

## Administrators Guide and Acknowledgement

The Insurance Board (IB) is pleased to provide free and subsidized services to its participating and eligible churches and camps to include **Armatus sexual abuse prevention training** and **background checking**. This Guide will provide information regarding the services and processes. To begin services, you must appoint an Administrator to (1) register individual Users for training, and (2) conduct on-line background checking. Services are provided through our partner, **Praesidium, Inc.**, a leader in the field of abuse prevention services.

Each appointed Administrator is in a position of responsibility with access to, and control of, sensitive information. Therefore, understanding and compliance with this guide is required as a condition of participation.

### Administrator Selection & Appointment --

1. Camps, churches and governing bodies (Conferences, Regions, Presbyteries) must appoint an Administrator to access and manage services. Different administrators may be assigned to the training and background checking systems.
2. Administrators who will be ordering "Confidence" and "Praesidium" level background checks will be handling sensitive information, which includes Social Security Numbers. Therefore, persons selected to be Administrators must understand the sensitivity of handling confidential information, and must be able to hold records (paper or electronic) in a secure environment. It is recommended that an equivalent "human resources professional", or a volunteer with a human resources, medical records administration, or legal background, handle this role.
3. An Administrator may be appointed by submitting a copy of the Administrator Appointment form and Praesidium contract (below) signed by an official of the organization having authority to do so (Chair, Moderator, Treasurer, etc).
4. Forward the Administrator Appointment form and the Praesidium contract to:

Carl Kotheimer, Insurance Board  
e-mail: [ckotheimer@insuranceboard.org](mailto:ckotheimer@insuranceboard.org)

OR

Fax: 216-736-3254

### Background Checking Services Offered –

1. **Camps** – In consideration of the volume and transient nature of camp employees and volunteers, full background checking services are available. Subsidized pricing is provided for *Basic*, *Confidence*, and *Praesidium* level back ground checks as well as for Motor Vehicle Records. All other services may be purchased at the full Praesidium price. All services are billed directly by Praesidium.
2. **Churches** – The *Basic* level of background checking and Motor Vehicle Records checks is the default service level for churches, with the expectation that the service will be applied principally to volunteers. Churches may elect to perform higher level checking if they are comfortable with controlling the information (including Social

Security numbers). Subsidized pricing is provided, as for camps. Services are billed directly by Praesidium.

### **Background Checking Eligibility & Financial Responsibilities –**

1. While the on-line training services are currently provided to all participating and IB program eligible organizations at no charge, there is cost-sharing involved in background checking. Churches, camps and governing bodies may elect to engage only in the training component, or only background checking, or both.
2. Organizations who **currently participate** in the IB Insurance Program will receive background checking services at the subsidized rate (50%). Organizations which are **eligible, but not currently participating** in the IB Insurance Program, will receive background checking services at the full negotiated program price.
3. Before beginning background checking, the Organization must decide how it will fund the expense, albeit minor. Billing arrangements will be coordinated with Praesidium when service commences. Credit card payment is an option. Each Organization will be billed directly for its share of service fees incurred.
4. Pricing for participating and eligible organizations is provided in the table below.

### **Administrator Duties –**

**Training** – The Administrator will register individual *Armatas* training Users according to the Users Guide provided by Praesidium. The following information will be collected for each user in order to (1) generate a login and password; (2) communicate the login and password to the student; (3) track completion of the training; (5) generate a completion certificate via e-mail; and (4) track overall program utilization:

- Last Name
- First Name
- E-mail address
- Date of Birth (Month & day = MMDD = Feb 01 = 0201 to create an ID number)
- State of residence
- IB number in the Remarks field to permit reporting

The *Armatas* system batches e-mail communication to Users over night. Users should know in advance that training will be assigned by this method so they expect to receive e-mail instructions. The Administrator will observe and report training compliance to church/camp leadership according to the requirements established by the latter.

### **Background Checking –**

1. The Administrator will submit individual background checks and related services according to the Users Guide provided by Praesidium.
2. Prior to ordering, the Administrator must obtain a signed Background Check Authorization Form from the candidate/employee/volunteer. (The organization may use its own form. One is provided on the IB website.) A Social Security number is not required for a *Basic* level check, but is required for a *Confidence* or *Praesidium* level check. Authorizations must be maintained in a secure file and destroyed according to the record retention standards of the organization. Praesidium performs random audits of users to ensure compliance with this requirement.

3. In the event that a background check results in information adverse to the candidate, the Administrator must refer the matter to the responsible manager for consideration, and not act independently. Praesidium staff is available by telephone to advise regarding steps that may be taken. (Example: Common names or incorrect information may generate adverse results. The system errs on the side of providing more information and may surface individuals with similar names.)
4. Notices shall be given to the candidate as required by the Fair Credit Reporting Act. Sample notifications are provided in the Praesidium User Guide. However, legal counsel should be consulted prior to forwarding any notification.

