

PARTNERSHIP AGREEMENT

BETWEEN

THE U.S. DEPARTMENT OF LABOR, WAGE AND HOUR DIVISION

AND

**MARYLAND DEPARTMENT OF LABOR, LICENSING, AND REGULATION, DIVISION
OF UNEMPLOYMENT INSURANCE AND DIVISION OF LABOR AND INDUSTRY**

This Agreement is made and entered into by and between The United States Department of Labor's Wage and Hour Division (hereinafter referred to as "WHD" or "Department") and the Maryland Department of Labor, Licensing, and Regulation, Division of Unemployment Insurance, and the Maryland Department of Labor, Licensing, and Regulation, Division of Labor and Industry, (hereinafter referred to collectively as "DLLR"), together collectively referred to as "the agencies" or "the parties".

With the specific and mutual goals of providing clear, accurate, and easy-to-access outreach to employers, employees, and other stakeholders, and of sharing resources and enhancing enforcement by conducting coordinated investigations and sharing information consistent with applicable law, the parties agree to enter into this partnership.

THEREFORE, IT IS MUTUALLY AGREED THAT:

Purpose

The agencies recognize the value of establishing a collaborative relationship to promote compliance with laws of common concern in the State of Maryland. The agencies are forming this partnership to more effectively and efficiently communicate and cooperate on areas of common interest, including sharing training materials, providing employers and employees with compliance assistance information, conducting coordinated investigations, and sharing information as appropriate.

Agency Responsibilities

WHD is responsible for administering and enforcing a wide range of labor laws, including the Fair Labor Standards Act, the Family and Medical Leave Act, the Migrant and Seasonal Agricultural Worker Protection Act, worker protections provided in several temporary visa programs, and the prevailing wage requirements of the Davis-Bacon and Related Acts and the Service Contract Act. Nothing in this agreement limits the WHD's enforcement of these and other statutes.

DLLR is a Maryland agency responsible for administering and enforcing a wide range of laws, including laws regulating labor and unemployment insurance. Within DLLR, the Division of Labor and Industry is responsible for enforcing Maryland's labor laws, including laws governing employment standards, prevailing wage, living wage, and safety inspection. The Division of Unemployment Insurance is responsible for administering Maryland's Unemployment Insurance

Program, including managing employer contributions and the payment of unemployment insurance benefits.

Contacts

- The agencies will designate a contact person responsible for coordinating the partnership activities.
- The agencies will designate a representative to meet annually to review areas of mutual concern and the terms and conditions of the partnership.

Enforcement

Where appropriate and to the extent allowable under law,

- The agencies may conduct coordinated investigations periodically in the State of Maryland, if opportunity provides.
- The agencies will coordinate their respective enforcement activities and assist each other with enforcement, as appropriate.
- The agencies will make referrals of potential violations of each other's statutes, as appropriate.

Effect of Agreement

- This agreement does not authorize the expenditure or reimbursement of any funds. Nothing in this agreement obligates the parties to expend appropriations or enter into any contract or other obligation.
- By entering into this partnership, the agencies do not imply an endorsement or promotion by either party of the policies, programs, or services of the other.
- Nothing in this agreement is intended to diminish or otherwise affect the authority of either agency to implement its respective statutory functions.
- This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or be binding upon the parties. This agreement is not intended to confer any right upon any private person or other third party.
- Nothing in this agreement will be interpreted as limiting, superseding, or otherwise affecting the parties' normal operations. This agreement also does not limit or restrict the parties from participating in similar activities or arrangements with other entities.
- This agreement will be executed in full compliance with the Privacy Act of 1974, and any other applicable federal and Maryland state laws.

Exchange of Information

- It is the policy of WHD to cooperate with other government agencies to the fullest extent possible under the law, subject to the general limitation that any such cooperation must be consistent with the WHD's own statutory obligations and enforcement efforts. It is WHD's view that an exchange of information in cases in which both entities are proceeding on basically the same matter is to our mutual benefit. There is a need for WHD to provide information to other law enforcement bodies without making a public disclosure.
- Exchange of such information pursuant to this agreement is not a public disclosure under the Freedom of Information Act, 5 U.S.C. § 552.
- When confidential information is exchanged it shall be used and accessed only for the limited purposes of carrying out activities pursuant to this agreement as described herein. The information shall not be duplicated or redisclosed without the written authority of the other party.
- Confidential information may be accessible only to those agents and/or employees of the recipient who require the data in the official performance of their job duties. All data will be kept in the strictest confidence and will be made available to the receiving agency's staff on a "need-to-know" basis. The parties shall instruct all such authorized individuals about the confidentiality requirements under both applicable state and federal law and the Partnership Agreement itself, and about the potential sanctions for unauthorized use, browsing, or disclosure of confidential information.
- Confidential information means information that may be exempt from disclosure to the public or other unauthorized persons under state and federal statutes. Confidential information includes: the identities of persons who have given information to the parties in confidence or under circumstances in which confidentiality can be implied; any employee statements in WHD's enforcement files that were obtained under these conditions; internal opinions and recommendations of federal or state personnel, including (but not limited to) investigators and supervisors; information or records covered by the attorney-client privilege and the attorney work-product privilege; personal information on living persons; individually identifiable health information; and confidential business information and trade secrets.
- In the event that there is a public proceeding, such as a trial, in which confidential information may be used or testimony of WHD's employees sought, the WHD requires that DLLR notify WHD.
- Confidential unemployment information means any confidential information maintained by the Maryland Department of Labor, Licensing and Regulation, Division of Unemployment Insurance that is required to be kept confidential under 20 C.F.R. 603.4 or its successor law or regulation, regardless of the form in which it is disclosed (paper or electronic).
- In addition to the requirements above, confidential unemployment compensation information may be exchanged or redisclosed only subject to the confidentiality requirements of 20 C.F.R. 603.4, Md. Labor and Employment Code § 8-625, and any other applicable laws. See Appendix A.

