





INTERLOCAL DATASHARE AGREEMENT

DSHS Agreement Number:
0991-56857

Debt Notification Process

This Agreement is by and between the State of Washington Department of Social and Health Services (DSHS) and the Contractor identified below, and is issued pursuant to the Interlocal Cooperation Act, chapter 39.34 RCW.

Program Contract Number:
Contractor Contract Number:

CONTRACTOR NAME Washington State Lottery		CONTRACTOR doing business as (DBA)	
CONTRACTOR ADDRESS PO Box 43000 Olympia, WA 98504		WASHINGTON UNIFORM BUSINESS IDENTIFIER (UBI) - -	DSHS INDEX NUMBER 2463
CONTRACTOR CONTACT Mari jo Nagel	CONTRACTOR TELEPHONE (360) 664-4834 Ext:	CONTRACTOR FAX () -	CONTRACTOR E-MAIL ADDRESS MNagel@walottery.com
DSHS ADMINISTRATION Executive Management and Operations	DSHS DIVISION Financial Services	DSHS CONTRACT CODE 6000DC-91	
DSHS CONTACT NAME AND TITLE Don Mercer Chief		DSHS CONTACT ADDRESS Box 45862 Olympia, WA 98504-	
DSHS CONTACT TELEPHONE (360) 664-5500 Ext:	DSHS CONTACT FAX (360) 664-5701	DSHS CONTACT E-MAIL ADDRESS merced@dshs.wa.gov	
IS THE CONTRACTOR A SUBRECIPIENT FOR PURPOSES OF THIS CONTRACT? No		CFDA NUMBER(S)	
AGREEMENT START DATE 2/1/2009	AGREEMENT END DATE 2/1/2024	MAXIMUM AGREEMENT AMOUNT No Payment	
EXHIBITS. The following Exhibits are attached and are incorporated into this Agreement by reference: <input checked="" type="checkbox"/> Exhibits (specify): Exhibit A - Data Security Requirements <input type="checkbox"/> No Exhibits.			
The terms and conditions of this Agreement are an integration and representation of the final, entire and exclusive understanding between the parties superseding and merging all previous agreements, writings, and communications, oral or otherwise regarding the subject matter of this Agreement, between the parties. The parties signing below represent they have read and understand this Agreement, and have the authority to execute this Agreement. This Agreement shall be binding on DSHS only upon signature by DSHS.			
CONTRACTOR SIGNATURE 	PRINTED NAME AND TITLE Terry Pudeen, DIS		DATE SIGNED 3/16/09
DSHS SIGNATURE 	PRINTED NAME AND TITLE Angie Williams, Contract Consultant		DATE SIGNED 3/19/09

DSHS General Terms and Conditions

1. **Definitions.** The words and phrases listed below, as used in this Contract, shall each have the following definitions:
- a. "Central Contract Services" means the DSHS central headquarters contracting office, or successor section or office.
 - b. "Confidential Information" means information that is exempt from disclosure to the public or other unauthorized persons under RCW 42.56 or other federal or state laws. Confidential Information includes, but is not limited to, Personal Information.
 - c. "Contract" or "Agreement" means the entire written agreement between DSHS and the Contractor, including any Exhibits, documents, or materials incorporated by reference.
 - d. "Contracts Administrator" means the manager, or successor, of Central Contract Services or successor section or office.
 - e. "Contractor" means the individual or entity performing services pursuant to this Contract and includes the Contractor's owners, members, officers, directors, partners, employees, and/or agents, unless otherwise stated in this Contract. For purposes of any permitted Subcontract, "Contractor" includes any Subcontractor and its owners, members, officers, directors, partners, employees, and/or agents.
 - f. "Debarment" means an action taken by a Federal agency or official to exclude a person or business entity from participating in transactions involving certain federal funds.
 - g. "DSHS" or the "Department" means the state of Washington Department of Social and Health Services and its employees and authorized agents.
 - h. "Hardened Password" means a string of at least eight characters containing at least one alphabetic character, at least one number and at least one special character such as an asterisk, ampersand or exclamation point.
 - i. "Personal Information" means information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, Social Security Numbers, driver license numbers, other identifying numbers, and any financial identifiers.
 - j. "Physically Secure" means that access is restricted through physical means to authorized individuals only.
 - k. "Program Agreement" means an agreement between the Contractor and DSHS containing special terms and conditions, including a statement of work to be performed by the Contractor and payment to be made by DSHS.
 - l. "RCW" means the Revised Code of Washington. All references in this Contract to RCW chapters or sections shall include any successor, amended, or replacement statute. Pertinent RCW chapters can be accessed at <http://apps.leg.wa.gov/rcw/>.
 - m. "Regulation" means any federal, state, or local regulation, rule, or ordinance.
 - n. "Secured Area" means an area to which only authorized representatives of the entity possessing the Confidential Information have access. Secured Areas may include buildings, rooms or locked

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storage containers (such as a filing cabinet) within a room, as long as access to the Confidential Information is not available to unauthorized personnel.