**Praesidium Services and Pricing --**

Program Feature	Churches & Camps Eligibility & Costs	
<b>On-Line Training</b>	<i><b>IB Program Participants</b></i>	<i><b>Non Participants IB Program Eligible</b></i>
Subsidy 100%	<b>On-Line Training - \$0.00 Free!</b> <ul style="list-style-type: none"> <li>“Meet Sam”</li> <li>“It Happened to Me”</li> <li>“How to Keep Your Church (Camp) Safe”</li> <li>Refresher (installed on first anniversary of program participation)</li> </ul>	<b>On-Line Training - \$0.00 Free!</b> <ul style="list-style-type: none"> <li>“Meet Sam”</li> <li>“It Happened to Me”</li> <li>“How to Keep Your Church (Camp) Safe”</li> <li>Refresher (installed on first anniversary of program participation)</li> </ul>
<b>Background Checking</b>	<i><b>IB Program Participants</b></i>	<i><b>Non-Participants IB Program Eligible</b></i>
Subsidy 50% to IB Program Participants	<b>Basic</b> - \$5 (church default unless higher level requested) <b>Confidence</b> - \$6.25 <b>Praesidium</b> - \$12.00 (plus County fees if any) Motor Vehicle Records Search - \$2.50 plus applicable State fees.	<b>Basic</b> - \$10 (church default unless higher level requested) <b>Confidence</b> - \$12.50 <b>Praesidium</b> - \$24.00 (plus County fees if any) Motor Vehicle Records Search - \$5.00 plus applicable State fees.
Subsidy 0% Services billed according to Praesidium schedules	Additional County Criminal Records Search - \$12.00 (plus Country fees); one County included in Praesidium level. Education Verification - \$15.00 Professional License Verification - \$15.00/degree AppliScan™ - \$35.00/application ViaCheck™ -- \$25/applicant	

**Eligibility --**

**Participating Church or Camp** – An entity which currently is insured under the Insurance Board package property and liability insurance program. Each has a unique Insurance Board Number (IB#) shown on its Memorandum of Insurance after the policy number.

**Eligible Entity** – A church, camp or governing body of the United Church of Christ, Christian Church (Disciples of Christ) or Presbyterian Church (USA) currently insured by other insurance companies.



## **Agreement For Use of Praesidium's Criminal Background Checking Services And Armatus® Internet-Based Training System**

The undersigned ("Client") wishes to contract with Praesidium, Inc., a Texas corporation ("Praesidium"), for one or more Praesidium services for use by the Client in its organization. Subject to the terms herein set forth, Praesidium agrees to provide to Client the services more fully set forth below. In consideration for the delivery of such services, Client and Praesidium agree to the following:

**Services.** Praesidium agrees to provide Client with the services ("Services") and benefits attached hereto as Exhibit "A". Client may request additional services from time to time provided such additional services shall be set forth in a separate, written agreement between the parties.

**Fees.** The Client shall pay Praesidium for its Services the total sum as is set out in Exhibit "C" ("Payment for Services").

### **Additional Terms.**

(1) **Term and Termination.** This Contract shall be effective immediately upon the execution of this Contract by the Client and Praesidium. Unless otherwise stated herein, the term of this Contract shall be perpetual. This Contract may be terminated (a) by mutual consent or (b) by either party upon thirty (30) days advanced written notice in the event the other party has materially and repeatedly defaulted in its performance obligations herein and has failed to cure the default after reasonable notice and opportunity to cure. If Client terminates this Contract, any and all unpaid fees will become immediately due. If Praesidium terminates this contract, any and all unpaid fees earned up to the effective date of termination but not yet paid to Praesidium will become immediately due and payable to Praesidium.

(2) **Independent Contract Status.** The Parties agree that Praesidium is an independent contractor under this Contract and will in no way be considered to be an agent, partner, joint venturer or employee of Client.

