



AAA CONTRACTS WITH CONNECTICUT, MASSACHUSETTS, AND RHODE ISLAND

By: Paul Frisman, Principal Analyst

ISSUE

In light of AAA Northeast's October 3, 2016 decision (since reconsidered) to provide Department of Motor Vehicles (DMV) services only to its members, you asked several questions about similar AAA services in Massachusetts and Rhode Island. We answer the questions separately below. Some of the questions require a legal opinion. The Office of Legislative Research is not authorized to issue legal opinions, and this document should not be considered one.

BACKGROUND

State law allows DMV to authorize automobile clubs or associations, such as AAA, to provide the following DMV services: (1) renewing driver's licenses and identity (ID) cards, (2) issuing duplicate licenses and ID cards, and (3) conducting registration transactions. AAA may charge customers up to \$5 per transaction ([CGS § 14-41\(b\)](#)), as amended by [PA 16-55](#)).

Two AAA affiliates provide these services in Connecticut. AAA Northeast contracts with DMV to provide DMV services in Fairfield, Litchfield, and New Haven counties. AAA Allied Group provides DMV services in Connecticut's five other counties.

On October 3, 2016, AAA Northeast announced it would no longer provide these services to non-AAA members, but later agreed to continue offering them to non-members through December 31, 2016, when its contract with DMV expires. (AAA Northeast's decision does not affect DMV services provided by AAA Allied Group, which provides DMV services to members and non-members in its service area.)



QUESTIONS

Q. Does AAA Northeast's contract with Connecticut's DMV require it to provide DMV services to both members and non-members?

A. Yes. An October 5, 2011 contract (attached) between AAA Northeast's predecessor, AAA Southern New England (AAA SNE), and DMV required AAA SNE to provide DMV services to both AAA members and non-members ("the general public"). Specifically, Section 1 of the contract requires AAA SNE to "renew and issue duplicate copies of motor vehicle operator license and identification cards and to conduct other DMV transactions for the general public, as authorized by statute and established by the parties in writing."

In 2014, AAA SNE (which had merged with the AAA Connecticut Motor Club in 2008) acquired AAA New York and the AAA New Jersey Auto Club to become known as AAA Northeast. It has offices in Connecticut, Massachusetts, New Jersey, New York, and Rhode Island.

Q. Does AAA Northeast limit motor vehicle services it offers in Massachusetts and Rhode Island to its members?

A. Yes. AAA Northeast Senior Vice President Lloyd P. Albert says the programs in both states are exclusive to AAA members and that AAA Northeast does not enter into agreements with state DMVs to provide services to the general public. "Our programs are developed to provide DMV services exclusively to members as a value-added offering," he said, noting that AAA Northeast "inherited a member/non-member program in Connecticut" when it merged with the Connecticut Motor Club.

Albert said AAA Northeast has "written agreements...governing the terms of service" with the Massachusetts and Rhode Island motor vehicle departments. Because these are confidential documents, he declined to share them. He did say "the agreements in both Rhode Island and Massachusetts include specific language stipulating that DMV services will be made available exclusively to AAA members. We would look to add similar language to any agreement with the Connecticut DMV governing service delivery beyond December 31, 2016."

Q. Briefly summarize AAA's relationships with the Rhode Island and Massachusetts motor vehicle departments.

A. Albert said that AAA Northeast's Rhode Island program "has been regulated by the DMV, which reports up through the Department of Revenue to the Governor's office. It began in the mid-1980s with registration renewals in three offices, and was vastly expanded in 2003 and 2006 to include driver's license renewals in all nine offices. Currently, we process nearly half of all licenses renewed in the state each year. Additionally, we'll likely do close to 80,000 registration renewals in 2016."

In Massachusetts, Albert said, "the legislature passed enabling legislation in 2009 ([Mass. G.L. Title XIV, Chapter 90, § 30A1/2](#)) authorizing the Registrar to enter into agreements with entities that provide automobile-related services. What started as a pilot in two Massachusetts AAA offices expanded in 2011 to six offices. We are currently expanding the program to 20 offices by February 2017, with the expectation that all 30 of our offices will be fully deployed by December 2017. Like Rhode Island, we do both license and registration renewals in Massachusetts, with an expectation that transaction volume will grow exponentially as we achieve full deployment by the end of next year."

PF:bs

AGREEMENT FOR DEPARTMENT OF MOTOR VEHICLE SERVICES

This Agreement is made and entered into by and between:

AAA Southern New England, Inc.
110 Royal Little Drive
Providence, RI 02904

A corporation registered to conduct business in the State of Connecticut, licensed in accordance with Section 14-67 of the Connecticut General Statutes, hereinafter referred to as "AAA SNE," acting through its CEO/President, Mark A. Shaw, duly authorized, and the State of Connecticut Department of Motor Vehicles, hereinafter referred to as "DMV", acting herein through Melody A. Currey, its Commissioner, under the authority of Sections 4-8, 14-3, and 14-41 of the Connecticut General Statutes.

PURPOSE: AAA SNE and DMV agree that the intent and purpose of this Agreement is to establish the terms, conditions and safeguards under which AAA SNE will conduct certain DMV transactions, as authorized under section 14-41 of the Connecticut General Statutes, on behalf of the State of Connecticut in order to further the interests and convenience of the motoring public.