- o. "Subcontract" means any separate agreement or contract between the Contractor and an individual or entity ("Subcontractor") to perform all or a portion of the duties and obligations that the Contractor is obligated to perform pursuant to this Contract.
 - p. "Tracking" means a record keeping system that identifies when the sender begins delivery of Confidential Information to the authorized and intended recipient, and when the sender receives confirmation of delivery from the authorized and intended recipient of Confidential Information.
 - q. "Transport" means the movement of Confidential Information from one entity to another, or within an entity, that (1) places the Confidential Information outside of a Secured Area or system (such as a local area network) and (2) is accomplished other than via a Trusted System.
 - r. "Trusted Systems" include only the following methods of physical delivery: (1) hand-delivery by a person authorized to have access to the Confidential Information with written acknowledgement of receipt, (2) United States Postal Service ("USPS") first class mail and also delivery services that include Tracking, such as Certified Mail, Express Mail or Registered Mail (3) commercial delivery services (e.g. FedEx, UPS, DHL) which offer tracking and receipt confirmation; and (4) the Washington State Campus mail system. The Washington State Governmental Network (SGN) is the sole electronic Trusted System. Any other delivery method will not be deemed a Trusted System. "Unique User ID" means a string of characters that identifies a specific user and which, in conjunction with a password, passphrase or other mechanism, authenticates a user to an information system.
 - s. "WAC" means the Washington Administrative Code. All references in this Contract to WAC chapters or sections shall include any successor, amended, or replacement regulation. Pertinent WAC chapters or sections can be accessed at <http://apps.leg.wa.gov/wac/>.
2. **Amendment.** This Contract may only be modified by a written amendment signed by both parties. Only personnel authorized to bind each of the parties may sign an amendment.
3. **Assignment.** The Contractor shall not assign this Contract or any Program Agreement to a third party without the prior written consent of DSHS.
4. **Billing Limitations.**
- a. DSHS shall pay the Contractor only for authorized services provided in accordance with this Contract.
 - b. DSHS shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were performed.
 - c. The Contractor shall not bill and DSHS shall not pay for services performed under this Contract, if the Contractor has charged or will charge another agency of the state of Washington or any other party for the same services.
5. **Compliance with Applicable Law.** At all times during the term of this Contract, the Contractor shall comply with all applicable federal, state, and local laws and regulations, including but not limited to, nondiscrimination laws and regulations.

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6. Confidentiality.

- a. The Contractor shall not use, publish, transfer, sell or otherwise disclose any Confidential Information gained by reason of this Contract for any purpose that is not directly connected with Contractor's performance of the services contemplated hereunder, except:
 - (1) as provided by law; or,
 - (2) in the case of Personal Information, with the prior written consent of the person to whom the Personal Information pertains.
- b. The Contractor shall protect and maintain all Confidential Information gained by reason of this Contract against unauthorized use, access, disclosure, modification or loss. This duty requires the Contractor to employ reasonable security measures, which include restricting access to the Confidential Information by:
 - (1) Limiting access to staff that have an authorized business requirement to view the Confidential Information
 - (2) Physically Securing any computers, documents or other media containing the Confidential Information; and
 - (3) Encrypting all Confidential Information that is stored on portable devices including but not limited to laptop computers and flash memory devices.
 - (4) Following the requirements of the DSHS Data Security Requirements Exhibit, if attached to this contract.
- c. The Lottery shall certify the return or destruction of all data as described herein upon expiration without extension of termination of the Agreement, or upon reasonable demand of DSHS, and the Lottery shall retain no copies of the data. (See Data Security Requirements, Exhibit A.) If the parties mutually determine that return or destruction is not feasible, the Lottery shall not use the Confidential Information in any manner other than those permitted or authorized by state and federal laws, and shall continue to use physical, electronic, and managerial policies, procedures, and safeguards to prevent unauthorized access, use, or disclosure of Confidential Information.
- d. Notification of Compromise or Potential Compromise. The compromise or potential compromise of DSHS shared data must be reported to the DSHS Contact designated on the contract within one (1) business day of discovery. Contractor must also take actions to mitigate the risk of loss and comply with any notification or other requirements imposed by law.