(3) **Disclaimer of Warranties and Limitation of Liability.**

**PRAESIDIUM SPECIFICALLY DISCLAIMS ALL REPRESENTATIONS, CONDITIONS, AND WARRANTIES, WHETHER EXPRESSED OR IMPLIED, ARISING BY STATUTE, OPERATION OF LAW, USAGE OF TRADE, COURSE OF DEALING, OR OTHERWISE, INCLUDING BUT NOT LIMITED TO, WARRANTIES OR CONDITIONS OF MERCHANTABILITY, MERCHANTABILITY, SATISFACTORY, QUALITY, OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO PRAESIDIUM'S SERVICES TO BE PROVIDED, ACCESSED, USED OR DELIVERED PURSUANT TO THIS CONTRACT. PRAESIDIUM DOES NOT GUARANTEE THE SERVICES PROVIDED BY PRAESIDIUM HEREIN WILL PREVENT THE OCCURRENCE OR CONSEQUENCES OF SEXUAL ABUSE BY EMPLOYEES, ASSOCIATES, VOLUNTEERS OR OTHER INDIVIDUALS ASSOCIATED WITH THE CLIENT.**

In no event will Praesidium be liable for any punitive, incidental or consequential damages in any action arising from or related to this Contract, including all exhibits and addenda, if any, or any use or results of the Services provided by Praesidium pursuant to this Contract, whether based in contract, tort (including negligence), intentional conduct or otherwise including without limitation, damages resulting from the loss of profits, income, business or goodwill, regardless of whether such Party has been advised of the possibility of damages.

(4) **Indemnification.** The client agrees to defend, indemnify and hold Praesidium and its respective officers, directors, employees, and agents harmless from and against all liabilities (whether arising under contract, tort or otherwise), damages, losses, demands, actions, claims and expenses (including attorneys' fees and court costs) brought or asserted against Praesidium and any of its officers, directors, employees, and agents, arising out of or related to: (i) incidents of alleged sexual abuse/harassment involving the client; (ii) the disclosure or dissemination of any information concerning any individual that is provided by Praesidium or its vendors to any client, employee or volunteer, or any third party, that is not authorized to receive such information in their official duties with the client and (iii) any claims by third parties to any actions or failures to act by client based, in whole or in part, on any information provided by and/or services performed or rendered by Praesidium.

(5) **Governing Law.** This Contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflicts of law provisions. Sole and exclusive jurisdiction for any action or proceeding arising out of or related to this Contract shall be in an appropriate state or federal court located in the State of Texas.

(6) **Cumulative Relief.** All remedies provided for in this Contract shall be cumulative and in addition to and not in lieu of any other remedies available to either Party at law, in equity or otherwise.

(7) **Counterparts.** This Contract may be executed in several counterparts and each such counterpart will be deemed an original copy of this Contract when so executed and the counterparts will, when taken together, constitute and be one and the same instrument.

(8) **Assignment.** The Client may not assign this Contract without the prior written consent of Praesidium.

(9) **Entire Contract.** This Contract, including any addenda and exhibits, is binding between the Parties, constitutes the entire understanding between the Parties regarding the subject matter of the Contract, and supersedes all prior or contemporaneous statements, understandings and contracts, whether oral or written, between the Parties with respect to the subject matter of this Contract.

(10) **Amendment.** This Contract may be modified or amended only by an instrument in writing and signed by all the Parties to this Contract.

(11) **Disputes/Venue.** Should a dispute arise between the parties to this Contract the parties agree to negotiate in good faith a resolution of the dispute. In the event the dispute cannot be resolved by negotiation, the parties agree to mediate the dispute with an impartial mediator acceptable to all parties. Only after unsuccessful mediation may either party file suit against the other for an alleged breach of this Contract. Venue for all actions arising under this Contract shall be in Tarrant County, Texas.

PRAESIDIUM, INC.

CLIENT

\_\_\_\_\_  
Signature

By Richard F. Dangel, Ph.D.

Its: President and CEO

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

**ADDENDUM RELATING TO PRAESIDIUM'S  
ARMATUS® INTERNET BASED TRAINING SYSTEM**

Client has contracted to secure access to Praesidium's Armatus® Internet-based Training System for use with its organization. This addendum is intended to supplement the terms and conditions of the attached contract between Client and Praesidium relating to the Armatus® program and services.