In consideration of the terms and conditions set forth herein, the parties hereto agree as follows:

1. That AAA SNE shall utilize certain of its office facilities to renew and issue duplicate copies of motor vehicle operator licenses and identification cards and to conduct other DMV transactions for the general public, as authorized by statute and established by the parties in writing.
2. Motor vehicle transactions shall be conducted at existing AAA SNE offices in the locations identified in Exhibit A, as amended from time to time, attached hereto and made part hereof. During the term of this Agreement, AAA SNE may add additional facilities at which it will conduct authorized DMV transactions, as agreed to by the parties and confirmed in writing. AAA SNE may discontinue performing authorized DMV transactions at one or more of the locations identified on Exhibit A by providing written notice to the DMV at least ninety days prior to the discontinuation.
3. AAA SNE herein grants to DMV, its officers and employees and to all Connecticut motor vehicle residents the nonexclusive right to use and occupy each of its properties, including parking areas, during its normal and posted business hours, for the renewal of licenses and other authorized DMV transactions. AAA SNE agrees and represents that it has full authority to grant such rights of entry to DMV representatives and members of the public, and the same is consistent with, and permitted by, the terms of its ownership or lease of the office facilities and associated

parking areas. AAA SNE will defend, indemnify and save harmless DMV and the State of Connecticut and its officers and employees from all claims and suits of any kind that arise from the condition or alleged condition of premises owned by AAA SNE when such premises are being used by members of the public to transact DMV business.

4. All AAA SNE employees involved in the manufacture or production of drivers' licenses or identity cards or who have the ability to affect the identity information that appears on a driver's license or identity card shall be subject to fingerprint supported and name-based state and federal background checks in accordance with the standards set forth in section 14-9a(b) of the Connecticut General Statutes, an employment screening, drug test and credit check in accordance with procedures established by DMV and designated as Exhibit B. AAA SNE understands and agrees that it is responsible for fees associated with all background checks required for all employees who renew or supervise the renewal of motor vehicle operator licenses and identification cards.
5. All AAA SNE employees, supervisors and managers responsible for oversight and processing of DMV transactions shall be required to sign an authorized user agreement indicating that such employees will not access, display, disclose or use social security information for any reason except in the process of conducting Social Security Online Verification (SSOLV) as required to issue or renew operator's licenses, identity cards or duplicates thereof. AAA SNE will be required to adhere to Social Security Administration's (SSA) Privacy Protection and Systems Security Requirements, attached as Exhibit C, and be subject to a security compliance review by DMV at least once every three years concerning data obtained from SSA records.
6. By entering into this Agreement, AAA SNE warrants that it will comply fully with the provisions of section 14-10 of the Connecticut General Statutes, as amended, and the federal Driver's Privacy Protection Act, 18 U.S.C. 2721, et seq., as amended and all other applicable laws and regulations governing access to and disclosure and use of motor vehicle records and the personal information contained therein. AAA SNE shall not access, use or disclose the personal information from motor vehicle records for any purpose other than to conduct DMV transactions in accordance with this Agreement. "Personal information" is defined as information that identifies an individual, including an individual's photograph or computerized image, social security number, driver identification number, name, address other than zip code, telephone number and medical or disability information.
7. All AAA SNE employees, supervisors and managers responsible for oversight and processing of DMV transactions shall participate in and successfully complete training conducted by DMV or its contractors before performing such transactions. AAA SNE shall request access and training only for its employees who will be responsible for performing DMV transactions and in a manner directed by DMV. Upon receiving such training and meeting all other requirements in this Agreement, such employees shall be approved and certified by DMV as qualified to perform DMV transactions. DMV may request from time to time during this Agreement that designated personnel of AAA SNE participate in additional training, classes or meetings which, in the

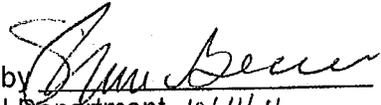
opinion of DMV, are necessary due to changes in equipment, authorized DMV transactions or DMV policies and procedures.

8. DMV or its contractors shall furnish, deliver, install and maintain in each facility the supplies and equipment necessary to perform authorized motor vehicle transactions including the image capture workstations and all associated hardware and software to perform the license and identification card renewals and other authorized DMV transactions. Equipment, supplies and materials shall remain the property of the DMV (or its contractors or suppliers) and AAA SNE shall take all reasonable steps and precautions to maintain a secure environment for equipment, supplies and materials, including maintaining surveillance and controlled access for all areas where equipment, supplies and materials are being used. In addition to maintaining the required security, AAA SNE shall house operator license and identification card renewal equipment and supplies in a safe or other secure area as determined by DMV and keep such material separate from other materials and supplies. AAA SNE shall notify DMV immediately in the event of theft or loss, due to any cause, of any equipment, supplies or materials and shall cooperate fully with DMV or other authorized officials in any investigation of such theft or loss. Upon the termination or cancellation of this Agreement, or in the event of the discontinuance of authorized DMV transactions at any particular office location, as may be agreed by the parties, AAA SNE shall promptly release to DMV or its contractors or suppliers all unused supplies and further agrees to return the equipment in its original, working condition, except for wear attributable to daily use.
9. AAA SNE will adhere to all guidelines and procedures established by DMV for the acceptance of payments for all authorized DMV transactions and the subsequent handling and deposit of all fee receipts. All such receipts shall be deposited in an account approved and designated by the Treasurer of the State of Connecticut, within twenty-four (24) hours. Receipts received on any Friday, Saturday or holiday will be deposited the next banking day. AAA SNE agrees to complete, each business day, certain accounting forms supplied by DMV, and to submit the completed and executed forms to DMV in the time and manner directed. In consideration of this Agreement, AAA SNE assumes responsibility to collect and account for the total fee receipts for all authorized DMV transactions processed by AAA SNE, and hereby guarantees, in all events, to deposit, to the credit of the State of Connecticut, the amount of such total receipts.
10. For the purpose of administration of this Agreement, the Commissioner has authorized and designated one DMV contract representative. The contract representative or duly designated DMV employee assigned by the contract representative shall have authority to enter AAA SNE's premises at any time for the purpose of monitoring the DMV transactions with respect to the level of service being provided and the correctness of the procedures being followed and make recommendations to AAA SNE consistent with the terms of this Agreement, as he or she deems appropriate or necessary. The contract representative or designated DMV employee shall also have the right to audit any books, papers, or accounts of AAA SNE that pertain to DMV transactions. AAA SNE shall assign a contract representative who will serve as the contact person between AAA SNE and DMV.