Subject to the foregoing constraints:

- The agencies agree to exchange information on laws and regulations of common concern to the agencies, to the extent practicable.
- The agencies will establish a methodology for exchanging investigative leads, complaints, and referrals of possible violations, to the extent allowable by law and policy.
- The agencies will exchange information (statistical data) on the incidence of violations in specific industries and geographic areas, if possible.

Outreach and Education

- When appropriate and feasible, the agencies agree to coordinate, conduct joint outreach presentations, and prepare and distribute publications of common concern for the regulated community.
- The agencies agree to provide a hyperlink on each agency's website linking users directly to the outreach materials in areas of mutual jurisdiction and concern.
- The agencies agree to jointly disseminate outreach materials to the regulated community when appropriate.
- All materials bearing the United States Department of Labor ("DOL") or WHD name, logo, or seal must be approved in advance by DOL.

Resolution of Disagreements

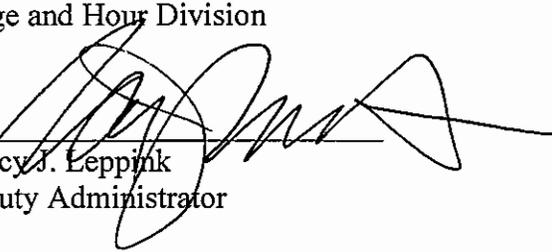
- Disputes arising under this Agreement will be resolved informally by discussions between Agency Points of Contact, or other officials designated by each agency.

Period of Agreement

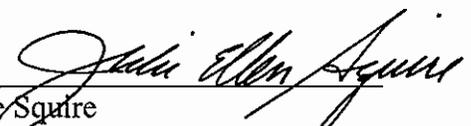
- This agreement becomes effective upon the signing of both parties, and will expire 3 years from the effective date. This agreement may be modified in writing by mutual consent of both agencies. The agreement may be cancelled by either party by giving thirty (30) days advance written notice prior to the date of cancellation. Renewal of the agreement may be accomplished by written agreement of the parties.

This agreement is effective as of the 19th day of September, 2011.

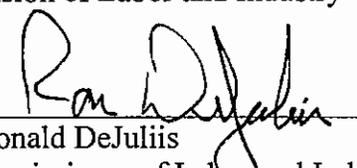
United States Department of Labor
Wage and Hour Division

By: 
Nancy J. Leppink
Deputy Administrator

Maryland Department of Labor, Licensing, and Regulation
Division of Labor and Industry

By: 
Julie Squire
Assistant Secretary for Unemployment Insurance

Maryland Department of Labor, Licensing, and Regulation
Division of Labor and Industry

By: 
J. Ronald DeJuliis
Commissioner of Labor and Industry

Appendix A

Confidential unemployment information may only be exchanged subject to the following safeguards:

- Only confidential unemployment information relating to misclassification of employees as independent contractors will be disclosed, and this disclosure will be made only to authorized individuals.
- Parties to this Agreement shall: (1) instruct all personnel having access to the confidential unemployment information about confidentiality requirements and the sanctions for unauthorized disclosure, (2) sign an acknowledgement that all personnel having access to the confidential unemployment information have been so instructed, (3) maintain a system sufficient to allow an audit of compliance with the requirements of this Agreement with respect to confidential unemployment information and (4) allow with reasonable notice on-site inspections of its systems for storing confidential unemployment information by the party providing the confidential unemployment information, under terms and conditions agreed upon by the parties.
- Confidential unemployment information shall be stored in a place physically secure from access by unauthorized persons.
- Confidential unemployment information maintained in electronic format must be stored so that unauthorized persons cannot obtain the information by any means.
- Confidential unemployment information shall be returned to the agency providing the information or destroyed according to standard procedures when no longer needed for the purposes of this Agreement or upon termination of this Agreement.
- All parties should be notified of any breach of security or system changes (hardware or software).
- If a recipient of confidential unemployment information fails to comply with any provision of this Agreement, the providing party must, in accordance with 20 C.F.R. 603.10(c), suspend the agreement, and not make further disclosure until the agency providing the information is satisfied that corrective action has been taken and there will be no further breach. In the absence of prompt and satisfactory corrective action, the agency providing the information will cancel the Agreement, the receiving agency will surrender all confidential information (and copies thereof) obtained under the Agreement and any other information relevant to the Agreement.
- In the event that either party determines that the agreement has been breached, that party may, in addition to suspending this Agreement, undertake any other action under State or Federal law to enforce the agreement, secure satisfactory corrective action or return of the information, and subject the receiving party to penalties provided by Federal or State law for unauthorized disclosure of confidential information. In addition, that party may take other remedial actions permitted under State or Federal law, including seeking damages, penalties, and

restitution as permitted under such law for any charges to granted funds and all costs incurred by the party in pursuing the breach of the Agreement and the enforcement required by Federal regulation.

- To the extent practicable, the receiving party shall mitigate any harmful effect on individuals whose information was accessed or disclosed in an incident that the receiving party was responsible for.
- The parties will adhere to any subsequent federal and state guidelines on handling data, as agreed, when particular data is exchanged.