- (1) Definition. Praesidium's Armatus® Internet-based Training System shall mean and include, any and all software, source code, object code, programs, text, modules, photos, video, graphics, courses, materials, music, sound, entire content (including the selection, coordination, arrangement and enhancement of such content original to it), components, including but not limited to any database, passwords and any other component that is part of its overall functionality, and Praesidium's Proprietary Information, which are embodied or contained in the Praesidium Armatus® Internet-based Training System or which may be accessed in or through the Armatus® Internet-based Training website.
- (2) Proprietary Information. Praesidium's Armatus® Internet-based Training System is copyrighted as a collective work under the United States copyright laws and is Praesidium's Proprietary Information. Armatus® and its logo is a trademark of Praesidium. Praesidium reserves its rights granted by virtue of this trademark and copyright.
- (3) License Grant. Praesidium shall provide during the term of this contract only a limited, non-exclusive, non-transferable license for the Client to access, display and perform or use the object code version of the Armatus® Internet-based Training System, at Praesidium's website as described in this Contract.
- (4) Restricted Access and Use. The access and use of the Armatus® Internet-based Training System is limited to the Client and its designated employees and volunteers. Client may not access or use the Armatus® Internet-based Training System other than to enable Client's employees and volunteers to review the material, take the courses, and organize and display certain data contained at the Armatus® Internet-based Training website and only for carrying out the business or administrative requirements of the Client. The Client agrees to restrict access to the Armatus® Internet-based Training System, and its software, modules, courses and related written materials, if any, to authorized Client employees and volunteers.
- (5) Unlawful Use. The Client shall use the Armatus® Internet-based Training System for lawful purposes only. The Client shall not post or transfer through the Armatus® Internet-based Training System any material which violates or infringes in any way upon the rights of others; which is unlawful, threatening, abusive, defamatory, invasive of privacy or publicity rights, vulgar, obscene, profane, or that Praesidium reasonably finds objectionable; or which encourages conduct that would constitute a criminal offense, give rise to civil liability, or otherwise violate any law.
- (6) Printing Materials. The Client is prohibited from printing any of the Armatus® Internet-based Training System materials, and will instruct all of its users, including all employees and volunteers of Client, who access the Armatus® Internet-based Training System, that the printing of any portion of the Armatus® Internet-based Training System is strictly prohibited. Notwithstanding the above, the Client, at its discretion, may allow its employees and volunteers to print off "Completion Certificates."

**ADDENDUM RELATING TO PRAESIDIUM  
CRIMINAL BACKGROUND AND CONSUMER REPORT(S) SERVICES**

Client has requested Praesidium produce for the Client's general use certain criminal background and consumer report services on individuals designated by client. These services are provided subject to the following terms, conditions and restrictions, all of which shall be considered a part of the contract between Praesidium and the Client to which this Addendum is attached:

- (1) All consumer reports are provided "as is". Praesidium does not make any representation or warranty, express or implied, including but not limited to implied warranties of merchantability or fitness for particular purpose, and implied warranties arising from the course of dealing or a course of performance with respect to the accuracy, validity, or completeness of any consumer report, that will meet client's needs, or that will be provided on an uninterrupted basis, and Praesidium expressly disclaims all such representations and warranties.
- (2) Client acknowledges that they are running "instant" database searches without internal review by Praesidium. Client takes responsibility for the information returned and agrees to do additional due diligence prior to taking any Adverse Action against applicant. Additional due diligence may include verifying the record truly belongs to the applicant by ordering county courthouse searches or equivalent to determine if the conviction is accurate. Client takes responsibility that no unverified record will be used for Adverse Action.
- (3) Attached hereto as "Exhibit A" is a description of the various consumer report service packages available to the client as well as a Schedule of Fees for each service package.
- (4) Attached hereto as "Exhibit B" is a federally mandated "Notice to Users of Consumer Reports: Obligations of Users under the FCRA". Client agrees to comply strictly with all applicable regulations under the Fair Credit Reporting Act (FCRA), 15 U.S.C. 1681-16-1y with respect to the consumer reports furnished by Praesidium pursuant to this contract.

Please Initial \_\_\_\_\_

## EXHIBIT "A"

### SERVICES

## Background Screening Bundled Services™

**Praesidium Package** Created specifically to meet our standards of due diligence, the Praesidium Package includes our Multi-State Criminal Records and National Sex Offender Registry Search with Social Security Number Trace and Alias Search plus one (1) County Criminal Records Search. Results for the Multi-State Criminal Records and National Sex Offender Registry Search with Social Security Number Trace and Alias Search are returned within one (1) business day; turnaround time for the County Criminal Records Search varies by county.

**Confidence Package** Our most popular search, the Confidence Package, starts with a social security number trace to identify all names and aliases known to be associated with the social security number provided to you. We then conduct a Multi-State Criminal Records and National Sex Offender Registry Search for every name identified by the social security number trace. For only a couple of dollars more than the Multi-State Criminal Records and National Sex Offender Registry Search, which checks only one name, you have the added protection of checking the criminal history for all known names. Results are returned within one (1) business day.

**Basic Package** The basic package includes checking the criminal records and the sex offender registries for all 50 states, plus Washington DC. This check is our minimum recommendation for screening employees and volunteers. Results are returned within one (1) business day. Please note, CO, DE, MA, LA, SD, VT, WV and WY provided limited records to third party vendors. If an applicant or staff member has lived in these states Praesidium recommends an individual County Criminal Records searches (for the last 10 years) or for Colorado, a Colorado State Search. Cost

## Featured À La Carte Services™

**Individual County Criminal Search.** Due diligence best practices include conducting a county search in each of the counties the applicant or staff has lived for the past 10 years. A county search is absolutely the most comprehensive search available as it includes the records available in each county's court system on any given day. It is a live search done in real time. Turnaround time varies by county; typically 3 - 5 business days.