7. **Debarment Certification.** The Contractor, by signature to this Contract, certifies that the Contractor is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency from participating in transactions (Debarred). The Contractor also agrees to include the above requirement in any and all Subcontracts into which it enters. The Contractor shall immediately notify DSHS if, during the term of this Contract, Contractor becomes Debarred. DSHS may immediately terminate this Contract by providing Contractor written notice if Contractor becomes Debarred during the term hereof.

8. **Governing Law and Venue.** This Contract shall be construed and interpreted in accordance with the laws of the state of Washington and the venue of any action brought hereunder shall be in Superior Court for Thurston County.

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9. **Independent Contractor.** This agreement is entered into between two agencies of the state of Washington. The Contractor (Lottery) and its employees or agents performing under this Contract are not employees or agents of the Department, and the employees and agents of the Department are not employees or agents of the Contractor. The Contractor, its agents or employees, will not hold themselves out as, nor claim to be, and officer or employee of the Department by reason of this contract.
10. **Inspection.** Each party shall provide right of access to the other party, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance of the internal policies and procedures, and/or records relating to the safeguarding, use, and disclosure of the Confidential Information obtained or used as a result of this Agreement. Each party shall make available information necessary for the other party to comply with taxpayers' rights to access, amend, and received an accounting of disclosures of their Confidential Information.
11. **Maintenance of Records.** The Contractor shall maintain records relating to this Contract and the performance of the services described herein. The records include, but are not limited to, accounting procedures and practices, which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. All records and other material relevant to this Contract shall be retained for six (6) years after expiration or termination of this Contract.

Without agreeing that litigation or claims are legally authorized, if any litigation, claim, or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

12. **Order of Precedence.** In the event of any inconsistency or conflict between the General Terms and Conditions and the Special Terms and Conditions of this Contract or any Program Agreement, the inconsistency or conflict shall be resolved by giving precedence to these General Terms and Conditions. Terms or conditions that are more restrictive, specific, or particular than those contained in the General Terms and Conditions shall not be construed as being inconsistent or in conflict.
13. **Severability.** If any term or condition of this Contract is held invalid by any court, the remainder of the Contract remains valid and in full force and effect.
14. **Survivability.** The terms and conditions contained in this Contract or any Program Agreement which, by their sense and context, are intended to survive the expiration or termination of the particular agreement shall survive. Surviving terms include, but are not limited to: Billing Limitations; Confidentiality, Disputes; Indemnification and Hold Harmless, Inspection, Maintenance of Records, Notice of Overpayment, Ownership of Material, Termination for Default, Termination Procedure, and Treatment of Property.
15. **Termination Due to Change in Funding.** If the funds DSHS relied upon to establish this Contract or Program Agreement are withdrawn, reduced or limited, or if additional or modified conditions are placed on such funding, DSHS may immediately terminate this Contract by providing written notice to the Contractor. The termination shall be effective on the date specified in the termination notice.
16. **Waiver.** Waiver of any breach or default on any occasion shall not be deemed to be a waiver of any subsequent breach or default. Any waiver shall not be construed to be a modification of the terms and conditions of this Contract. Only the DSHS Chief Administrative Officer or designee has the authority to waive any term or condition of this Contract on behalf of DSHS.

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Additional General Terms and Conditions – Interlocal Agreements:

