



SHERYL L. SPILLER
Director

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County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

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July 05, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

12 July 5, 2016

LORI GLASGOW
EXECUTIVE OFFICER

**RECOMMENDATION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING BETWEEN THE
COUNTY OF LOS ANGELES AND CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

The Department of Public Social Services (DPSS) seeks approval to enter into a Memorandum of Understanding (MOU) with the California Department of Social Services (CDSS). The agreement will allow DPSS staff to participate in the CDSS Work Number Express Service Program from July 1, 2016, through September 30, 2017. This program allows participating counties to verify applicant and participant employment, income and other work related information needed for CalWORKs, CalFresh, General Relief, Medi-Cal, and Welfare-to-Work through Equifax/TALX Corporation.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of DPSS, or her designee, to execute an MOU, substantially similar to the enclosed MOU (Enclosure I) with CDSS, for the purpose of authorizing County access to "The Work Number" on-line employment verification service. The MOU will be effective July 1, 2016, through September 30, 2017, at no cost to the County under the terms and conditions as required by CDSS. The approval of County Counsel will be obtained prior to executing such agreement. The Director of DPSS or designee will notify the Board within ten business days after execution.
2. Delegate authority to the Director of DPSS, or her designee, to execute any amendments with CDSS for provision of employment and income verification services. The approval of County Counsel will be obtained prior to executing such agreement. The Director of DPSS or designee will notify the Board within ten business days after execution.

3. Delegate authority to the Director of DPSS, or her designee, to execute future agreements with CDSS for provision of employment and income verification services. The approval of County Counsel will be obtained prior to executing such agreement. The Director of DPSS or designee will notify the Board within ten business days after execution.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Work Number Standard Service is an automated employment and income verification service used to obtain employer and earnings verification, which DPSS started using in 2003. DPSS uses the free "Standard Service," which is used by Eligibility, Income Eligibility Verification System, Greater Avenues for Independence, Management Information and Evaluation, and Welfare Fraud Prevention and Investigation staff to verify employment and income reported by applicants and participants. Under the Standard Service, a Work Number verification request is submitted online and the requested information is received within five business days verifying "known" employment.

The "Express Service" is a secured online Social Security Number (SSN) look-up system that instantly obtains verification of employment, income, and hours worked. The Express Service uses a data warehouse of over 200 million records provided by over 3,100 employers in the United States. The MOU authorizes the County to receive and verify certain employment and/or income data of an applicant applying for or a participant receiving public social service assistance where such information has been furnished to Equifax/TALX Corporation, by employers.

Other alternatives for obtaining the employer and income information are already in place, which includes obtaining verification directly from the participant and employer.

Implementation of Strategic Plan Goals

The recommended action is consistent with the principles of the Countywide Strategic Plan, Goal 2: Community Support and Responsiveness: Enrich Lives of Los Angeles County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges.

FISCAL IMPACT/FINANCING

The service will be funded by CDSS at no cost to the counties. CDSS has entered into an agreement at no cost to counties effective April 1, 2016.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contractor Equifax/TALX Corporation is in compliance with all Board, CEO, and County Counsel requirements. CDSS has entered into an agreement, Universal Membership Agreement for The Work Number Social Services ("Agreement"), with Equifax/TALX Corporation, which operates The Work Number Express Service (Enclosure II). The Agreement grants CDSS access to Express Service on behalf of county welfare departments that sign an MOU that is included as an exhibit to the agreement with CDSS. The Express Service is an on-line inquiry system that uses an SSN to instantly obtain verification of employment, income, and hours worked. Designated staff from counties will be provided access to utilize this service. In Los Angeles County, the previously designated DPSS staff that had access to the free "Standard Service" will have access to the "Express Service." Training will be provided to designated staff by CDSS and Equifax/TALX

Corporation.

Counties interested in participating in The Work Number Express Service are required to sign the MOU included in the agreement between CDSS and Equifax/TALX Corporation as instructed by CDSS in the All County Welfare Directors Letter (Enclosure III). Therefore, the MOU and Agreement do not contain the County's standard terms and conditions required for County contracts and the terms of the Agreement and MOU cannot be modified.

County Counsel was consulted and concurred with the Chief Executive Office/Risk Management Operations (RMO) assessment, which is noted below.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended action will permit the County to continue to verify employment and income reported by applicants and participants.

The recommended action will not infringe on the role of the County in relationship to its responsibility to its residents, and the County's ability to respond to emergencies will not be impaired.

There is minimal but acceptable risk exposure to the County. The RMO has indicated that the overall risk in the agreement is not unlike what DPSS currently faces as confidential information could be used for unintended purposes unrelated to the eligibility determination and administration of benefits. DPSS assumed the risks expressed by the RMO when it first began using The Work Number Standard Service. The Express Service does not change the information to which staff has access, it simply makes the information available more frequently. DPSS does not assume any additional risks with this MOU as this MOU comes at no cost to Los Angeles County. It is unlikely that executing a direct agreement with Equifax/TALX Corporation will result in any change to the agreement requirements. In addition, entering into a direct agreement with Equifax/TALX Corporation will definitely come at a cost to DPSS.