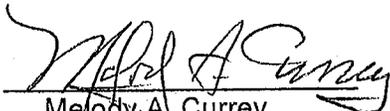
11. It is agreed that AAA SNE shall not be responsible and shall not engage in any activity of training or testing the qualifications of any applicant for a license renewal or other authorized DMV transactions, except as herein stated. Only those license renewal transactions for which the applicant has in his or her possession an existing Connecticut operator license shall be performed by AAA SNE, unless otherwise directed by the DMV. AAA SNE shall not renew the license of any applicant who is indicated to be under suspension or as having any other administrative issue as reflected on the DMV license system.
12. AAA SNE shall have no liability or obligation under the terms of this Agreement (a) on account of the inability to provide services under this Agreement, the delay in providing such services or errors in transmitting information or data to the DMV or its vendors arising by reason of the failure of, or defects in, the equipment, (b) interruptions in data transmissions, (c) labor difficulties, acts of God or other causes beyond the reasonable control of AAA SNE, (d) fraudulent or incorrect information provided by customers or (e) actions taken in accordance with applicable policies, or procedures or standards of the DMV.
13. The term of this Agreement is for a period commencing on the date of approval by the Office of the Attorney General of the State of Connecticut and ending, unless sooner terminated, December 31, 2016. The parties may renew this Agreement under the same terms and conditions by communicating such intent in writing prior to the end of the contract term. The Agreement may be renewed in this manner one or more times for a combined total period not to exceed five years.
14. This Agreement shall not be effective until approved as to form by the Attorney General of the State of Connecticut.
15. This Agreement does not confer exclusive rights upon AAA SNE to renew or duplicate driver's license or identity cards and to conduct other DMV transactions.
16. AAA SNE may terminate this Agreement upon sixty (60) days written notice to the DMV contract representative. Upon sixty (60) days written notice to AAA SNE contract representative, the DMV may terminate this Agreement.
17. The DMV reserves the right to cancel or request the amendment of this Agreement, at any time on written notice to AAA SNE, in the event that (a) the DMV becomes subject to any provision of law or policy that has the effect of removing the authority or capability of DMV to enter into or carry out this Agreement, (b) the DMV no longer is assigned the necessary resources or personnel to administer the provisions of this Agreement, (c) the DMV eliminates or substantially changes the existing requirements and practices with respect to the renewal of motor vehicle operator licenses or other DMV transactions; or (d) there is a violation by AAA SNE of any of the terms of this Agreement.
18. This Agreement shall not be assigned by AAA SNE.
19. AAA SNE agrees to the provisions of Exhibit D attached hereto regarding nondiscrimination, executive orders and additional terms and conditions.
20. This Agreement is the entire Agreement between the parties with respect to the matters contained herein and supersedes all previous agreements, proposals, offers,

counteroffers and understandings of the parties, both written and oral. There are no covenants, promises or undertakings other than those expressly set forth herein. This Agreement may not be modified or amended except in writing duly executed by the parties in a form approved by the State.

In Witness Whereof, the parties hereto have caused this Agreement to be duly signed on the dates hereinafter stated.

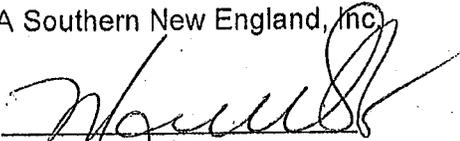
Reviewed by 
DMV Legal Department 10/4/11

State of Connecticut

BY 
Melody A. Currey
Commissioner

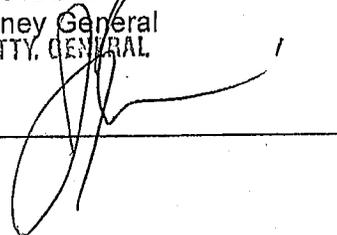
DATE 10/4/11

AAA Southern New England, Inc.

BY 
Mark A. Shaw
CEO/President

DATE 10/3/11

Approved as to Form
Attorney General
ASSOC. ATTY. GENERAL

BY 

DATE 10/5/11

EXHIBIT A

Branford Office

143 Cedar Street
Branford, CT 06405

Danbury Office

93 Lake Avenue
Danbury, CT 06810

Hamden Office

2276 Whitney Avenue
Hamden, CT 06518

Milford Office

827 Bridgeport Avenue
Milford, CT 06460

Stamford Office

1101 High Ridge Rd
Stamford, CT 06905

Waterbury Office

720 Wolcott Street
Waterbury, CT 06705

Westport Office

419 Post Road East
Westport, CT 06880

Exhibit B

Procedures for Issuing DMV System Access
For AAA Employees Conducting DMV Transactions

Initiating DMV Access/
Fingerprinting & Required State/FBI Criminal Checks

1. The AAA office manager/supervisor will send an email to the DMV AAA Program Coordinator requesting DMV system access for a new hire or existing employee who will be assigned DMV transaction responsibilities. The request will include employees name, state issued ID or driver license number, DOB, residential address and assigned office location. The AAA HR area will email written confirmation that the employee has successfully completed employment screening, drug test and credit check. AAA employees assigned to DMV transactions must also undergo a fingerprint supported state and federal background check with no disqualifying offenses.
2. The AAA office manager/supervisor will fax, or scan and email, a copy of the Criminal History Record Check Authorization Form (DI-2) completed by the AAA employee to the DMV AAA Program Coordinator. The original copy will be mailed to the DMV AAA Program Coordinator at, Wethersfield DMV, Customer Operations, Rm. 263, 60 State Street, Wethersfield, CT 06109.
3. Upon receipt of the completed DI-2 form, the DMV AAA Program Coordinator will contact the designated AAA office manager/supervisor to schedule an appointment date for fingerprinting. An "Instruction Letter" will be issued by the DMV AAA Program Coordinator instructing the employee to report to the Department of Public Safety (DPS), 1111 Country Club Road, Middletown, CT 06457 – Fingerprint Unit. The Instruction Letter includes instructions for DPS staff (e.g. ORI number and to send result to CT DMV Human Resources Division – HR Director).
 - a. The DMV AAA Program Coordinator will be responsible for forwarding the original copy of the completed Criminal History Record Check Authorization Form (DI-2) to the CT DMV Human Resources Department Attn: HR Director.
 - b. The DMV AAA Program Coordinator will notify the Public Endorsement Review Unit that the AAA employee is being sent to DPS for fingerprinting.
4. AAA employee will present the "Instruction Letter", required identity documents (state-issued photo identification card/drivers license), social security number information and applicable fees (\$19.25 for FBI check, \$15.00 fingerprint processing fee, \$50.00 for state check made payable to "DPS" - Total fees: \$84.25 or as such fee amounts may change) to DPS-Fingerprint personnel; DPS-Fingerprint personnel will perform a State/FBI name and fingerprint supported criminal check.
5. DPS-Fingerprint personnel will be responsible for sending all criminal histories to the following ORI: **CTRID000Z**.

