

STATE OF NEBRASKA SERVICE CONTRACT AWARD

State Purchasing Bureau
 1526 K Street, Suite 130
 Lincoln, Nebraska 68508
 OR
 P.O. Box 94847
 Lincoln, Nebraska 68509-4847
 Telephone: (402) 471-6500
 Fax: (402) 471-2089

PAGE 1 of 4	ORDER DATE 01/08/15
BUSINESS UNIT 9000	BUYER NANCY STORANT (AS)
VENDOR NUMBER: 2169978	
VENDOR ADDRESS: ACCURATE BACKGROUND LLC 7515 IRVINE CENTER DR IRVINE CALIFORNIA 92618-2930	

CONTRACT NUMBER
64424 O4

AN AWARD HAS BEEN MADE TO THE VENDOR/CONTRACTOR NAMED ABOVE FOR THE SERVICES AS LISTED BELOW FOR THE PERIOD:

JANUARY 01, 2015 THROUGH APRIL 25, 2017

THIS CONTRACT IS NOT AN EXCLUSIVE CONTRACT TO FURNISH THE SERVICES SHOWN BELOW, AND DOES NOT PRECLUDE THE PURCHASE OF SIMILAR SERVICES FROM OTHER SOURCES.

THE STATE RESERVES THE RIGHT TO EXTEND THE PERIOD OF THIS CONTRACT BEYOND THE TERMINATION DATE WHEN MUTUALLY AGREEABLE TO THE VENDOR/CONTRACTOR AND THE STATE OF NEBRASKA.

Original/Bid Document WSCA Contract MAO54

No action on the part of the vendor needs to be taken at this time. Orders for Background Investigations will be made as needed by the various Agencies of the State.

Contract to supply and deliver Background Investigations to the State of Nebraska per the following Contract Information and attached Participating Addendum.

Accurate Background website: www.accuratebackground.com

The State Purchasing Bureau encourages agencies to contact the designated Sales Representative/Account Representative to learn more about the services supplied under the WSCA contract.

The Purchase Order must include the State of Nebraska WSCA Contract #64424 O4 and the Accurate Background WSCA Contract #MAO54.

Vendor Contact: Julie Parra
 Phone: 949-609-2251 or 800-784-3911 Ext 257
 E-Mail: jparra@accuratebackground.com

(01/08/15 djo)

Line	Description	Quantity	Unit of Measure	Unit Price	Extended Price
1	BACKGROUND INVESTIGATION PACKAGE Social Security Trace via Address Mover to include: - 10 Year Felony/Misdemeanor search in each county identified in the SSN Trace and counties where the candidate has worked and/or gone to school - 7 Year Federal Criminal search in each district identified in the SSN Trace and districts where the candidate has worked and/or gone to school - 7 year Statewide Criminal Search in each state identified in the SSN Trace - National Sex Offender Database Search - National Criminal Database Search - One Name Plus Up To 3 Aliases searched	500.0000	EA	44.7500	22,375.00

Joseph M. Acierno, MD, JD
 Acting Chief Executive Officer
 Chief Medical Officer
 Director, Division of Public Health
 Department of Health and Human Services

1/8/15
 Nancy Storant
 BUYER
 MATERIEL ADMINISTRATOR

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PAGE 2 of 4	ORDER DATE 01/08/15
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CONTRACT NUMBER
64424 04

Line	Description	Quantity	Unit of Measure	Unit Price	Extended Price
2	BACKGROUND INVESTIGATION PACKAGE Social Security Trace via Address Mover to include: - 7 Year Felony/Misdemeanor search in each county identified in the SSN Trace and counties where the candidate has worked and/or gone to school - 7 Year Federal Criminal search in each district identified in the SSN Trace and districts where the candidate has worked and/or gone to school - 7 year Statewide Criminal Search in each state identified in the SSN Trace - National Sex Offender Database Search - National Criminal Database Search - One Name Plus Up To 3 Aliases searched	3,200.0000	EA	38.7500	124,000.00
3	BACKGROUND INVESTIGATION PACKAGE Social Security Trace via Address Mover to include: - 7 Year Felony/Misdemeanor search in each county identified in the SSN Trace and counties where the candidate has worked and/or gone to school - 7 Year Federal Criminal search in each district identified in the SSN Trace and districts where the candidate has worked and/or gone to school - 7 year Statewide Criminal Search in each state identified in the SSN Trace - National Sex Offender Database Search - One Name Submission	10.0000	EA	20.0000	200.00
4	BACKGROUND INVESTIGATION PACKAGE Social Security Trace via Address Mover to include: - 7 Year Felony/Misdemeanor search in each county identified in the SSN Trace and counties where the candidate has worked and/or gone to school - 7 Year Federal Criminal search in each district identified in the SSN Trace and districts where the candidate has worked and/or gone to school - 7 year Statewide Criminal Search in each state identified in the SSN Trace - National Sex Offender Database Search - Credit Report - One Name Submission	10.0000	EA	22.7500	227.50
5	BACKGROUND INVESTIGATION PACKAGE Social Security Trace via Address Mover to include: - 7 Year Felony/Misdemeanor search in each county identified in the SSN Trace and counties where the candidate has worked and/or gone to school - 7 Year Federal Criminal search in each district identified in the SSN Trace and districts where the candidate has worked and/or gone to school - 7 year Statewide Criminal Search in each state identified in the SSN Trace - National Sex Offender Database Search - Credit Report - One Name Plus Up To 3 Aliases searched	10.0000	EA	31.5000	315.00


