



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.
GOVERNOR

May 12, 2016

ALL COUNTY LETTER (ACL) NO. 16-43

REASON FOR THIS TRANSMITTAL

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

TO: ALL COUNTY WELFARE DIRECTORS
 ALL CALFRESH PROGRAM SPECIALISTS
 ALL CaWORKs PROGRAM SPECIALISTS
 ALL COUNTY CALFRESH COORDINATORS
 ALL COUNTY IEVS COORDINATORS
 ALL COUNTY WELFARE-TO-WORK COORDINATORS
 ALL SPECIAL INVESTIGATIVE UNIT CHIEFS
 ALL TRIBAL TANF ADMINISTRATORS

SUBJECT: THE WORK NUMBER[®] EXPRESS SERVICE AGREEMENT GUIDANCE

REFERENCE: [ALL COUNTY WELFARE DIRECTOR'S LETTER \(ACWDL\) RELEASED JANUARY 13, 2016; ALL COUNTY LETTER \(ACL\) 13-89; ALL COUNTY INFORMATION NOTICE \(ACIN\) I-41-14](#)

The purpose of this All County Letter is to provide additional guidance to County Welfare Departments (CWD) regarding the use of The Work Number (WN) Express Service. The California Department of Social Services (CDSS) entered into an agreement on January 4, 2016, with Equifax/TALX Corporation to provide the WN Express Service through September 30, 2017. This agreement is funded by the CDSS and available at no cost to participating CWDs.

Participation requirements

To utilize the WN services CWDs must follow the guidance issued in the [ACWDL dated January 13, 2016](#). For clarification purposes, the Memorandum of Understanding (MOU) is a five-page document that incorporates the entirety of the CDSS and Equifax/TALX Corporation Agreement which CWDs must sign and return to the CDSS to participate in the statewide Agreement. Upon request, a copy of the fully executed Agreement can be sent to the CWD. Any CWD that would like to utilize services under this Agreement must accept all terms and conditions set forth in the entire Agreement; including but not limited to the MOU and the Universal Membership Agreement (UMA)

(Exhibit E – Attachment Two of the Agreement).

The CWDs should use the MOU **with no changes** as attached to this letter noting the start date is “upon approval by the CDSS” and the term end date is September 30, 2017, to coincide with the CDSS Agreement with Equifax/TALX Corporation. If you have already begun routing a previous version of this MOU please add “upon approval by the CDSS” prior to sending it to the CDSS for processing.

Allowable use of the WN

The WN provides instant employment verification data, such as employee earnings and hours worked by utilizing the participants’ Social Security Number (SSN). The WN is a widely recognized resource that may be used by CWDs to verify hours of participation in employment and income for Temporary Assistance for Needy Families Work Participation Rate data reporting purposes in the CalWORKs program. The CWDs are permitted to use the information obtained from this source in the same manner as they would use information provided by the employer and may not need to ask the participant for additional documentation. Additionally, CWDs may also use the WN for the CalFresh program. This service can be used for initial and ongoing eligibility along with fraud detection in either or both programs in conjunction with, and not in lieu of, existing required income and eligibility sources. The CWDs **must** obtain written authorization from applicants and recipients to use the WN to obtain this information.

In general, at application or at redetermination for CalWORKs and/or CalFresh programs, authorization from applicants/recipients is provided by their signature on the [SAWS 2 PLUS \(4/15\) - Application For CalFresh, Cash Aid, And/Or Medi-Cal/Health Care Programs.](#) Specifically on page three, under Privacy Act and Disclosure, it states

*“The County will check your answers using information in state and federal electronic databases and databases from the Internal Revenue Service (IRS), Social Security Administration, the Department of Homeland Security, and/or a **consumer reporting agency.**”*

When an individual is applying for only CalFresh benefits using the [CF 285 \(4/15\) - Application For CalFresh And Benefits.](#) a separate authorization must be obtained.

The WN is not intended to nor does it replace the requirement to use the Income and Eligibility Verification System (IEVS). As stated in the Manual of Policies and Procedures (MPP) section 20-006.11:

“The IEVS is a federally-mandated system under Title IV-A, for Temporary Assistance for Needy Families/California Work Opportunity and Responsibility for Kids (TANF/CalWORKs), and Title XIX, for the Medi-Cal Only programs, of the Social Security Act for the purpose of verifying eligibility and benefit amounts available under these programs. The system is a state mandate for the federal Food Stamp Program and the California Food Assistance Program.”