6. DPS-Fingerprint personnel will send the FBI criminal histories with HITS and STATE criminal record history check responses to the attention of the DMV-Human Resources Director.
 - a. NOTE: If the CT DMV HR Division is unable to interpret a criminal history, Commercial Vehicle Safety Division (CVSD) – Compliance Review Unit (CRU) will assist in the interpretation.
7. DPS-Fingerprint personnel will send all CLEAN FBI criminal history checks to the Passenger Endorsement Review Unit (PERU) via the ORI printer. PERU will forward them in a sealed envelope marked "CONFIDENTIAL" to CT-DMV-HR Director.
 - a. NOTE: Only CLEAN FBI histories will be sent directly to the printer located in PERU.
8. Once a criminal history is received, the CT DMV HR Division will review it. The CT DMV HR Division will notify the AAA Program Coordinator of the results of the criminal history check by email.
 - a. No Disqualifying offenses: DMV AAA Program Coordinator will notify the AAA office manager/supervisor by email that the AAA employee has no disqualifying offenses and the DMV AAA Program Coordinator will proceed with training and system access requirements.
 - b. Disqualifying offenses: The CT DMV AAA Program Coordinator will email a generic denial letter to the AAA office manager/supervisor notifying them that the AAA employee is not eligible to process DMV transactions due to a criminal history or disqualifying offense. Under no circumstance will any specifics about the history/disqualifying offense be disclosed or discussed with any AAA personnel.
10. CT DMV HR will maintain all files pertaining to the individuals' criminal history which includes the criminal history checks and the corresponding signed Criminal Authorization Form (DI-2). These documents will remain in the DMV HR area for a period of one year, after which they may be destroyed and are not to be stored at Iron Mountain.

DMV Training/Access to DMV System

1. The DMV AAA Program Coordinator will provide the AAA office manager a copy of the DMV procedure manual, SSOLV manual and SSOLV Authorized User Agreement (DA-4). Once the AAA employee has completed reviewing the SSOLV material, they are to complete the DA-4 form and give it to their office manager/supervisor. The AAA office manager/supervisor will sign as the authorized user's supervisor and fax or scan and email the completed form to the DMV AAA Program Coordinator. The original completed DA-4 must be mailed to the DMV AAA Program Coordinator and filed in the Customer Operations area.
2. The DMV AAA Program Coordinator will arrange for Fraudulent Document Recognition Training for the AAA employee. Training will be provided by branch staff trained in this area and supported with appropriate materials. The 4-hour session will be held four times a year (March, May, Sept. and Nov.). Confirmation will be sent to the DMV AAA Program Coordinator that the AAA employee has successfully completed training.

3. The DMV AAA Program Coordinator will complete the DMV Systems Access Request Form DA-3 and send it to the MV Program Coordinator responsible for systems access coordination for building the AAA employee's ACF2 code with requested access.
4. The AAA employee will be trained on processing DMV transactions by experienced AAA staff.
5. Upon notification that there are no disqualifying offenses on the criminal history checks, and all training and system access requirements have been met, the DMV AAA Program Coordinator will create MVLS ID and password codes and camera access codes for the employee and meet with the AAA employee at their assigned office location. The DMV AAA Program Coordinator will evaluate the AAA employee's knowledge and skill level in processing DMV transactions and provide any additional training. At that time, DMV and camera workstation access codes will be released to the AAA employee.

Disabling ID and Password Codes

1. When an employee who has been issued codes to process DMV transactions leaves AAA employment, or is no longer responsible for processing DMV transactions, the AAA manager/supervisor must notify the AAA Program Coordinator by email immediately so that DMV and camera system access is disabled for the AAA employee.

EXHIBIT C

As an agent or contractor of DMV, AAA SNE agrees to abide by all of SSA's use, duplication, and redisclosure restrictions and systems security requirements listed below that are under AAA SNE's control.

SSA PRIVACY PROTECTION AND SYSTEMS SECURITY REQUIREMENTS

A. Record Usage, Duplication, and Redisclosure Restrictions

1. MVA will use and access the SSN verification information and the records created by the data exchange under this Agreement only for the purpose of administering, and to the extent necessary to administer, their driver's license and/or identification card programs.
2. The data provided by SSA under this Agreement will remain the property of SSA, and MVA will return or destroy the data when it accomplishes the purpose for which it obtained the data, but no later than 6 months after receipt of the data. MVA will not save entire databases after the data exchange with SSA, but only apply a specific data to the "matched" record.
3. MVA will not use the data provided by SSA to extract information concerning individuals for any purpose not specified in this Agreement.
4. MVA will not create any other file that consists of the verification information from SSA for redisclosure, duplication, or dissemination within or outside MVA without advance written approval of SSA. SSA will not grant such approval unless: (1) the disclosure is in compliance with the Federal Privacy Act (5 U.S.C. § 552a) and other applicable Federal laws and regulations; and (2) the disclosure is required by law or is essential to the matching activity. For purposes of this Agreement, the parties will adhere to the definition of the term "essential" as set forth in the Computer Matching and Privacy Protection Act of 1988, as amended, and the guidance promulgated thereunder, in administering this provision. To request SSA's advance written approval for redisclosure, duplication, or dissemination, MVA must specify in writing what file is being disclosed, to whom it is being disclosed, and the reasons that justify such redisclosure.
5. MVA will restrict access to the verification information obtained from SSA to only those authorized State employees who need it to perform their official duties in connection with the intended uses of the information authorized in this Agreement.
6. If MVA uses, or contemplates using, agents or contractors to assist in the licensing or identification card issuance and such agents or contractors require access to SSA data, MVA may provide them access subject to the following