 BUYER INITIALS

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6	BACKGROUND INVESTIGATION PACKAGE Social Security Trace via Address Mover to include: - 7 Year Felony/Misdemeanor search in each county identified in the SSN Trace and counties where the candidate has worked and/or gone to school - 7 Year Federal Criminal search in each district identified in the SSN Trace and districts where the candidate has worked and/or gone to school - 7 year Statewide Criminal Search in each state identified in the SSN Trace - National Sex Offender Database Search - Credit Report - Employment Verification - OIG Exclusions Search - Office of Foreign Assests Control (OFAC) - One Name Submission	10.0000	EA	35.7500	357.50
7	BACKGROUND INVESTIGATION PACKAGE Social Security Trace via Address Mover to include: - 7 Year Felony/Misdemeanor search in each county identified in the SSN Trace and counties where the candidate has worked and/or gone to school - 7 Year Federal Criminal search in each district identified in the SSN Trace and districts where the candidate has worked and/or gone to school - 7 year Statewide Criminal Search in each state identified in the SSN Trace - National Sex Offender Database Search - Credit Report - Employment Verification - OIG Exclusions Search - Office of Foreign Assests Control (OFAC) - One Name Submission	10.0000	EA	49.5000	495.00
8	BACKGROUND INVESTIGATION PACKAGE Social Security Trace via Address Mover to include: - 7 Year Felony/Misdemeanor search in each county identified in the SSN Trace and counties where the candidate has worked and/or gone to school - 7 Year Federal Criminal search in each district identified in the SSN Trace and districts where the candidate has worked and/or gone to school - 7 year Statewide Criminal Search in each state identified in the SSN Trace - National Sex Offender Database Search - Employment Verification - OIG Exclusions Search - Office of Foreign Assests Control (OFAC) - One Name Submission	10.0000	EA	33.0000	330.00
9	BACKGROUND INVESTIGATION PACKAGE Social Security Trace via Address Mover to include: - 7 Year Felony/Misdemeanor search in each county identified in the SSN Trace and counties where the candidate has	10.0000	EA	46.7500	467.50


 BUYER INITIALS

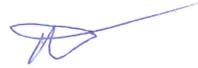
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PAGE 4 of 4	ORDER DATE 01/08/15
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	worked and/or gone to school - 7 Year Federal Criminal search in each district identified in the SSN Trace and districts where the candidate has worked and/or gone to school - 7 year Statewide Criminal Search in each state identified in the SSN Trace - National Sex Offender Database Search - Employment Verification - OIG Exclusions Search - Office of Foreign Assets Control (OFAC) - One Name Plus Up To 3 Aliases searched				
10	SUBJECT LETTER NOTIFICATION STATE REPORT	10.0000	EA	2.0000	20.00
11	ADJUDICATION REPORT	10.0000	EA	2.0000	20.00
12	BUSINESS CIVIL REPORT	10.0000	EA	9.0000	90.00
13	BUSINESS LICENSE VERIFICATION	10.0000	EA	5.0000	50.00
14	CIVIL UPPER COURT REPORT	10.0000	EA	9.0000	90.00
15	CREDIT REPORT TRANSUNION	10.0000	EA	4.2500	42.50
16	EDUCATION VERIFICATION REPORT	10.0000	EA	5.0000	50.00
17	EMPLOYMENT VERIFICATION REPORT	10.0000	EA	5.0000	50.00
18	FELONY/MISDEMEANOR REPORT	10.0000	EA	5.5000	55.00
19	MOTOR VEHICLE REPORT	10.0000	EA	4.0000	40.00
20	PROFESSIONAL LICENSE VERIFICATION REPORT	10.0000	EA	5.0000	50.00
21	REFERENCE CHECK REPORT	10.0000	EA	8.0000	80.00
22	ADDITIONAL RESEARCH REPORT	10.0000	EA	15.0000	150.00
23	SUBJECT LETTER REPORT	10.0000	EA	2.0000	20.00
24	SUBJECT LETTER DELAYED DECISION REPORT	10.0000	EA	2.0000	20.00
25	SUBJECT LETTER NEBRASKA REPORT	10.0000	EA	2.0000	20.00
Total Order					149,615.00


 BUYER INITIALS

**PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE
BACKGROUND INVESTIGATIONS
Administered by the State of Utah (hereinafter "Lead State")**

MASTER PRICE AGREEMENT
Accurate Background, Inc
Utah Contract Number: MA054
(hereinafter "Contractor")
And
The State of Nebraska
(hereinafter "Participating State")

Page 1 of 16

1. Scope: This addendum covers the WSCA Background Investigations contract led by the State of Utah for use by state agencies and other entities located in the Participating State authorized by that State's statutes to utilize state contracts, including but not limited to Attachment D.

2. Participation: Use of specific WSCA cooperative contracts by agencies, political subdivisions, and other entities (including cooperatives) authorized by an individual state's statutes to use state contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.

INDIVIDUAL CUSTOMER: Each State agency and political subdivision, as a Participating Entity, that purchases products/services will be treated as if they were Individual Customers. Except to the extent modified by this Participating Addendum, each agency and political subdivision will be responsible to follow the terms and conditions of the Master Agreement; and they will have the same rights and responsibilities for their purchases as the Lead State has in the Master Agreement. Each agency and political subdivision will be responsible for their own charges, fees, and liabilities. Each agency and political subdivision will have the same rights to any indemnity or to recover any costs allowed in the contract for their purchases. The Contractor will apply the charges to each Participating Entity individually.

3. Participating State Modifications or Additions to Master Price Agreement:
(These modifications or additions apply only to actions and relationships within the Participating Entity.)

a. **CONTRACT PERIOD**: January 1, 2015 through April 25, 2017

b. **COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT/NONDISCRIMINATION**
The contractor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits contractors of the State of Nebraska, and their subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §48-1101 to 48-1125). The Contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Contractor shall insert a similar provision in all subcontracts for services to be covered by any contract resulting from this contract.

c. **PERMITS, REGULATIONS, LAWS**

The Contractor shall procure and pay for all permits, licenses, and approvals necessary to comply with its obligations for the execution of the contract. The Contractor and the State of Nebraska shall comply with all applicable local, state, and federal laws, ordinances, rules, orders, and regulations.

d. **OWNERSHIP OF INFORMATION AND DATA**

The State of Nebraska shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or derived by the Contractor pursuant to this contract in accordance with the law, including but not limited to, Fair Credit Reporting Act and data privacy laws; any proprietary information as defined within Nebraska's public record statutes is excluded from this section.

