AGREEMENT FOR THE RELEASE AND EXCHANGE OF CONFIDENTIAL INFORMATION BETWEEN THE OHIO DEPARTMENT OF JOB AND FAMILY SERVICES AND THE OHIO DEPARTMENT OF TAXATION AND THE OHIO BUREAU OF WORKERS' COMPENSATION

This Agreement for the Release and Exchange of Confidential Information (the "AGREEMENT") is entered into by and between the Ohio Department of Job and Family Services ("ODJFS"), the Ohio Department of Taxation ("ODT") and the Ohio Bureau of Workers' Compensation ("BWC"), collectively known as "the Parties".

WHEREAS, a number of employers in Ohio are improperly misclassifying workers as "independent contractors" when those workers should be legally classified as "employees"; and

WHEREAS, when an employee is misclassified as an independent contractor, the employer violates legal obligations under state and federal labor, unemployment and tax laws; and

WHEREAS, employee misclassification harms Ohio's workers who are potentially deprived of their legal rights and protections, including unemployment compensation benefits and employment and training services; and

WHEREAS, employee misclassification is unfair to the overwhelming majority of Ohio's employers who obey the law because law-abiding businesses are placed at a competitive disadvantage compared to businesses who avoid their legal obligations; and

WHEREAS, employee misclassification significantly harms Ohio taxpayers because employers that misclassify employees avoid financial obligations to the State of Ohio and deprive the State of substantial revenues; and

WHEREAS, employers who misclassify employees additionally impose indirect costs upon the State of Ohio from decreased legitimate business activity and an increased demand for social services; and

WHEREAS, law enforcement activities in this area historically have been enforced by separate state departments and agencies, including the Parties to this Agreement, reducing the efficiency and effectiveness of law enforcement in this area; and

WHEREAS, the Parties to this Agreement desire to share confidential data and information as provided by law for the purposes of identifying

employers who misclassify employees as independent contractors and enforcing Ohio's laws; and

WHEREAS, R.C. 5747.18, R.C. 4123.271 and R.C. 5703.41 provide the ODT authority to share confidential data and information with other governmental agencies; and

WHEREAS, R.C. 4123.271 authorizes the exchange of certain information between the BWC Administrator and the ODT Commissioner; and

WHEREAS, R.C. 4123.27 authorizes the Governor of Ohio or the Governor's designees to examine any records, claim files, or papers in possession of the BWC, and the Governor has designated the ODT Commissioner, the ODJFS Director and their respective staffs as the Governor's designees for purposes of examining records from BWC related to worker misclassification; and

WHEREAS, R.C. 4141.43 and 20 CFR 603.5(e) authorizes ODJFS to share confidential information with ODT and BWC;

Now therefore, come the Parties and agree as follows:

1. Exchange of Data

To the extent permitted by federal and state law, including those statutes set forth above, the Parties may share confidential data or information with each other to assist in the task of identifying individual employers that misclassify employees as independent contractors or fail to properly report and pay their Ohio employer tax liabilities. Pursuant to R.C. 4123.271, that exchange may include data and information provided by ODT to BWC identifying individual employers and the amount of compensation paid to employees on the employer's most recent tax return. The data will not include federal tax information.
ODJFS will provide ODT and BWC with the names and/or Federal Identification Numbers of employers identified as having misclassified workers.

2. Cost of Data or Information Exchange

The Parties agree that the exchange of confidential data or information pursuant to this Agreement is for their mutual benefit in administering their respective programs and, therefore, agree that the exchange of information shall be conducted without charge to the individual Parties who receive the data and information.

3. Verification Procedures

The Party supplying the data makes no guarantee as to the accuracy of the confidential data or information provided as a result of this Agreement. The Parties shall use that data or information to independently verify unreported wages or non-compliance with the laws that they are charged with administering and enforcing.

4. Confidentiality of Information

A. Parties receiving confidential data and information under this Agreement shall safeguard and maintain the data in conformance with the requirements of the Ohio Office of Information Technology. Further, this Agreement shall be read and implemented in conformance with Governor's Executive Order 2007-013S.

B. Parties receiving confidential data and information under this Agreement will restrict access to only those authorized employees and officials who need it to perform their official duties in connection with the use of the data or information authorized in this Agreement.