17. **Disputes.** Disputes shall be determined by a Dispute Board. Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms, and applicable statutes and rules and make a determination of the dispute. As an alternative to this process, either party may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process shall control. Participation in either dispute process shall precede any judicial or quasi-judicial action and shall be the final administrative remedy available to the parties.
18. **Hold Harmless.**
- a. The Contractor shall be responsible for and shall hold DSHS harmless from all claims, loss, liability, damages, or fines arising out of or relating to the Contractor's, or any Subcontractor's, performance or failure to perform this Agreement, or the acts or omissions of the Contractor or any Subcontractor. DSHS shall be responsible for and shall hold the Contractor harmless from all claims, loss, liability, damages, or fines arising out of or relating to DSHS' performance or failure to perform this Agreement.
 - b. As the agreement is between two state agencies, the AGO has recommended that no hold harmless clause be used in interagency agreements.
19. **Ownership of Material.** Material created by the Contractor and paid for by DSHS as a part of this Contract shall be owned by DSHS and shall be "work made for hire" as defined by Title 17 USCA, Section 101. This material includes, but is not limited to: books; computer programs; documents; films; pamphlets; reports; sound reproductions; studies; surveys; tapes; and/or training materials. Material which the Contractor uses to perform the Contract but is not created for or paid for by DSHS is owned by the Contractor and is not "work made for hire"; however, DSHS shall have a perpetual license to use this material for DSHS internal purposes at no charge to DSHS, provided that such license shall be limited to the extent which the Contractor has a right to grant such a license.
20. **Subrecipients.**
- a. General. If the Contractor is a subrecipient of federal awards as defined by Office of Management and Budget (OMB) Circular A-133 and this Agreement, the Contractor shall:
 - (1) Maintain records that identify, in its accounts, all federal awards received and expended and the federal programs under which they were received, by Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass-through entity;
 - (2) Maintain internal controls that provide reasonable assurance that the Contractor is managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements that could have a material effect on each of its federal programs;
 - (3) Prepare appropriate financial statements, including a schedule of expenditures of federal awards;
 - (4) Incorporate OMB Circular A-133 audit requirements into all agreements between the Contractor

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and its Subcontractors who are subrecipients;

- (5) Comply with any future amendments to OMB Circular A-133 and any successor or replacement Circular or regulation;
 - (6) Comply with the applicable requirements of OMB Circular A-87 and any future amendments to OMB Circular A-87, and any successor or replacement Circular or regulation; and
 - (7) Comply with the Omnibus Crime Control and Safe streets Act of 1968, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, Title IX of the Education Amendments of 1972, The Age Discrimination Act of 1975, and The Department of Justice Non-Discrimination Regulations, 28 C.F.R. Part 42, Subparts C.D.E. and G, and 28 C.F.R. Part 35 and 39. (Go to www.ojp.usdoj.gov/oct/ for additional information and access to the aforementioned Federal laws and regulations.)
- b. Single Audit Act Compliance. If the Contractor is a subrecipient and expends \$500,000 or more in federal awards from any and/or all sources in any fiscal year, the Contractor shall procure and pay for a single audit or a program-specific audit for that fiscal year. Upon completion of each audit, the Contractor shall:
- (1) Submit to the DSHS contact person the data collection form and reporting package specified in OMB Circular A-133, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor;
 - (2) Follow-up and develop corrective action for all audit findings; in accordance with OMB Circular A-133, prepare a "Summary Schedule of Prior Audit Findings."
- c. Overpayments. If it is determined by DSHS, or during the course of a required audit, that the Contractor has been paid unallowable costs under this or any Program Agreement, DSHS may require the Contractor to reimburse DSHS in accordance with OMB Circular A-87.

21. Termination.

- a. Default. If for any cause, either party fails to fulfill its obligations under this Agreement in a timely and proper manner, or if either party violates any of the terms and conditions contained in this Agreement, then the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given 15 working days to correct the violation or failure. If the failure or violation is not corrected, this Agreement may be terminated immediately by written notice from the aggrieved party to the other party.
- b. Convenience. Either party may terminate this Interlocal Agreement for any other reason by providing 30 calendar days' written notice to the other party.
- c. Payment for Performance. If this Interlocal Agreement is terminated for any reason, DSHS shall only pay for performance rendered or costs incurred in accordance with the terms of this Agreement and prior to the effective date of termination.

- 22. Treatment of Client Property.** Unless otherwise provided, the Contractor shall ensure that any adult client receiving services from the Contractor has unrestricted access to the client's personal property. The Contractor shall not interfere with any adult client's ownership, possession, or use of the client's property. The Contractor shall provide clients under age eighteen (18) with reasonable access to their personal property that is appropriate to the client's age, development, and needs. Upon termination of

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the Contract, the Contractor shall immediately release to the client and/or the client's guardian or custodian all of the client's personal property.