### **Statewide County Criminal Records Search**

Some states have a statewide search that allows you to check all counties in the state for one price (often the same cost as checking just one county). States that participate include AL, AZ, CO, DE, FL, GA, HI, IL, IN, KS, KY, ME, MD, MS, MT, NE, NY, NC, SC, SD, TN, UT, VA, WA, and Washington D.C. Turnaround time for the Statewide County Criminal Records Search is between one and seven business days, depending on the jurisdiction and whether they provide records via an online system or if we have to use a clerk or court runner.

**Motor Vehicle Records Search.** A Motor Vehicle Records Search can be used as an additional search for locating an individual, verifying application information, or obtaining motor vehicle information. A faxed copy of the applicant's consent is necessary in some states. MVR searches are not available to third party vendors in CA, GA, OR or PA. Results are returned to you within one (1) business day.

**Education Verification.** Studies indicate that over 30 percent of all job applicants falsify or embellish their résumés. One of the most common areas of résumé fraud occurs in the overstatement of the applicant's education. Through this search option, Praesidium will verify the applicant's higher education degrees. Turnaround time varies by institution; typically 5 – 10 business days.

**Employment Verification.** Checking employment is useful to determine if the employee or volunteer's employment history is accurate. Through employment verification, we determine if the employee or volunteer was employed at the organization, the dates of employment, and if he or she is eligible for rehire. Turnaround time varies by employer; typically 5 -10 business days.

**Professional License Verification.** Each profession operates by a set of laws, rules, and regulations. A licensing process helps to ensure that only qualified individuals are authorized to serve in certain capacities. Sometimes licensed professionals do not meet the standards of conduct required of them. Through this search option, professional licenses are checked and verified by state using the applicant's name or license number. With this search option, you will receive details on the license status of the applicant. Turnaround time varies by accrediting body; typically 5 – 10 business days.

**International Country Criminal Records Search.** We recommend an International Country Criminal Records Search if your applicant or staff member has either lived in or visited a foreign country for an extended period of time. We will search criminal records in the country, state, or local jurisdiction for charges and convictions involving your applicant or staff. Turnaround time varies by jurisdiction; typically 7 – 14 business day.

**Colorado Records Search.** Colorado has a proprietary database of criminal records that must be searched manually. If an individual has lived in Colorado, we recommend a Colorado Records Search and the Multi-State Criminal Records and National Sex Offender Registry Search. Results are returned to you within two (2) business days.

Please Initial \_\_\_\_\_

## Additional Screening Services

**AppliScan™.** This cost-effective service provides an external review of completed employee and volunteer applications and references checks to determine whether any known abuse risk indicators are present. Submit the required documents to Praesidium, and within three days you receive a detailed analysis of each application and specific instructions if follow-up information is required from the applicant.

**ViaCheck™.** References can provide valuable information about an applicant, but many employers initially refuse to release information. Knowing the right questions to ask—and how to get specific and revealing answers—requires technical expertise. ViaCheck™ checks references for you so you can rest assured that only candidates with suitable references will be forwarded for your consideration.

## EXHIBIT "B"

### NOTICE TO USERS OF CONSUMER REPORTS: OBLIGATIONS OF USERS UNDER THE FCRA

All users subject to the Federal Trade Commission's jurisdiction must comply with all applicable regulations, including regulations promulgated after this notice was prescribed in 2004. Information about applicable regulations currently in effect can be found at the Commission's Web site, [www.ftc.gov/credit](http://www.ftc.gov/credit). Persons not subject to the Commission's jurisdiction should consult with their regulators to find any relevant regulations.

The Fair Credit Reporting Act (FCRA), 15 U.S.C. 1681-1681y, requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. The text of the FCRA is set forth in full at the Federal Trade Commission's Website at [www.ftc.gov/credit](http://www.ftc.gov/credit). At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the Commission's Web site. **Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.**

The first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports. The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. If you are a furnisher of information to a consumer reporting agency (CRA), you have additional obligations and will receive a separate notice from the CRA describing your duties as a furnisher.