C. Within thirty days after the adoption of this Agreement, each Party will designate a contact for communication related to this Agreement. Each Party will thereafter provide the other Parties' designated contacts with a listing of officials with authority to request and receive data and information authorized under this Agreement. That listing will be amended and provided to the other Parties whenever employees receive authority, or no longer have authority, to request and receive data and information authorized under this Agreement.

D. Parties receiving confidential data and information under this Agreement will store the information provided in an area that is physically safe from access by unauthorized persons.

E. Parties receiving confidential data and information under this Agreement will process the information provided and any records created from that information under the immediate supervision and control of authorized personnel in a manner which will protect the confidentiality of the information, and in such a way that unauthorized persons cannot retrieve any such information by computer, remote terminal or other means.

F. Parties receiving confidential data and information under this Agreement will advise all personnel who will have access to the information and to any records created by the information of its confidential nature, the safeguards required to protect the information and the civil and criminal sanctions for noncompliance contained in applicable state and federal laws.

G. Parties receiving confidential data and information under this Agreement will immediately inform the other Parties of any suspected or actual unauthorized disclosure of the data and information, or any other violation of the terms of this Agreement.

H. Pursuant to 20 CFR 603.10, ODT and BWC shall permit ODJFS to make onsite inspections to ensure that the requirements of Ohio and federal law, regulations, and this Agreement are met.

I. Parties receiving confidential data and information under this Agreement, if responsible for a breach of data security, shall pay any damages and shall bear all costs to notify every individual whose data may have been compromised, in compliance with Ohio law at the time of the breach.

5. Records Usage, Duplication and Re-disclosure Restrictions

A. Parties receiving confidential data and information under this Agreement shall not use the information for any purpose except as set forth in Paragraph 1.

B. The Parties will not duplicate or disseminate to unauthorized persons the confidential data and information received under this Agreement without the prior written approval of the Party providing the confidential data and information.

C. This Section does not prohibit the disclosure of information to the appropriate local authority for criminal prosecutions.

D. The information provided under this Agreement shall be disclosed to the Ohio Attorney General, as needed, for civil or criminal prosecutions.

6. Term and Force of Agreement

A. The Agreement will commence on the latest date of the signature of the Parties.

B. The Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

C. The Agreement shall supersede existing agreements among the Parties related to the same subject matter.

7. Amendment to Agreement

The Agreement shall be amended only by a written instrument signed by the Parties.

8. Termination of Agreement

A. In the event changes in either state or federal law or regulations occur which render performance hereunder illegal, void, impracticable, or impossible, this Agreement shall terminate immediately.

B. Any Party may terminate its participation in this Agreement upon thirty days written notice to the other Parties.

C. The Parties may terminate this Agreement by mutual consent at any time.

D. If any party fail to comply with any provision of this Agreement, the other Parties shall suspend sharing information with the non-complying Party. The disclosure of its information will remain suspended, until the non-complying Party has taken corrective action. In the absence of prompt and satisfactory corrective action, the Agreement will be canceled and the non-complying Party shall immediately surrender all confidential information obtained under the Agreement.

IN WITNESS HERETO, the parties have executed this Agreement by their duly authorized officials:

Marsha P. Ryan, Administrator Ohio Bureau of Workers' Compensation	Date
Christine Mesirow, Chief Counsel Ohio Department of Taxation	Date
BW Judith L. Cicatiello, Deputy Director Ohio Department of Job and Family Services	12/19/08 Date

IN WITNESS HERETO, the parties have executed this Agreement by their duly authorized officials:

Marsha P. Ryan, Administrator Ohio Bureau of Workers' Compensation	01.02.09 Date
Christine Mesirow, Chief Counsel Ohio Department of Taxation	Date
Judith L. Cicatiello, Deputy Director Ohio Department of Job and Family Services	Date

IN WITNESS HERETO, the parties have executed this Agreement by their duly authorized officials:

Marsha P. Ryan, Administrator Ohio Bureau of Workers' Compensation	Date
Christine Mesirow Christine Mesirow, Chief Counsel Ohio Department of Taxation	1/5/09 Date
Judith L. Cicatiello, Deputy Director Ohio Department of Job and Family Services	Date