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Utah Contract Number: MA054
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Page 2 of 16

The Contractor must guarantee that it has the full legal right to the materials, supplies, equipment, and other rights or titles (e.g. rights to licenses transfer or assign deliverables) necessary to execute this contract.

e. **INSURANCE REQUIREMENTS**

The Contractor shall not commence work under this contract until all the insurance required hereunder has been obtained and such insurance has been approved by the State. The Contractor shall maintain all required insurance for the life of this contract and shall ensure that the State Purchasing Bureau has the most current certificate of insurance throughout the life of this contract. If Contractor will be utilizing any subcontractors, the Contractor is responsible for obtaining the certificate(s) of insurance required herein under from any and all subcontractor(s). "Subcontractor" is an individual or third party with which the Contractor has an SOW, contract, or other agreement utilized specialized for and expressly as a part of the Contractor's performance for the Contract. The Contractor is also responsible for ensuring subcontractor(s) maintain the insurance required until completion of the contract requirements. The Contractor shall not allow any subcontractor to commence work on any subcontract until all similar insurance required of the subcontractor has been obtained and approved by the Contractor. Approval of the insurance by the State shall not limit, relieve, or decrease the liability of the contractor hereunder.

If by the terms of any insurance a mandatory deductible is required, or if the Contractor elects to increase the mandatory deductible amount, the Contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

1) **WORKERS' COMPENSATION INSURANCE**

The Contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the Contractors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. This policy shall include a waiver of subrogation in favor of the State. The amounts of such insurance shall not be less than the limits stated hereinafter.

2) **COMMERCIAL GENERAL LIABILITY INSURANCE**

The Contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance as shall protect Contractor and any subcontractor performing work covered by this contract from claims for negligence or willful misconduct which may arise from operations under this contract, whether such operation be by the Contractor or by any subcontractor or by anyone directly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an occurrence basis, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury, and Contractual Liability coverage. The policy shall include the State, and others as required by the contract documents, as Additional Insured(s). This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered excess and non-contributory.

3) **INSURANCE COVERAGE AMOUNTS REQUIRED**

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Page 3 of 16

a. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY

Coverage A	Statutory
Coverage B	
Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$500,000 policy limit
Bodily Injury by Disease	\$100,000 each employee

b. COMMERCIAL GENERAL LIABILITY

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 any one person
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Fire Damage	\$50,000 any one fire
Medical Payments	\$5,000 any one person

c. UMBRELLA/EXCESS LIABILITY

Over Primary Insurance	\$1,000,000 per occurrence
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d. SUBROGRATION WAIVER

"Waiver of Subrogation on the Worker's Compensation in favor of the State of Nebraska."

e. LIABILITY WAIVER

"The State of Nebraska, Certificate holder, is an additionally insured, primary & noncontributory on the General Liability."

4) EVIDENCE OF COVERAGE

The Contractor should furnish the State a certificate of insurance coverage complying with the above requirements to the attention of the Buyer at 402-471-2089 (fax) or

Administrative Services
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These certificates or the cover sheet shall reference the parties and this contract, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of coverage afforded. If the State is damaged by the failure of the contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto.

Notice of cancellation of any required insurance policy must be submitted to Administrative Services State Purchasing Bureau when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

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Page 4 of 16

f. INDEPENDENT CONTRACTOR

It is agreed that nothing contained herein is intended or should be construed in any manner as creating or establishing the relationship of partners between the parties hereto. The Contractor represents that it has, or will secure at its own expense, all personnel required to perform the services under the contract. The Contractor's employees and other persons engaged in work or services required by the Contractor under the contract shall have no contractual relationship with the State; they shall not be considered employees of the State.

All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination against the contractor, its officers, or its agents) shall in no way be the responsibility of the State. The Contractor will hold the State harmless from any and all such claims. Such personnel or other persons shall not require nor be entitled to any compensation, rights, or benefits from the State including without limit, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

g. CONTRACTOR RESPONSIBILITY

The Contractor is responsible for fulfilling the contract, with responsibility for all services offered and products to be delivered as stated in the contract. The Contractor shall be the sole point of contact regarding all contractual matters.

If the Contractor intends to utilize any subcontractor's services, the subcontractor's level of effort, tasks, and time allocation must be clearly defined in the contract. The Contractor shall agree that it will not utilize any subcontractors not specifically included in this contract in the performance of the contract without the prior written authorization of the State. Following execution of the contract, the Contractor shall proceed diligently with all services and shall perform such services with qualified personnel in accordance with the contract. Nonetheless, the Contractor may utilize data suppliers in the fulfillment of some of the services, including, but not limited to, criminal searches, drug testing, verifications, 1-9 and E-Verify, motor vehicle records, credit reports, address history, government lists and database searches.

h. CONTRACTOR PERSONNEL

The Contractor warrants that all persons assigned to the project shall be employees of the Contractor or specified subcontractors, and shall be fully qualified to perform the work required herein. Personnel employed by the Contractor to fulfill the terms of the contract, including third party data suppliers, shall remain under the sole direction and control of the Contractor. The Contractor shall include a similar provision in any contract with any subcontractor selected to perform work on the project.

Personnel commitments made in the contract shall not be changed without the prior written approval of the State. Replacement of key personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

The State reserves the right to require the Contractor to reassign or remove from the project any Contractor or subcontractor employee.