#### I. OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS

##### A. Users Must Have a Permissible Purpose

Congress has limited the use of consumer reports to protect consumers' privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report. Section 604 contains a list of the permissible purposes under the law. These are:

- As ordered by a court or a federal grand jury subpoena. Section 604(a) (1)
- As instructed by the consumer in writing. Section 604(a) (2)
- For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer's account. Section 604(a)(3)(A)
- For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. Sections 604(a)(3)(B) and 604(b)
- For the underwriting of insurance as a result of an application from a consumer. Section 604(a) (3) (C)
- When there is a legitimate business need, in connection with a business transaction that is initiated by the consumer. Section 604(a) (3) (F) (i)
- To review a consumer's account to determine whether the consumer continues to meet the terms of the account. Section 604(a)(3)(F)(ii)
- To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status. Section 604(a) (3) (D)
- For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or prepayment risks associated with an existing credit obligation. Section 604(a) (3)(E)
- For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof. Sections 604(a) (4) and 604(a)(5)

In addition, creditors and insurers may obtain certain consumer report information for the purpose of making "prescreened" unsolicited offers of credit or insurance. Section 604©. The particular obligations of users of "prescreened" information are described in Section VII below.

##### B. Users Must Provide Certifications

Section 604(f) prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

Please Initial \_\_\_\_\_

### **C. Users Must Notify Consumers When Adverse Actions Are Taken**

The term “adverse action” is defined very broadly by Section 603. “Adverse actions” include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact as defined by Section 603(k) of the FCRA – such as denying or canceling credit or insurance, or denying employment or promotion. No adverse action occurs in a credit transaction where the creditor makes a counteroffer that is accepted by the consumer.

#### **1. Adverse Actions Based on Information Obtained From a CRA**

If a user takes any type of adverse action as defined by the FCRA that is based at least in part on information contained in a consumer report, Section 615(a) requires the user to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

- The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report.
- A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made.
- A statement setting forth the consumer’s right to obtain a free disclosure of the consumer’s file from the CRA if the consumer makes a request within 60 days.
- A statement setting forth the consumer’s right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

#### **2. Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies**

If a person denies (or increases the charge for) credit for personal, family, or household purposes based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) requires that the user clearly and accurately disclose to the consumer his or her right to be told the nature of the information that was relied upon if the consumer makes a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer’s written request.

#### **3. Adverse Actions Based on Information Obtained From Affiliates**

If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notice must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. If consumer report information is shared among affiliates and the user used for an adverse action, the user must make an adverse action disclosure as set forth in I.C.1 above.

### **D. Users Have Obligations When Fraud and Active Duty Military Alerts are in Files**

When a consumer has placed a fraud alert, including one relating to identity theft, or an active duty military alert with nationwide consumer reporting agency as defined in Section 603(p) and resellers, Section 605A(h) imposes limitations on users of reports obtained from the consumer reporting agency in certain circumstances, including the establishment of a new credit plan and the issuance of additional credit cards. For initial fraud alerts and active duty alerts, the user must have reasonable policies and procedures in place to form a belief that the user knows the identity of the applicant or contact the consumer at a telephone number specified by the consumer; in the case of extended fraud alerts, the user must contact the consumer in accordance with the contact information provided in the consumer’s alert.

### **E. Users Have Obligations When Notified of an Address Discrepancy**

Section 605(h) requires nationwide CRAs, as defined in Section 603(p), to notify users that request reports when the address for a consumer provided by the user in requesting the report is substantially different from the addresses in the consumer’s file. When this occurs, users must comply with regulations specifying the procedures to be followed, which will be issued by the Federal Trade Commission and the banking and credit union regulators. The Federal Trade Commission’s regulations will be available at [www.ftc.gov/credit](http://www.ftc.gov/credit).

## **F. Users Have Obligations When Disposing of Records**

Section 628 requires that all users of consumer report information have in place procedures to properly dispose of records containing this information. The Federal Trade Commission, the Securities and Exchange Commission, and the banking and credit union regulators have issued regulations covering disposal. The Federal Trade Commission's regulations may be found at [www.ftc.gov/credit](http://www.ftc.gov/credit).

## **II. CREDITORS MUST MAKE ADDITIONAL DISCLOSURES**

If a person uses a consumer report in connection with an application for, or a grant, extension, or provision of, credit to a consumer on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person must provide a risk-based pricing notice to the consumer in accordance with regulations to be jointly prescribed by the Federal Trade Commission and the Federal Reserve Board. Section 609(g) requires a disclosure by all persons that make or arrange loans secured by residential real property (one to four units) and that use credit scores. These persons must provide credit scores and other information about credit scores to applicants, including the disclosure set forth in Section 609(g)(1)(D) ("Notice to the Home Loan Applicant").

## **III. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES**

### **A. Employment Other Than in the Trucking Industry**

If information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

- Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
- Obtain from the consumer prior written authorization. Authorization to access reports during the term of employment may be obtained at the time of employment.
- Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer's rights will be provided to the consumer.
- Before taking an adverse action, the user must provide a copy of the report to the consumer as well as the summary of consumer's rights. (The user should receive this summary from the CRA.) A Section 615(a) adverse action notice should be sent after the adverse action is taken.