conditions: (1) MVA is in a contractual or similar arrangement with the agent or contractor to act on MVA's behalf to assist in administering MVA's driver's license and/or other identification documents; (2) MVA provides SSA with proof of such contractual relationship (e.g., a copy of its contract or other agreement with the agent or contractor); (3) the purpose of the disclosure and the use of the data by the agent or contractor is consistent with this Agreement; and (4) the agent or contractor agrees in writing to abide by all of the use, duplication, and redisclosure restrictions and systems security requirements in this Agreement.

B. Systems Security Requirements

1. MVA must safeguard information provided under this Agreement by complying with the Systems Security Requirements (SSR) described in the *Electronic Information Exchange Security Requirements, Guidelines, and Procedures for State and Local Agencies Exchanging Electronic Information with the Social Security Administration*.
2. To fully comply with SSA's SSR, MVA must attest in writing to the Director of the Division of Compliance Oversight (DCOVER), Office of the Chief Information Officer (OCIO) that its system has not undergone significant changes since the last agreement was signed or the last System Design Plan (SDP) was submitted, whichever is later. Significant changes are any changes that could adversely affect the protection of SSA data in accordance with our SSR. If significant changes have been made, MVA will submit to SSA an updated SDP as described in Attachment A. SSA will review the SDP and notify MVA of its acceptance or any unresolved issues. MVA must resolve all issues to SSA's satisfaction before SSA will authorize its connection through the AAMVA system. If MVA is not in compliance with SSA's SSR on the effective date of this Agreement, SSA will suspend any SSN verification request from MVA until MVA has submitted an acceptable SDP to the Director of DCOVER, OCIO. MVA must submit such SDP to the DCOVER at least within 30 days of the effective date of this Agreement.
3. SSA and MVA will adopt policies and procedures to ensure that information obtained from each other will be used in accordance with the terms and conditions of this Agreement and any applicable laws.
4. MVA will restrict access to the data obtained from SSA to only those authorized State employees, contractors, and agents who need such data to perform their official duties in connection with purposes identified in this Agreement. At SSA's request, MVA will obtain from each of its contractors and agents a current list of the employees of its contractors and agents who have access to SSA data disclosed under this Agreement. MVA will require its contractors, agents, and all employees of such contractors or agents with authorized access to the SSA data disclosed under this Agreement, to comply with the terms and conditions set forth in this Agreement, and not to duplicate, disseminate, or disclose such data without obtaining SSA's prior written approval. MVA will further certify to SSA's Systems Security Contact that all contractors meet the SSR prior to any transfer of SSA data to the contractor;

thereafter, MVA will perform compliance reviews of the contractor at least once every three years and compile a report of its findings and final disposition of all required actions to ensure SSA's SSR are met, to SSA's System Security contact. MVA must be able to document the contractual agreement between MVA and its contractors and explain the role of those contractors in MVA's operations. In addition, MVA must require all contractors to sign an agreement (including a non-disclosure statement) that obligates them to follow the terms of SSA's SSR.

C. Safeguarding and Reporting Responsibilities for Personally Identifiable Information (PII):

1. MVA will ensure that its employees, contractors, and agents:
 - a. Properly safeguard PII furnished by SSA under this Agreement from loss, theft, or inadvertent disclosure;
 - b. Understand that they are responsible for safeguarding this information at all times, regardless of whether or not the State employee, contractor, or agent is at his or her regular duty station;
 - c. Ensure that laptops and other electronic devices/media containing PII are encrypted and/or password protected;
 - d. Send emails containing PII only if encrypted and if to and from addresses that are secure; and
 - e. Limit disclosure of the information and details relating to a PII loss only to those with a need to know.
2. If an employee of MVA or an employee of MVA's contractor or agent becomes aware of suspected or actual loss of PII, he or she must immediately contact MVA official responsible for Systems Security designated below or his or her delegate. That MVA official or delegate must then notify the SSA Regional Office contact, SSA Project Coordinator, and the SSA Technical Systems Security Contact identified below. If, for any reason, the responsible MVA official or delegate is unable to notify the SSA Regional Office contact and Project Coordinator, or the SSA Technical Systems Security Contact within 1 hour, the responsible MVA official or delegate must report the incident by contacting SSA's National Network Service Center ("NNSC") at 1-877-697-4889. The responsible MVA official or delegate will use the worksheet, attached as Attachment B, to quickly gather and organize information about the incident. The responsible MVA official or delegate must provide to SSA timely updates as any additional information about the loss of PII becomes available.

3. SSA will make the necessary contact within SSA to file a formal report in accordance with SSA procedures. SSA will notify the Department of Homeland Security's United States Computer Emergency Readiness Team if loss or potential loss of SSA PII related to a data exchange under this Agreement occurs.
4. If MVA experiences a loss or breach of data, it will determine whether or not to provide notice to individuals whose data has been lost or breached and bear any costs associated with the notice or any mitigation.

EXHIBIT D

References in Exhibit D to "contract" shall mean this Agreement and references to "contractor" shall mean "AAA SNE"

Non-Discrimination

(a) The following subsections are set forth here as required by section 4a-60 of the Connecticut General Statutes:

(1) The Contractor agrees and warrants that in the performance of the contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission; (3) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f; (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this section and section 46a-56.

(b) If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.