In respect to its employees, the Contractor agrees to be responsible for the following:

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BACKGROUND INVESTIGATIONS**
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Utah Contract Number: MA054
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And
The State of Nebraska
(hereinafter "Participating State")

Page 5 of 16

1. any and all employment taxes and/or other payroll withholding;
2. damages incurred by Contractor's employees within the scope of their duties under the contract;
3. maintaining workers' compensation and health insurance and submitting any reports on such insurance to the extent required by governing State law; and
4. determining the hours to be worked and the duties to be performed by the Contractor's employees.

i. STATE OF NEBRASKA PERSONNEL RECRUITMENT PROHIBITION

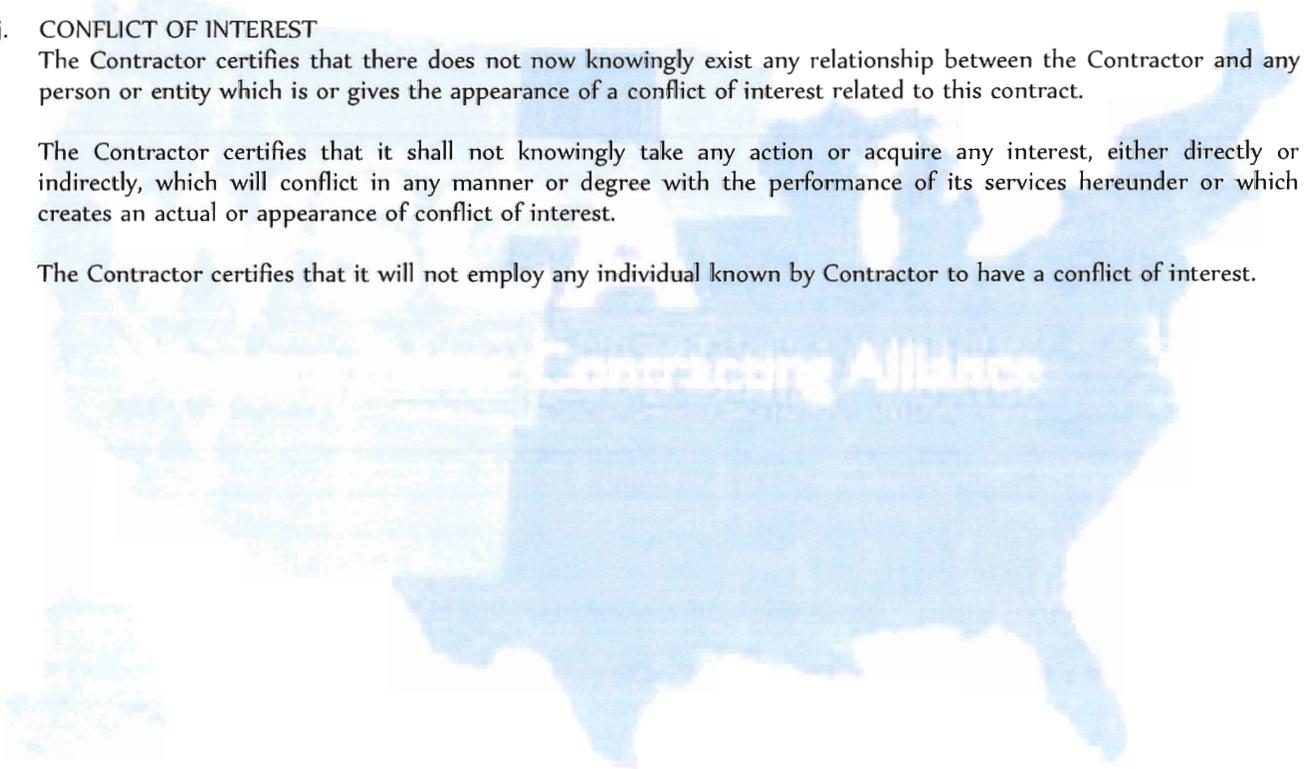
The Contractor shall not, at any time, recruit or employ any State employee or agent who is working with the contract or in relation to this contract.

j. CONFLICT OF INTEREST

The Contractor certifies that there does not now knowingly exist any relationship between the Contractor and any person or entity which is or gives the appearance of a conflict of interest related to this contract.

The Contractor certifies that it shall not knowingly take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its services hereunder or which creates an actual or appearance of conflict of interest.

The Contractor certifies that it will not employ any individual known by Contractor to have a conflict of interest.



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(hereinafter "Participating State")

Page 6 of 16

k. **ERRORS AND OMISSIONS**

Neither party shall take advantage of any errors and/or omissions in this contract. The party must promptly notify the other party of any errors and/or omissions that are discovered.

l. **ASSIGNMENT BY THE STATE**

The State shall have the right to assign or transfer the contract or any of its interests herein to any agency, board, commission, or political subdivision of the State of Nebraska with written notice to Contractor. There shall be no charge to the State for any assignment hereunder.

m. **ASSIGNMENT BY THE CONTRACTOR**

The Contractor may not assign, voluntarily, the contract or any of its rights or obligations hereunder (including without limitation rights and duties of performance) to any third party, without the prior written consent of the State, which will not be unreasonably withheld.

n. **GOVERNING LAW**

The contract shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against the State of Nebraska regarding this contract shall be brought in the State of Nebraska administrative or judicial forums as defined by State law. The Contractor must be in compliance with all Nebraska statutory and regulatory law.

o. **ATTORNEY'S FEES**

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the prevailing party shall be entitled to recover all reasonable attorney fees and court costs of such action, as permitted by law, from the other party.

p. **ADVERTISING**

The Contractor agrees not to refer to the contract in advertising in such a manner as to state or imply that the company or its services are endorsed or preferred by the State. News releases pertaining to the project shall not be issued without prior written approval from the State.

