or provision of this MOU shall be waived or altered except by written amendment signed by a duly authorized representative of CDSS and County.
- B. Termination without cause: This MOU may be terminated by either party without cause upon 30 days written notice.
- C. Termination with cause: This MOU may be terminated immediately by either party if the terms of this MOU are violated in any manner. However, CDSS or County shall provide written notice to the other party of such termination for cause of this MOU. TALX may immediately suspend and/or terminate County's access to The Work Number if TALX reasonably believes County has violated the FCRA, any of the state law counterparts to the FCRA, or any other applicable law or regulation.

## CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

By: \_\_\_\_\_  
Name and Title of signing staff

Date: \_\_\_\_\_

COUNTY OF \_\_\_\_\_

By: \_\_\_\_\_  
Name and Title of signing staff

Date: \_\_\_\_\_