- (c) "Minority business enterprise" means any small Contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) Who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise and (3) who are members of a minority, as such term is defined in subsection (a) of section 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.
- (d) Determination of the Contractor's good faith efforts shall include but shall not be limited to the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
- (e) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the commission, of its good faith efforts.
- (f) The Contractor shall include the provisions of sections (a) and (b) above in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.
- (g) The following subsections are set forth here as required by section 4a-60a of the Connecticut General Statutes:
- (1) The Contractor agrees and warrants that in the performance of the contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor

union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to section 46a-56; and (4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this section and section 46a-56.

- (h) The Contractor shall include the provisions of section (g) above in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.
- (i) For the purposes of this entire Non-Discrimination section, "contract" includes any extension or modification of the contract, "Contractor" includes any successors or assigns of the Contractor, "marital status" means being single, married as recognized by the state of Connecticut, widowed, separated or divorced, and "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders. For the purposes of this section, "contract" does not include a contract where each Contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, (2) a quasi-public agency, as defined in Conn. Gen. Stat. Section 1-120, (3) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267, (4) the federal government, (5) a foreign government, or (6) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

The Americans with Disabilities Act

The Contractor represents that it is familiar with the terms of the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et seq., and that it is in compliance with the law. Failure of the Contractor to satisfy this standard either now or during the term of the Agreement as it may be amended will render the contract voidable at the option of the State upon notice to the Contractor. Contractor warrants that it will hold the State harmless from any liability which may be imposed upon the State as a result of any failure of the Contractor to be in compliance with this Act.

Executive Orders

The Agreement is subject to the provisions of Executive Order No. Three (3) of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, Executive Order No. Seventeen (17) of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings, Executive Order No. Sixteen (16) of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace, Executive Order No. 7C of Governor M. Jodi Rell, promulgated July 13, 2006 concerning contracting reforms, and Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions. If Executive Orders 7C and 14 are applicable, they are deemed to be incorporated into and are made a part of the Contract as if they had been fully set forth in it. At the Contractor's request, the Department shall provide a copy of these orders to the Contractor.

Sovereign Immunity

The Parties acknowledge and agree that nothing in this Agreement shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided to the State of Connecticut by Federal law or the laws of the State of Connecticut or any of its officers and employees, which they may have had, now have or will have with respect to all matters arising out of this Agreement. To the extent that this provision conflicts with any other provision, this provision shall govern.

Termination

- (a) Notwithstanding any provisions in this Contract, the Agency, through a duly authorized employee, may Terminate the Contract whenever the Agency makes a written determination that such Termination is in the best interests of the State. The Agency shall notify the Contractor in writing of Termination pursuant to this section, which notice shall specify the effective date of Termination and the extent to which the Contractor must complete its Performance under the Contract prior to such date.
- (b) Notwithstanding any provisions in this Contract, the Agency, through a duly authorized employee, may, after making a written determination that the Contractor has breached the Contract, Terminate the Contract in accordance with the provisions in the Breach section of this Contract.
- (c) The Agency shall send the notice of Termination via certified mail, return receipt requested, to the Contractor at the most current address which the Contractor has furnished to the Agency for purposes of correspondence, or by hand delivery. Upon receiving the notice from the Agency, the Contractor shall immediately discontinue all services affected in accordance with the notice, undertake all commercially reasonable efforts to mitigate any losses or damages, and deliver to the Agency all Records. The Records are deemed to be the property of the Agency and the Contractor shall deliver

them to the Agency no later than thirty (30) days after the Termination of the Contract or fifteen (15) days after the Contractor receives a written request from the Agency for the Records. The Contractor shall deliver those Records that exist in electronic, magnetic or other intangible form in a non-proprietary format, such as, but not limited to, ASCII or .TXT.

- (d) Upon receipt of a written notice of Termination from the Agency, the Contractor shall cease operations as the Agency directs in the notice, and take all actions that are necessary or appropriate, or that the Agency may reasonably direct, for the protection, and preservation of the Goods and any other property. Except for any work which the Agency directs the Contractor to Perform in the notice prior to the effective date of Termination, and except as otherwise provided in the notice, the Contractor shall terminate or conclude all existing subcontracts and purchase orders and shall not enter into any further subcontracts, purchase orders or commitments.
- (e) The Agency shall, within forty-five (45) days of the effective date of Termination, reimburse the Contractor for its Performance rendered and accepted by the Agency in accordance with Exhibit A, in addition to all actual and reasonable costs incurred after Termination in completing those portions of the Performance which the notice required the Contractor to complete. However, the Contractor is not entitled to receive and the Agency is not obligated to tender to the Contractor any payments for anticipated or lost profits. Upon request by the Agency, the Contractor shall assign to the Agency, or any replacement contractor which the Agency designates, all subcontracts, purchase orders and other commitments, deliver to the Agency all Records and other information pertaining to its Performance, and remove from State premises, whether leased or owned, all of Contractor's property, equipment, waste material and rubbish related to its Performance, all as the Agency may request.
- (f) For breach or violation of any of the provisions in the section concerning Representations and Warranties, the Agency may Terminate the Contract in accordance with its terms and revoke any consents to assignments given as if the assignments had never been requested or consented to, without liability to the Contractor or Contractor Parties or any third party.
- (g) Upon Termination of the Contract, all rights and obligations shall be null and void, so that no party shall have any further rights or obligations to any other party, except with respect to the sections which survive Termination. All representations, warranties, agreements and rights of the parties under the Contract shall survive such Termination to the extent not otherwise limited in the Contract and without each one of them having to be specifically mentioned in the Contract.
- (h) Termination of the Contract pursuant to this section shall not be deemed to be a breach of contract by the Agency.