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The State of Nebraska
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Page 7 of 16

q. SITE RULES AND REGULATIONS

The Contractor shall use its best efforts to ensure that its employees, agents, and subcontractors comply with site rules and regulations while on State premises. If the Contractor must perform on-site work outside of the daily operational hours set forth by the State, it must make arrangements with the State to ensure access to the facility and the equipment has been arranged. No additional payment will be made by the State on the basis of lack of access, unless the State fails to provide access as agreed to between the State and the Contractor.

r. EARLY TERMINATION

The contract may be terminated as follows:

1. The State and the Contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon thirty (30) calendar days' written notice to the Contractor. Such termination shall not relieve the either party of warranty or other obligations incurred under the terms of the contract. In the event of cancellation the Contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.
3. The State may terminate the contract immediately for the following reasons:
 - a. if directed to do so by statute;
 - b. contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
 - c. a trustee or receiver of the contractor or of any substantial part of the contractor's assets has been appointed by a court;
 - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its contractor, its employees, officers, directors, or shareholders;
 - e. an involuntary proceeding has been commenced by any party against the contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the contractor has been decreed or adjudged a debtor;
 - f. a voluntary petition has been filed by the contractor under any of the chapters of Title 11 of the United States Code;
 - g. contractor intentionally discloses confidential information;
 - h. contractor has or announces it will discontinue support of the deliverable;
 - i. second or subsequent documented "vendor performance report" form deemed acceptable by the State Purchasing Bureau; or
 - j. contractor engaged in collusion or ones actions which could have provided contractor an unfair advantage in obtaining this contract.
4. Contractor may suspend or terminate the contract immediately for the following reasons:
 - a. Any violation of the law by the State its employees, officers, directors, or shareholders, including but not limited to, its obligations under the contract;
 - b. fraud, misappropriation, embezzlement, malfeasance, or misfeasance pertaining to its obligations under the contract by the State its employees, officers, directors, or shareholders;
 - c. breach of contract

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Page 8 of 16

- d. an involuntary proceeding has been commenced by any party against the State under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) days; or (ii) the State has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the State has been decreed or adjudged a debtor;
 - e. State intentionally discloses proprietary information that shall be held confidential under the law.
- s. **FUNDING OUT CLAUSE OR LOSS OF APPROPRIATIONS**
The State may terminate the contract, in whole or in part, in the event funding is no longer available. The State's obligation to pay amounts due for fiscal years following the current fiscal year is contingent upon legislative appropriation of funds for the contract. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal years for which such funds are not appropriated. The State will give the Contractor written notice thirty (30) calendar days prior to the effective date of any termination, and advise the Contractor of the location (address and room number) of any related equipment. All obligations of the State to make payments after the termination date will cease and all interest of the State in any related equipment will terminate. The Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.
- t. **BREACH BY CONTRACTOR**
The State may terminate the contract, in whole or in part, if the Contractor fails to perform its obligations under the contract in a timely and proper manner. The State may, by providing a written notice of default to the Contractor, allow the Contractor to cure a failure or breach of contract within a period of thirty (30) calendar days (or longer at State's discretion considering the gravity and nature of the default). Said notice shall be delivered by Certified Mail, Return Receipt Requested, or in person with proof of delivery. Allowing the Contractor time to cure a failure or breach of contract does not waive the State's right to immediately terminate the contract for the same or different contract breach which may occur at a different time.
- u. **ASSURANCES BEFORE BREACH**
If any document or deliverable required pursuant to the contract does not fulfill the requirements of the contract, upon written notice from the State, the Contractor shall deliver assurances in the form of additional Contractor resources at no additional cost to the project in order to complete the deliverable, and to ensure that other project schedules will not be adversely affected.
- v. **ADMINISTRATION – CONTRACT TERMINATION**
The State acknowledges that all title, ownership and intellectual property rights of the Contractor system, products and services (excluding State Personal Information and information supplied by Applicants), and all documentation relating thereto, shall remain the property of Contractor and/or its licensors or suppliers. The State further acknowledges that Contractor is an aggregator of third-party data and information and that all content contained in any Screening Report is the property of the applicable content owner and may be protected by applicable contract, copyright and related Laws. The State shall retain the perpetual right to maintain its copies of Screening Reports in accordance with and subject to this Agreement.

PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE
BACKGROUND INVESTIGATIONS
Administered by the State of Utah (hereinafter "Lead State")

MASTER PRICE AGREEMENT
Accurate Background, Inc
Utah Contract Number: MA054
(hereinafter "Contractor")
And
The State of Nebraska
(hereinafter "Participating State")

Page 9 of 16

w. FORCE MAJEURE

Neither party shall be liable for any costs or damages resulting from its inability to perform any of its obligations under the contract due to a natural disaster, or other similar event outside the control and not the fault of the affected party ("Force Majeure Event"). A Force Majeure Event shall not constitute a breach of the contract. The party so affected shall immediately give notice to the other party of the Force Majeure Event. The State may grant relief from performance of the contract if the Contractor is prevented from performance by a Force Majeure Event. The burden of proof for the need for such relief shall rest upon the Contractor. To obtain release based on a Force Majeure Event, the Contractor shall file a written request for such relief with the State Purchasing Bureau. Labor disputes with the impacted party's own employees will not be considered a Force Majeure Event and will not suspend performance requirements under the contract.

x. PROHIBITION AGAINST ADVANCE PAYMENT

Payments shall not be made until contractual deliverable(s) are received and accepted by the State.

y. PAYMENT

State will render payment to Contractor when the terms and conditions of the contract and specifications have been satisfactorily completed on the part of the Contractor as solely determined by the State. Payment will be made by the responsible agency in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2401 through 81-2408). The State may require the Contractor to accept payment by electronic means such as ACH deposit. In no event shall the State be responsible or liable to pay for any services provided by the Contractor prior to the Effective Date, and the Contractor hereby waives any claim or cause of action for any such services.