The CDSS will issue further guidance under separate cover regarding the use of the Work Number as it relates to IEVS processing and investigations of potential fraud.

Adverse action requirements

If the CWD takes any type of adverse action based on information received from the WN the participant must be notified in writing, through a Notice of Action (NOA). A new NOA message will be released under a separate cover. Until then, CWDs must manually create a NOA message that must be provided timely (10 days prior to any action) and include the following information:

- The name, address and telephone number of the WN/Equifax (including a toll-free telephone number);
- A statement that the WN/Equifax 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 WN/Equifax if the consumer makes a request within 60 days; and
- A statement setting forth the consumer's right to dispute directly with the WN/Equifax the accuracy or completeness of any information provided by the WN/Equifax.

Example language that CWDs may use when issuing a NOA to an applicant or recipient is below:

"The action being taken against you is based in part from information obtained from The Work Number/Equifax. The Work Number/Equifax did not make the decision to take this action against you and is not able to explain why the decision was made. You can obtain a free copy of information contained in your file if you make a request to The Work Number/Equifax within 60 days. You may also dispute the accuracy or completeness of any information by contacting The Work Number/Equifax."

The CWDs should also include the WN/Equifax address, telephone number and website in their correspondence.

The Work Number/Equifax
11432 Lackland Road
St. Louis, MO 63146
1-800-367-2884
www.theworknumber.com

"Adverse Actions" are defined by the Fair Credit Reporting Act (FCRA) and 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. However, prior to any adverse action, CWDs are reminded that [ACL 13-89](#) states that eligibility workers are tasked with reviewing an assistance unit's (AU) circumstances and contacting the AU to provide them with an opportunity to clarify or resolve any discrepancies or errors ([MPP section 20-005](#)).

CWD User Lists

There is no limit on how many users the CWDs can designate to have access to the WN; however, CWDs must establish safeguards to prevent unauthorized usage. Each CWD is required to provide the WN with a user list as described in the [ACWDL dated January 13, 2016](#). Further, CWDs shall designate contact(s) who will serve as the local WN webmasters. The webmaster has the ability to add users, reset passwords and block users. Blocking users removes access if a user leaves the CWD, changes positions within the CWD where access to the WN is no longer a job requirement or to block access for any other reason. It is recommended that each CWD designate at least two to three webmasters.

It is the responsibility of the CWD to ensure user lists are maintained and current. If your CWD has a current contract with the WN for this Express Service or participated in the WN Pilot through the CDSS, your existing user list may be used for this Agreement. The CWDs may add users, block users or make inquiries regarding user lists at any time during the term of this Agreement. Requests may be sent to Sara Larocca at sara.larocca@equifax.com and Morgan Peschko at morgan.peschko@dss.ca.gov.

WN Training for CWDs

TALX offers webinar based training for the WN Express Service at no cost to all CWDs. The webinars consist of a Power Point presentation as well as a live demo. Requests may be sent to Sara Larocca at sara.larocca@equifax.com or Morgan Peschko at morgan.peschko@dss.ca.gov.

Background

The WN Express Service is an online employment and income verification system based on an individual's SSN and is available to all 58 California counties as of January 4, 2016. This service will be available through September 30, 2017, and is administered through the WN with funding provided by the CDSS through the CalWORKs and CalFresh programs.

The WN, a service of Equifax, is the largest source for past and/or current employment and wage verification information in the country. It employs an online SSN lookup system which uses a data warehouse of over 200 million records provided by over 3,100 employers in the United States.

Program Contacts

If you have any questions regarding this ACIN, please contact your county consultant in the following programs:

CalFresh Policy
(916) 654-1896

CalWORKs Eligibility Policy Bureau
(916) 654-1322

CalWORKs Employment Policy Bureau
(916) 654-2137

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Fraud Policy Bureau
(916) 653-1826

For WN service related questions:

Thomas Jayne at thomas.jayne@equifax.com

Contract/MOU related questions:

Morgan Peschko at morgan.peschko@dss.ca.gov

Sincerely,

Original Document Signed By:

TODD BLAND
Deputy Director
Welfare to Work Division

Attachment

c: CWDA

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 (CaWORKs) 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: Upon approval by the CDSS 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.

COUNTY OF _____

By: _____

Name and Title of signing staff

Date: _____

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

By: _____

Deborah Pearce, Chief Contracts and Purchasing Bureau

Date: _____