Indemnification

(a) The Contractor shall indemnify, defend and hold harmless the State and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all (1) actions, suits, claims, demands, investigations and proceedings pending or threatened, whether mature, unmatured, contingent, known or unknown, at law or in equity, in any forum (collectively, "Claims") arising, directly or indirectly from the negligent or wrongful acts of the Contractor in connection with this Agreement, including negligent or wrongful acts of commission or omission (collectively, the "Acts") of the Contractor or of any of its members, directors, officers, shareholders, representatives, agents, servants, consultants, employees or any other person or entity with whom the Contractor is in privity of oral or written contract (collectively, "Contractor Parties"); and (2) liabilities, damages, losses, costs and expenses, including but not limited to, attorneys' and other professionals' fees, arising, directly or indirectly from the negligent or wrongful acts of the Contractor, in connection with Claims, Acts or this Agreement. The Contractor shall use counsel reasonably acceptable to the State in carrying out its obligations under this Section.

(b) The Contractor shall reimburse the State for any and all damages to the real or personal property of the State caused by the negligent or wrongful acts of the Contractor or any Contractor Parties. The State shall give the Contractor reasonable notice of any such Claims.

(c) The Contractor's duties under this Section shall remain fully in effect and binding in accordance with the terms and conditions of this Agreement, without being lessened or compromised in any way, to the extent that the Contractor is alleged or is found to have contributed in part to the Acts giving rise to the Claims. In the event that the State is alleged or is found to have contributed to the Acts giving rise to the Claims the State's liability shall be determined in accordance with applicable law.

(d) The Contractor shall carry and maintain at all times during the term of this Agreement, and during the time that any provisions survive the term of this Agreement, sufficient general liability insurance to satisfy its obligations under this Section. The Contractor shall name the State as an additional insured on the policy and shall provide a copy of the certificate of insurance to the State no later than ten (10) business days from the effective date of this Agreement.

(e) The rights provided in this Section for the benefit of the State shall encompass the recovery of attorneys' and other professionals' fees expended in pursuing a Claim against a third party if such Claim involves or is alleged to involve the wrongful or negligent acts of the Contractor.

(f) This Section shall survive the expiration or early termination of this Agreement, and shall not be limited by reason of any insurance coverage.

Forum and Choice of Law

The parties deem the Contract to have been made in the City of Hartford, State of Connecticut. Both parties agree that it is fair and reasonable for the validity and construction of the Contract to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by Federal law or the laws of the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Contractor waives any objection which it may now have or will have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.

Tangible Personal Property

The Contractor on its behalf and on behalf of its Affiliates shall comply with the provisions of C.G.S. section 12-411b, as follows:

- (1) For the term of the Agreement, the Contractor and its Affiliates shall collect and remit to the State of Connecticut, Department of Revenue Services, any Connecticut use tax due under the provisions of Chapter 219 of the C.G.S. for items of tangible personal property sold by the Contractor or by any of its Affiliates in the same manner as if the Contractor and such Affiliates were engaged in the business of selling tangible personal property for use in Connecticut and had sufficient nexus under the provisions of Chapter 219 to be required to collect Connecticut use tax;
- (2) A customer's payment of a use tax to the Contractor or its Affiliates relieves the customer of liability for the use tax;
- (3) The Contractor and its Affiliates shall remit all use taxes they collect from customers on or before the due date specified in the Agreement, which may not be later than the last day of the month next succeeding the end of a calendar quarter or other tax collection period during which the tax was collected;
- (4) The Contractor and its Affiliates are not liable for use tax billed by them but not paid to them by a customer; and
- (5) Any Contractor or Affiliate who fails to remit use taxes collected on behalf of its customers by the due date specified in the Agreement shall be subject to the interest and penalties provided for persons required to collect sales tax under chapter 219 of the general statutes.

For purposes of this section of this Agreement, the word "Affiliate" means any person, as defined in section 12-1 of the C.G.S. that controls, is controlled by, or is under common control with another person. A person controls another person if the person owns, directly or indirectly, more than ten per cent of the voting securities of the other person. The word "voting security" means a security that confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business, or that is convertible into, or entitles the holder to receive, upon its exercise, a security that confers such a right to vote. "Voting security" includes a general partnership interest.

The Contractor represents and warrants that each of its Affiliates has vested in the Contractor plenary authority to so bind the Affiliates in any agreement with the State of Connecticut. The Contractor on its own behalf and on behalf of its Affiliates shall also provide, no later than 30 days after receiving a request by the State's contracting authority, such information as the State may require to ensure, in the State's sole determination, compliance with the provisions of the Act.

Encryption of Data; Breach of Security or Loss

(a) Contractor and Contractor Parties, at their own expense, shall encrypt any and all data which they come to possess or control, wherever and however stored or maintained, and which data DOIT or a State, at any time, classifies as confidential or restricted. The Contractor and Contractor Parties shall encrypt the data in accordance with the Connecticut Enterprise Architecture – Technology Architecture (CTEA-TA) protocols. The Contractor and Contractor Parties shall have a continuing obligation always to keep and maintain the data encryption consistent with CTEA-TA, as CTEA-TA may change from time to time.

(b) The Contractor and Contractor Parties shall notify DOIT, the State and the Connecticut Office of the Attorney General as soon as practical, but no later than twenty-four (24) hours, after they become aware of or suspect that any and all data which Contractor has come to possess or control under subsection (a) above has been subject to a "data breach." For purposes of this Section, a "data breach" is an occurrence where (1) any or all of the data is misplaced, lost, stolen or in any way compromised; or (2) one or more third parties have had access to or taken control or possession of any or all of the data without prior written authorization from DOIT or the State.

(c) In addition to the notification requirements of subsection (b), should a data breach occur, the Contractor shall, within three (3) business days after the notification, present to DOIT, the State and the Connecticut Office of the Attorney General, for review and approval, a credit monitoring or protection plan that the Contractor shall make available at its own cost and expense to all individuals affected by the data breach. Unless otherwise agreed to in writing by the Connecticut Office of the Attorney General, such a plan shall be offered to each such individual free of charge and shall consist of, at a minimum, the following:

- (1) Reimbursement for the cost of placing and lifting one (1) security freeze per credit file pursuant to Connecticut General Statutes § 36a-701a;

- (2) Credit monitoring services consisting of automatic daily monitoring of at least three relevant credit bureau reports;
- (3) Fraud resolution services, including writing dispute letters, initiating fraud alerts and security freezes, to assist affected individuals to bring matters to resolution; and
- (4) Identity theft insurance with at least \$ 25,000.00 coverage.