An adverse action notice also is required in employment situations if credit information (other than transactions and experience data) obtained from an affiliate is used to deny employment. Section 615(b) (2)

The procedures for investigative consumer reports and employee misconduct investigations are set forth below.

### **B. Employment in the Trucking Industry**

Special rules apply for truck drivers where the only interaction between the consumer and the potential employer is by mail, telephone, or computer. In this case, the consumer may provide consent orally or electronically, and an adverse action may be made orally, in writing, or electronically. The consumer may obtain a copy of any report relied upon by the trucking company by contacting the company.

## **IV. OBLIGATIONS WHEN INVESTIGATIVE CONSUMER REPORTS ARE USED**

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews by an entity or person that is a consumer reporting agency. Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 requires the following:

- The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer at some time before or not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and the summary of consumer rights required by Section 609 of the FCRA. (The summary of consumer rights will be provided by the CRA that conducts the investigation.)

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- The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.
- Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation. This must be made in a written statement that is mailed, or otherwise delivered, to the consumer no later than five days after the date on which the request was received from the consumer or the report was first requested, whichever is later in time.

## **V. SPECIAL PROCEDURES FOR EMPLOYEE INVESTIGATIONS**

Section 603(x) provides special procedures for investigations of suspected misconduct by an employee or for compliance with Federal, state or local laws and regulations or the rules of a self-regulatory organization, and compliance with written policies of the employer. These investigations are not treated as consumer reports so long as the employer or its agent complies with the procedures set forth in Section 603(x), and a summary describing the nature and scope of the inquiry is made to the employee if an adverse action is taken based on the investigation.

## **VI. OBLIGATIONS OF USERS OF MEDICAL INFORMATION**

Section 604(g) limits the use of medical information obtained from consumer reporting agencies (other than payment information that appears in a coded form that does not identify the medical provider). If the information is to be used for an insurance transaction, the consumer must give consent to the user of the report or the information must be coded. If the report is to be used for employment purposes – or in connection with a credit transaction (except as provided in regulations issued by the banking and credit union regulators) – the consumer must provide specific written consent and the medical information must be relevant. Any user who receives medical information shall not disclose the information to any other person (except where necessary to carry out the purpose for which the information was disclosed, or as permitted by statute, regulation, or order).

## **VII. OBLIGATIONS OF USERS OF “PRESCREENED” LISTS**

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. Sections 603 (l), 604©, 604(e), and 615(d). This practice is known as “prescreening” and typically involves obtaining from a CRA a list of consumers who meet certain pre-established criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and to grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

- Information contained in a consumer’s CRA file was used in connection with the transaction.
- The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.
- Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer does not furnish required collateral.
- The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. The statement must include the address and toll-free telephone number of the appropriate notification system.

In addition, once the Federal Trade Commission by rule has established the format, type size, and manner of the disclosure required by Section 615(d), users must be in compliance with the rule. The FTC’s regulations will be at [www.ftc.gov/credit](http://www.ftc.gov/credit).

## **VIII. OBLIGATIONS OF RESELLERS**

### **A. Disclosure and Certification Requirements**

Section 607(e) requires any person who obtains a consumer report for resale to take the following steps:

- Disclose the identity of the end-user to the source CRA.
- Identify to the source CRA each permissible purpose for which the report will be furnished to the end-user.

- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain:
  - (1) the identity of all end-users;
  - (2) certifications from all users of each purpose for which reports will be used;
 and
  - (3) certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Resellers must make reasonable efforts to verify this information before selling the report.

**B. Reinvestigations by Resellers**

Under Section 611(f), if a consumer disputes the accuracy or completeness of information in a report prepared by a reseller, the reseller must determine whether this is a result of an action or omission on its part and, if so, correct or delete the information. If not, the reseller must send the dispute to the source CRA for reinvestigation. When any CRA notifies the reseller of the results of an investigation, the reseller must immediately convey the information to the consumer.

**C. Fraud Alerts and Resellers**

Section 605A(f) requires resellers who receive fraud alerts or active duty alerts from another consumer reporting agency to include these in their reports.

**IX. LIABILITY FOR VIOLATIONS OF THE FCRA**

Failure to comply with the FCRA can result in state government or federal government enforcement actions, as well as private lawsuits. Sections 616, 617 and 621. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. Section 619..