z. INVOICES

Invoices for payments must be submitted by the Contractor to the agency requesting the services with sufficient detail to support payment. The terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract.

aa. RIGHT TO AUDIT

Contractor shall establish and maintain a reasonable accounting system that enables the State to readily audit contract. The State and its authorized representatives shall have the right to audit and to examine all financial and related records (in whatever form they may be kept, whether written, electronic, or other) relating to or pertaining to this contract kept by or under the control of the Contractor, including, but not limited to those kept by the Contractor, its employees, agents, assigns, successors, and subcontractors. Such records shall include, but not be limited to, accounting records, written policies and procedures; all paid vouchers including those for out-of-pocket expenses; other reimbursement supported by invoices; ledgers; cancelled checks; deposit slips; bank statements; journals; original estimates; estimating work sheets; contract amendments and change order files; backcharge logs and supporting documentation; insurance certificates; memoranda to the State; and correspondence to the State.

PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE
BACKGROUND INVESTIGATIONS
Administered by the State of Utah (hereinafter "Lead State")

MASTER PRICE AGREEMENT
Accurate Background, Inc
Utah Contract Number: MA054
(hereinafter "Contractor")
And
The State of Nebraska
(hereinafter "Participating State")

Page 10 of 16

Contractor shall, at all times during the term of this contract and for a period of two (2) years after the completion of this contract, maintain such records, together with such supporting or underlying documents and materials. The Contractor shall at any time requested by the State, whether during or after completion of this contract and at Contractor's own expense make such records available for inspection and audit by the State. Such records shall be made available to the State during normal business hours at the Contractor's office or place of business with advance written notice and no more than once per year. In the event that no such location is available, then the financial records, together with the supporting or underlying documents and records, shall be made available for audit at a time and location that is convenient for the State. Contractor shall ensure the State has these rights with Contractor's assigns, successors, and subcontractors, and the obligations of these rights shall be explicitly included in any subcontracts or agreements formed between the Contractor and any subcontractors to the extent that those subcontracts or agreements relate to fulfillment of the Contractor's obligations to the State.

Costs of any audits conducted under the authority of this right to audit and not addressed elsewhere will be borne by the State unless certain exemption criteria are met. If the audit identifies overpricing or overcharges (of any nature) by the Contractor to the State in excess of five percent (5%) of the total contract billings audited, the Contractor shall reimburse the State for the total costs of the audit. If the audit discovers substantive findings related to fraud, misrepresentation, or non-performance, the contractor shall reimburse the State for total costs of audit. Any adjustments and/or payments that must be made as a result of any such audit or inspection of the Contractor's invoices and/or records shall be made within a reasonable amount of time (not to exceed 90 days) from presentation of the State's findings to Contractor.

bb. TAXES

The State is not required to pay taxes of any kind and assumes no such liability as a result of this contract. Any property tax payable on the Contractor's equipment which may be installed in a State-owned facility is the responsibility of the Contractor.

cc. INSPECTION AND APPROVAL

Final inspection and approval of all work required under the contract shall be performed by the designated State officials. The State and/or its authorized representatives shall have the right to enter any premises where the Contractor or subcontractor duties under the contract are being performed, and to inspect, monitor, or otherwise evaluate the work being performed. All inspections and evaluations shall be at reasonable times and in a manner that will not unreasonably delay work.

dd. CHANGES IN SCOPE/CHANGE ORDERS

The State may, at any time with written notice to the Contractor, make changes within the general scope of the contract. Changes in scope shall only be conducted with the written approval of the State's designee as so defined by the State from time to time. (The State retains the right to employ the services of a third party to perform any change order(s).)

The State may, at any time work is in progress, by written order, make alterations in the terms of work as shown in the specifications, require the performance of extra work, decrease the quantity of work, or make such other changes as the State may find necessary or desirable. The Contractor shall not claim forfeiture of contract by reasons of such changes by the State. Changes in work and the amount of compensation to be paid to the Contractor for any extra work so ordered shall be determined in accordance with the applicable unit prices of the contract.

**PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE
BACKGROUND INVESTIGATIONS
Administered by the State of Utah (hereinafter "Lead State")**

MASTER PRICE AGREEMENT
Accurate Background, Inc
Utah Contract Number: MA054
(hereinafter "Contractor")
And
The State of Nebraska
(hereinafter "Participating State")

Page 11 of 16

Corrections of any deliverable services or performance of work required pursuant to the contract shall not be deemed a modification requiring a change order.

ee. SEVERABILITY

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular provision held to be invalid.

ff. CONFIDENTIALITY

All materials and information provided by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information. All materials and information provided by the State or acquired by the Contractor on behalf of the State shall be handled in accordance with federal and state law, and ethical standards. The Contractor must ensure the confidentiality of such materials or information. Should said confidentiality be breached by a Contractor, Contractor shall notify the State immediately of said breach and take immediate corrective action.

It is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable to contractors by 5 U.S.C. 552a (m)(1), provides that any officer or employee of a Contractor, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

gg. INDEMNIFICATION

1. GENERAL

The Contractor agrees to defend, indemnify, hold, and save harmless the State and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and reasonable expenses of every nature, including investigation costs and expenses, settlement costs, and reasonable attorney fees and expenses ("the claims"), sustained or asserted against the State, arising out of, resulting from, to the willful misconduct, negligence, error, or omission of the Contractor, its employees, subcontractors, consultants, representatives, and agents, in performance of this contract, except to the extent such Contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

2. INTELLECTUAL PROPERTY

The Contractor agrees it will, at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent such claims arise out of or result from the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the Contractor or its employees, subcontractors, consultants, representatives, and agents provided the State has not made any changes and used as intended; provided, however, the State gives the Contractor prompt notice in writing of the claim. The Contractor may not settle any infringement

PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE
BACKGROUND INVESTIGATIONS
Administered by the State of Utah (hereinafter "Lead State")

MASTER PRICE AGREEMENT
Accurate Background, Inc
Utah Contract Number: MA054
(hereinafter "Contractor")
And
The State of Nebraska
(hereinafter "Participating State")

Page 12 of 16

claim in which the State is named, that will affect the State's use of the Licensed Software without the State's prior written consent, which consent may be withheld for any reason.