Such credit monitoring or protection plans shall cover a length of time commensurate with circumstances of the data breach, but under no circumstances shall the Contractor's credit monitoring and protection plan be for less than two (2) calendar years from the plan start date. The Contractors' costs and expenses for the credit monitoring and protection plan shall not be recoverable from DOIT, the State or any State of Connecticut entity.

(d) The Contractor represents and warrants that it shall obligate each Contractor Party in a written contract to all of the terms of this Section just as if each Contractor Party had executed this Agreement as an original signatory and each were bound by this Section to the same extent that the Contractor is bound.

(e) The Contractor's or Contractor Parties' failure to encrypt the data, provide notice, or to provide the credit monitoring or protection plan shall be deemed to be, without more, a material breach of this Agreement. The Contractor shall be responsible for any Contractor Parties breach as if the Contractor itself had breached the Agreement. Consequently, and without otherwise limiting the rights of DOIT or a State at law or in equity, the Contractor shall indemnify and hold harmless DOIT, the State and the State, as appropriate, for any and all damages, costs and expenses associated directly or indirectly with Contractor's or Contractor Parties' breach. The damages, costs and expenses shall include, but not be limited to, those resulting from any corresponding contracting for credit or identity protection services, or both, and from any subsequent non-State use of any data.

Policy on Security for Mobile Computing and Storage Devices

By entering into this Agreement, the Contractor agrees and warrants that it is subject to and will comply fully with the State of Connecticut Policy on Security for Mobile Computing and Storage Devices dated September 10, 2007.

Campaign Contribution Restrictions

For all State contracts as defined in P.A. 07-1 having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. [SEEC Form 11 is attached as Exhibit E].

Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

If the Contactor is a Business Associate under the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Contractor must comply with all terms and conditions set forth in said Act. If the Contractor is not a Business Associate under HIPAA, this Act does not apply to the Contractor for this Contract."

By its entering into this Agreement, the Contractor agrees and warrants that it has knowledge of and will comply fully with HIPAA which was provided in its entirety to the Contractor.

Audit and Inspection of Plants, Places of Business and Records.

- (a) The State and its agents, including, but not limited to, the Connecticut Auditors of Public Accounts, Attorney General and State's Attorney and their respective agents, may, at reasonable hours, inspect and examine all of the parts of the Contractor's and Contractor Parties' plants and places of business which, in any way, are related to, or involved in, the performance of this Contract.
- (b) The Contractor shall maintain, and shall require each of the Contractor Parties to maintain, accurate and complete Records. The Contractor shall make all of its and the Contractor Parties' Records available at all reasonable hours for audit and inspection by the State and its agents.
- (c) The State shall make all requests for any audit or inspection in writing and shall provide the Contractor with at least twenty-four (24) hours' notice prior to the requested audit and inspection date. If the State suspects fraud or other abuse, or in the event of an emergency, the State is not obligated to provide any prior notice.
- (d) All audits and inspections shall be at the State's expense.
- (e) The Contractor shall keep and preserve or cause to be kept and preserved all of its and Contractor Parties' Records until three (3) years after the latter of (i) final payment under this Agreement, or (ii) the expiration or earlier termination of this Agreement, as the same may be modified for any reason. The State may request an audit or inspection at any time during this period. If any Claim or audit is started before the expiration of this period, the Contractor shall retain or cause to be retained all Records until all Claims or audit findings have been resolved.
- (f) The Contractor shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Contractor shall cooperate with an exit conference.
- (g) The Contractor shall incorporate this entire Section verbatim into any contract or other agreement that it enters into with any Contractor Party.

Whistleblowing

This Agreement may be subject to the provisions of Section 4-61dd of the Connecticut General Statutes. In accordance with this statute, if an officer, employee or appointing

authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of the contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of this Contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state contractor, as defined in the statute, shall post a notice of the provisions of the statute relating to large state contractors in a conspicuous place which is readily available for viewing by the employees of the Contractor.

Disclosure of Records

This Contract may be subject to the provisions of section 1-218 of the Connecticut General Statutes. In accordance with this statute, each contract in excess of two million five hundred thousand dollars between a public agency and a person for the performance of a governmental function shall (a) provide that the public agency is entitled to receive a copy of records and files related to the performance of the governmental function, and (b) indicate that such records and files are subject to FOIA and may be disclosed by the public agency pursuant to FOIA. No request to inspect or copy such records or files shall be valid unless the request is made to the public agency in accordance with FOIA. Any complaint by a person who is denied the right to inspect or copy such records or files shall be brought to the Freedom of Information Commission in accordance with the provisions of sections 1-205 and 1-206 of the Connecticut General Statutes.

EXHIBIT E

SEEC FORM 11

NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN

This notice is provided under the authority of Connecticut General Statutes 9-612(g)(2), as amended by P.A. 07-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined below):

Campaign Contribution and Solicitation Ban

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract or state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to, or *solicit* contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee; In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to, or *solicit* contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

Duty to Inform

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

Penalties for Violations

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties--\$2000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of \$2000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or \$5000 in fines, or both.

Contract Consequences

Contributions made or solicited in violation of the above prohibitions may result, in the case of a state contractor, in the contract being voided.

Contributions made or solicited in violation of the above prohibitions, in the case of a prospective state contractor, shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State will not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information and the entire text of P.A. 07-1 may be found on the website of the State Elections Enforcement Commission, www.ct.gov/seec. Click on the link to "State Contractor Contribution Ban."

Definitions:

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public

agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part time, and only in such person's capacity as a state or quasi-public agency employee." Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract*, (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor. "State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan or a loan to an individual for other than commercial purposes. "State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement. "Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities. "Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual. "Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.