**The FTC’s Web site, [www.ftc.gov/credit](http://www.ftc.gov/credit), has more information about the FCRA, including publications for businesses and the full text of the FCRA**

Citations for FCRA sections in the U.S. Code, 15 U.S.C. § 1681 et seq.:

Section 602 15 U.S.C. 1681	Section 603 15 U.S.C. 1681a	Section 604 15 U.S.C. 1681b
Section 605 15 U.S.C. 1681c	Section 605A 15 U.S.C. 1681Ca	Section 605B 15 U.S.C. 1681Cb
Section 606 15 U.S.C. 1681d	Section 607 15 U.S.C. 1681e	Section 608 15 U.S.C. 1681f
Section 609 15 U.S.C. 1681g	Section 610 15 U.S.C. 1681h	Section 611 15 U.S.C. 1681i
Section 612 15 U.S.C. 1681j	Section 613 15 U.S.C. 1681k	Section 614 15 U.S.C. 1681l
Section 615 15 U.S.C. 1681m	Section 616 15 U.S.C. 1681n	Section 617 15 U.S.C. 1681o
Section 618 15 U.S.C. 1681p	Section 619 15 U.S.C. 1681q	Section 620 15 U.S.C. 1681r
Section 621 15 U.S.C. 1681s	Section 622 15 U.S.C. 1681s-1	Section 623 15 U.S.C. 1681s-2
Section 624 15 U.S.C. 1681t	Section 625 15 U.S.C. 1681u	Section 626 15 U.S.C. 1681v
Section 627 15 U.S.C. 1681w	Section 628 15 U.S.C. 1681x	Section 629 15 U.S.C. 1681y

**Exhibit "C"**  
**Payment for Services**

Program Feature	Churches & Camps Eligibility & Costs	
<b>On-Line Training</b>	<i><b>IB Program Participants</b></i>	<i><b>Non Participants IB Program Eligible</b></i>
Subsidy 100%	<b>On-Line Training - \$0.00 Free!</b> <ul style="list-style-type: none"> <li>• "Meet Sam"</li> <li>• "It Happened to Me"</li> <li>• "How to Keep Your Church (Camp) Safe"</li> <li>• Refresher (installed on first anniversary of program participation)</li> </ul>	<b>On-Line Training - \$0.00 Free!</b> <ul style="list-style-type: none"> <li>• "Meet Sam"</li> <li>• "It Happened to Me"</li> <li>• "How to Keep Your Church (Camp) Safe"</li> <li>• Refresher (installed on first anniversary of program participation)</li> </ul>
<b>Background Checking</b>	<i><b>IB Program Participants</b></i>	<i><b>Non-Participants IB Program Eligible</b></i>
Subsidy 50% to IB Program Participants	<b>Basic</b> - \$5 (church default unless higher level requested) <b>Confidence</b> - \$6.25 <b>Praesidium</b> - \$12.00 (plus County fees if any) Motor Vehicle Records Search - \$2.50 plus applicable State fees.	<b>Basic</b> - \$10 (church default unless higher level requested) <b>Confidence</b> - \$12.50 <b>Praesidium</b> - \$24.00 (plus County fees if any) Motor Vehicle Records Search - \$5.00 plus applicable State fees.
Subsidy 0% Services billed according to Praesidium schedules	Additional County Criminal Records Search - \$12.00 (plus Country fees); one County included in Praesidium level. Education Verification - \$15.00 Professional License Verification - \$15.00/degree AppliScan™ - \$35.00/application ViaCheck™ -- \$25/applicant	

1. Payment can be made by using the attached credit card payment form (see attached form). Payments by check accepted upon approval.

Please Initial \_\_\_\_\_



**PRAESIDIUM**  
Our passion. Your Protection.

## CREDIT CARD PAYMENT FORM

**\*\*\*All information must be provided and faxed to (817) 261-7864 for processing \*\*\***

CREDIT CARD INFORMATION			
Organization Name:			
Credit Card Type: <input type="checkbox"/> Visa <input type="checkbox"/> Master Card <input type="checkbox"/> American Express <input type="checkbox"/> Discover			
Credit Card Number:			Expiration Date:
Name as it appears on Credit Card:			CVC2 Code:
Payment Amount (US Dollars):			
Signature:			Date:
CREDIT CARD BILLING ADDRESS			
Street Address:			
City:			
State:	Zip/Postal Code:	Country:	
Phone Number:		Fax Number:	
RECEIPT OPTIONS			
Mail/Fax Receipt <input type="checkbox"/>	Email Receipt: <input type="checkbox"/>	(email address)	No Receipt: <input type="checkbox"/>
Street Address:			
City:			
State:	Zip/Postal Code:	Country:	
Fax Number:			
*** For Office Use Only ***			
Order No.: _____			
Client No.: _____		Invoice No. _____	
<input type="checkbox"/> Approved    Approval Code _____			
<input type="checkbox"/> Declined			

\* **NOTE: Sales tax will be added if applicable.**