Instructions were provided to staff on the use of The Work Number when the Standard Service first became available. Staff follows existing policy regarding the verification of employment and/or income of applicants/participants. Access to the Express Services will be limited to the same designated staff and will not allow staff to access or search for employment or earnings information at random.

CONCLUSION

The Executive Officer, Board of Supervisors is requested to return one adopted, stamped Board Letter to the Director of DPSS.

The Honorable Board of Supervisors

7/5/2016

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Respectfully submitted,

A handwritten signature in black ink, reading "Sheryl L. Spiller". The signature is written in a cursive, flowing style.

SHERYL L. SPILLER

Director

SLS:sv

Enclosures

c: Chief Executive Officer
Executive Officer, Board of Supervisors
County Counsel

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 15-STD-00907 (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. 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 15-STD-00907).
- 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

The term of this MOU is: _____ through September 30, 2017.

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: _____

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 15-STD-00907 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 15-STD-~~7777~~ ("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 15-STD-00907 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 15-STD-00907. 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 15-STD-00907, 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.

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' fees, 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.

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. 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.

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, 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

**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.

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.
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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 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 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 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.
- **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.

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:

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



CDSS

WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
 744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov

EDMUND G. BROWN JR.
GOVERNORREASON FOR THIS TRANSMITTAL

- ☐ State Law Change
☐ Federal Law or Regulation Change
☐ Court Order
☐ Clarification Requested by One or More Counties
☒ Initiated by CDSS

January 13, 2016

ALL COUNTY WELFARE DIRECTORS LETTER (ACWDL)

TO: ALL COUNTY WELFARE DIRECTORS

FROM: TODD R. BLAND
 Deputy Director
 Welfare to Work Division

SUBJECT: THE WORK NUMBER® EXPRESS SERVICE AGREEMENT

The California Department of Social Services (CDSS) invites County Welfare Departments (CWDs) to participate in an online employment and wage verification service agreement. The CDSS has entered into an agreement with Equifax/TALX Corporation a.k.a. The Work Number to provide counties with online employment and wage verification services through September 30, 2017.

The CDSS solicited bids for an agreement through an Invitation for Bid contract process. The agreement allows the CDSS to provide an online employment and wage verification system based on client social security numbers to all 58 California CWDs. This service will be at no cost to the CWDs.

Currently many CWDs are accessing employment and wage verification services through the pilot program provided by the Equifax/TALX Corporation. These CWDs should not experience any lapse in services on the condition that CWDs provide the CDSS the required documents by March 31, 2016.

The CWDs may choose to participate through the CDSS and Equifax/TALX agreement at any time during the agreement term. However, CWDs are not required to enter into this agreement. CWDs have the flexibility to enter into their own agreement, continue with any current agreements they may have and at any time during the agreement term

complete the steps necessary to enter into an agreement with CDSS for Equifax/TALX to provide the CWD these services.

In order to participate through the CDSS and Equifax/TALX agreement CWDs are required to provide certain documentation. Below is a list of documents CWDs must provide to the CDSS:

- ☐ Three (3) original sets of the Memorandum of Understanding (MOU) each with an original signature (attached).
 - One original will be retained by CDSS.
 - One original will be sent to TALX Corporation.
 - One original will be returned to the CWD.
- ☐ A copy of a resolution, order, motion, ordinance or other similar document from the local governing body authorizing execution of the MOU.
 - Documentation allowing the execution of the MOU is required. Notification shall include the authority granted and to whom the authority is granted.
 - Example: If the local board has authorized a CWD designee to execute an agreement without board approval, the minutes or formal documentation granting that authority specifically to the position and/or named individual must be submitted.
- ☐ A user list of individuals needing access to the services (template attached).
 - CWDs can add and delete users through the term of the agreement.

The signed MOUs, resolution, and user list must be mailed to the address below.

California Department of Social Services
Attention: Morgan Peschko
744 P Street, Mail Station 8-8-33
Sacramento, CA 95814

The MOU is attached to this letter. The MOU is between CDSS and the CWD, allowing the CWD to utilize the services. The MOU establishes the CWD as having responsibility for the security of data associated with the agreement, assuming responsibility for data sharing and agreeing to the terms and conditions of the agreement, specifically the Universal Membership Agreement for the Work Number Social Services (Exhibit E – Attachment 3 of the contract between CDSS and TALX). The CWDs must provide three original signed MOUs.

Please note that whoever the CWD designates to sign the MOU must have the authority to sign and enter into an agreement/MOU with the CDSS. Therefore, a copy of a resolution, order, motion, ordinance or other similar document from the local governing

All County Welfare Directors Letter
Page Three

body authorizing execution of the agreement by the CWD designee must accompany the MOU and is required by the CDSS.

The user list template is also attached to this letter. In order for CWDs to fully participate, a user list of individuals who need access to the program must be provided.

If you have any questions or need additional information please contact Morgan Peschko, Analyst, CalWORKs Employment Bureau, at Morgan.Peschko@dss.ca.gov.

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 15-STD-00907 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 15-STD-00907 ("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 15-STD-00907 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 15-STD-00907. 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 15-STD-00907, 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.

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.

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. 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.

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, 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.

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 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 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 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.
 - **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.
-

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:

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

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 15-STD-00907 (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. 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 15-STD-00907).
- 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

The term of this MOU is: _____ through September 30, 2017.

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: _____