If a judgment or settlement is obtained or reasonably anticipated against the State's use of any intellectual property for which the Contractor has indemnified the State, the Contractor shall, at the Contractor's sole cost and expense, promptly modify the item or items which were determined to be infringing, acquire a license or licenses on the State's behalf to provide the necessary rights to the State to eliminate the infringement, or provide the State with a non-infringing substitute that provides the State the same functionality. At the State's election, the actual or anticipated judgment may be treated as a breach of warranty by the contractor, and the State may receive the remedies provided under this RFP.

3. PERSONNEL

The Contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel provided by the Contractor.

hh. NEBRASKA TECHNOLOGY ACCESS STANDARDS

Contractor shall review the Nebraska Technology Access Standards, found at <http://nitc.nebraska.gov/standards/2-201.html> and make reasonable efforts to work towards ensuring that products and/or services provided under the contract are in compliance or will comply with the applicable standards. In the event such standards change during the Contractor's performance, the State may create an amendment to the contract to request that contract comply with the changed standard at a cost mutually acceptable to the parties.

ii. ANTITRUST

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

jj. DISASTER RECOVERY/BACK UP PLAN

The Contractor shall have a disaster recovery and back-up plan, of which a copy should be provided to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue services as specified under these specifications in the event of a disaster.

kk. TIME IS OF THE ESSENCE

Time is of the essence in this contract. The acceptance of late performance with or without objection or reservation by the State shall not waive any rights of the State nor constitute a waiver of the requirement of timely performance of any obligations on the part of the Contractor remaining to be performed.

ll. DRUG POLICY

Contractor certifies it maintains a drug free work place environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

mm.EMPLOYEE WORK ELIGIBILITY STATUS

**PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE
BACKGROUND INVESTIGATIONS
Administered by the State of Utah (hereinafter "Lead State")**

MASTER PRICE AGREEMENT
Accurate Background, Inc
Utah Contract Number: MA054
(hereinafter "Contractor")
And
The State of Nebraska
(hereinafter "Participating State")

Page 13 of 16

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>

The completed United States Attestation Form should be submitted with the Request for Proposal response.

2. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
3. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

nn. **CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND INELIGIBILITY**

The Contractor certifies that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency from participating in transactions (debarred). The Contractor also agrees to include the above requirements in any and all subcontracts into which it enters. The Contractor shall immediately notify the Department if, during the term of this contract, Contractor becomes debarred. The Department may immediately terminate this contract by providing Contractor written notice if Contractor becomes debarred during the term of this contract.

oo. **POLITICAL SUB-DIVISIONS**

The Contractor may extend the contract to political sub-divisions conditioned upon the honoring of the prices charged to the State. Terms and conditions of the Contract must be met by political sub-divisions. Under no circumstances shall the State be contractually obligated or liable for any purchases by political sub-divisions or other public entities not authorized by Neb. Rev. Stat. §81-145, listed as "all officers of the state, departments, bureaus, boards, commissions, councils, and institutions receiving legislative appropriations." A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

pp. **IMPORTANT NOTICE**

Pursuant to Neb. Rev. Stat. §84-602, all State contracts in effect as of January 1, 2014 will be posted to a public website beginning July 1, 2014. All information not specifically excluded by State Law WILL BE POSTED FOR PUBLIC VIEWING.

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**PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE
BACKGROUND INVESTIGATIONS**
Administered by the State of Utah (hereinafter "Lead State")

MASTER PRICE AGREEMENT
Accurate Background, Inc
Utah Contract Number: MA054
(hereinafter "Contractor")
And
The State of Nebraska
(hereinafter "Participating State")

5. Primary Contact: The primary contact for this participating addendum is as follows (or their named successors):

Lead State

Name	Jennifer Porter
Address	Utah Division of Purchasing & General Services 3150 State Office Building, Capitol Hill Salt Lake City, UT 84114
Telephone	801-538-3064
Fax	801-538-3882
E-mail	jenniferporter@utah.gov

Contractor

Name	Rhonda Chaloux
Address	Accurate Background 7515 Irvine Center Drive Irvine, CA 92618
Telephone	949-609-2225
Fax	949-380-2325
E-mail	rchaloux@accuratebackground.com

Participating Entity

Name	State of Nebraska Nancy Storant
Address	1526 K Street, Suite 130, Lincoln, NE 68508
Telephone	402-471-0974
Fax	402-471-2089
E-mail	Nancy.storant@nebraska.gov

6. Purposely Left Blank

7. Purchase Order Instructions:

All orders should contain the following (i) Mandatory Language "PO is subject to WSCA Contract # MA054".

8. Price Agreement Number:

All purchase orders issued by purchasing entities within the jurisdiction of this participating addendum shall include the Participating State contract number: and the Lead State price agreement number: MA054.

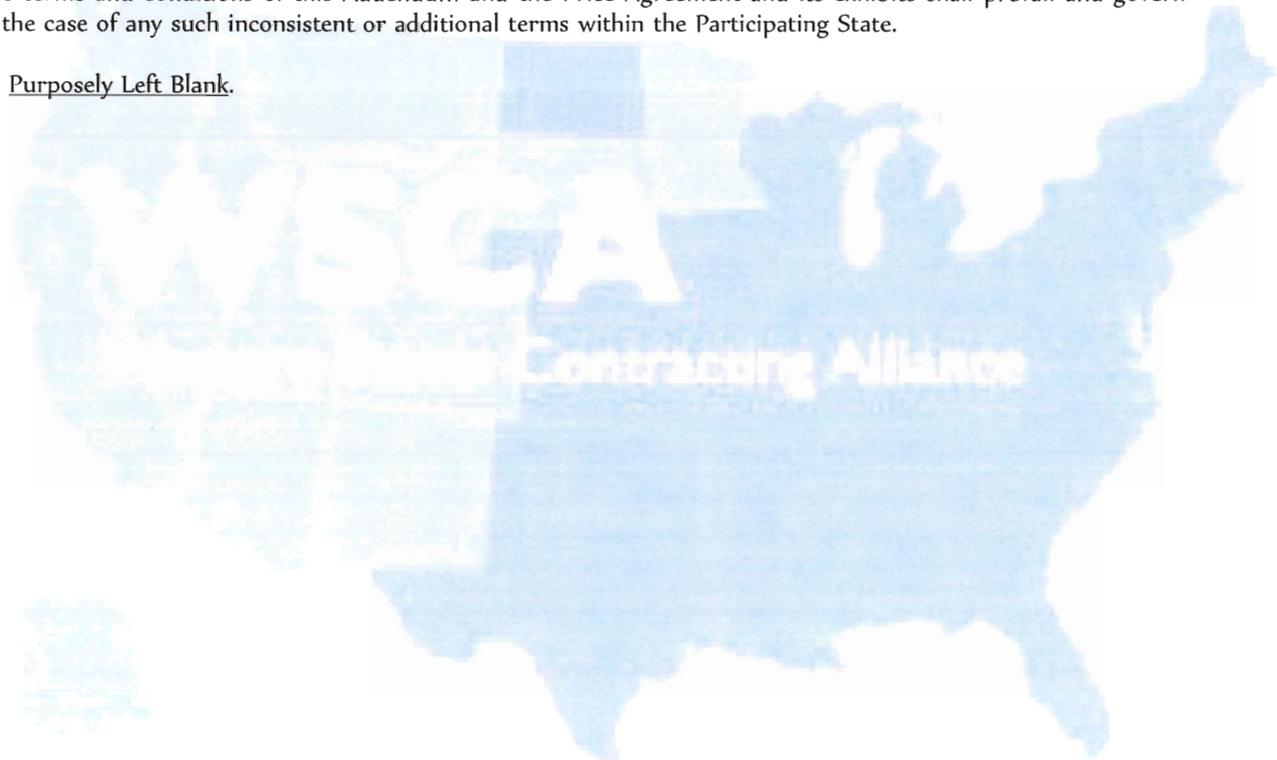
**PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE
BACKGROUND INVESTIGATIONS
Administered by the State of Utah (hereinafter "Lead State")**

**MASTER PRICE AGREEMENT
Accurate Background, Inc
Utah Contract Number: MA054
(hereinafter "Contractor")
And
The State of Nebraska
(hereinafter "Participating State")**

Page 15 of 16

This Participating Addendum and the Master Price Agreement number MA054 (administered by the State of Utah) together with its exhibits, specifically the certifications and agreements to comply with the Fair Credit Reporting Act (FCRA) and to provide the disclosure and obtain authorization from each consumer and provide the required adverse action as required, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Addendum and the Price Agreement, together with its exhibits, shall not be added to or incorporated into this Addendum or the Price Agreement and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Addendum and the Price Agreement and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms within the Participating State.

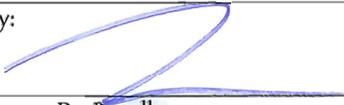
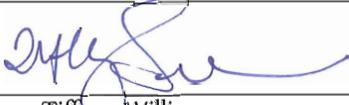
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**PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE
BACKGROUND INVESTIGATIONS
Administered by the State of Utah (hereinafter "Lead State")**

MASTER PRICE AGREEMENT
Accurate Background, Inc
Utah Contract Number: MA054
(hereinafter "Contractor")
And
The State of Nebraska
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IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Participating State: State of Nebraska	Contractor: Accurate Background, Inc.
By: 	By: 
Name: Bo Botelho	Name: Tiffany Willis
Title: Materiel Administrator	Title: Corporate Counsel
Date: 1-13-15	Date: December 29, 2014

Participating State: Department of Health and Human Services
By: 
Name: Joseph M. Acierno, MD, JD
Title: Acting CEO
Date: 1/9/15

[Additional signatures as required by Participating State]

Attachment D – Notice to Users of Consumer Reports

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 decisions, where the consumer has given written permission. [Sections 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 identify 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 plan and the issuance of additional credit cards. For initial fraud alerts and active duty alerts, the 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 Obligations 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. Users Have Obligations 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 are available at www.consumerfinance.gov/learnmore.

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 CFPB.

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 the 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 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 a 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 circumstances. Sections 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 pre-established criteria. If any person intends to use prescreened lists, 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 or 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 identify 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. 1681c-A
Section 605B	15 U.S.C. 1681c-B
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

A Summary of Your Rights Under the Fair Credit Reporting Act

Para información en español, visite www.consumerfinance.gov/learnmore o escribe a la Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.

A Summary of Your Rights Under the Fair Credit Reporting Act

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 1-888-567-8688.
- **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, N.W. 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, S.E. Washington, DC 20590</p>
<p>4. Creditors Subject to the Surface Transportation Board</p>	<p>Office of Proceedings, Surface Transportation Board Department of Transportation 395 E. Street, S.W. Washington, DC 20423</p>
<p>5. Creditors Subject to the 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 St., N.E. 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 <u>or</u> Federal Trade Commission: Consumer Response Center – FCRA Washington, DC 20580 (877) 382-4357</p>