Special Terms and Conditions

1. **Definitions Specific to Special Terms.** The words and phrases listed below, as used in this Contract, shall each have the following definitions:
 - a. "Data" means the information that is disclosed or exchanged as described by this Agreement.
 - b. "Data Provider," as used in the Special Terms and Conditions of this Agreement, means the entity that is disclosing their Data for use by the Data Recipient for completion of this contract.
 - c. "Data Recipient," as used in the Special Terms and Conditions of this Agreement, means the entity that is receiving the Data from the Data Provider for purposes of completion of this contract.
2. **Purpose.** The purpose of this Contract is to support the legislative decision in RCW 67.70.255 and WAC 315-06-125 which allows state agencies to withhold lottery winnings from individuals to collect debts owed by those individuals.
3. **Statement of Work.** The Contractor shall provide the services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:
 - a. Purpose:
 - (1) Activity for which the Data is needed: Pursuant to RCW 67.70.255 and WAC 315-06-125, any state agency or political subdivision that maintains records of debts that the state is authorized to enforce or collect may submit data processing files containing debt information to the Washington State Lottery for the purpose of identifying persons indebted to the agency who are entitled to lottery prizes.
 - (2) How Data Recipient will use Data: The Office of Financial Recovery (OFR) shall submit a file of debtors to the Washington State Lottery every 7 days. The data shall be effective until the next file is submitted, or for a duration of at least 30 days after the date specified in the debt file. OFR shall provide the debt files on a server which is accessible to the Washington State Lottery via File Transfer Protocol (FTP). The Lottery will transfer it from there. On the weekend following acceptance of the files, the Lottery shall load the files into its data processing system. In the event of a Lottery winner/agency debtor match, Lottery personnel shall contact the agency with which the debtor has a debt. OFR shall establish a contact person and two-back-up persons for Lottery personnel to contact. Should OFR wish to exercise its right to withhold lottery winnings, the debt must be verified by submitting to the Lottery headquarters office in Olympia a facsimile or photocopy of a judgment or final order which is the basis for the debt. Verification of the debt must include the amount owed to OFR. If the OFR does not verify the debt within two working days of notification by the Lottery, the Lottery shall release the prize payment to the winner. The Lottery and the OFR agree to safeguard the personal information of claimants and debtors from unauthorized or unnecessary disclosure, pursuant to Executive Order 00-03 and the applicable policies and rules of their respective agencies.
 - b. Description of Data
 - (1) Data elements: Client name, social security number, case number, agency code, and the run date of the information.
 - (2) Time frame(s) for Data disclosure or exchange: Every 7 days.
 - (3) Conditions under which, if any, that Data disclosed or exchanged can be linked to other data: N/A.

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c. Data Access or Transfer

- (1) Method. The method of data access or transfer is through File Transfer Protocol (FTP).
- (2) Requirements for Access. Access to Data shall be limited to staff whose duties specifically require access to such Data in the performance of their assigned duties. Prior to making Data available to its staff, Data Recipient shall notify all such staff of the Use and Disclosure requirements.
- (3) Frequency of Exchange. Data shall be exchanged every 7 days.

d. Limitations on Use of Data

If the Data and analyses generated by Data Recipient contain personal information about DSHS clients, then any and all reports utilizing these Data shall be subject to review and approval by the Data Provider prior to publication in any medium or presentation in any forum.

Data Security Requirements

1. **Protection of Data.** The contractor agrees to store data on one or more of the following media and protect the data as described:
 - a. **Hard disk drives.** Data stored on local workstation hard disks. Access to the data will be restricted to authorized users by requiring logon to the local workstation using a unique user ID and complex password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards.
 - b. **Network server disks.** Data stored on hard disks mounted on network servers and made available through shared folders. Access to the data will be restricted to authorized users through the use of access control lists which will grant access only after the authorized user has authenticated to the network using a unique user ID and complex password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on disks mounted to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
 - c. **Optical discs (CDs or DVDs) in local workstation optical disc drives.** Data provided by DSHS on optical discs which will be used in local workstation optical disc drives and which will not be transported out of a secure area. When not in use for the contracted purpose, such discs must be locked in a drawer, cabinet or other container to which only authorized users have the key, combination or mechanism required to access the contents of the container. Workstations which access DSHS data on optical discs must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
 - d. **Optical discs (CDs or DVDs) in drives or jukeboxes attached to servers.** Data provided by DSHS on optical discs which will be attached to network servers and which will not be transported out of a secure area. Access to data on these discs will be restricted to authorized users through the use of access control lists which will grant access only after the authorized user has authenticated to the network using a unique user ID and complex password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on discs attached to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
 - e. **Paper documents.** Any paper records must be protected by storing the records in a secure area which is only accessible to authorized personnel. When not in use, such records must be stored in a locked container, such as a file cabinet, locking drawer, or safe, to which only authorized persons have access.
 - f. **Access via remote terminal/workstation over the State Governmental Network (SGN).** Data accessed and used interactively over the SGN. Access to the data will be controlled by DSHS staff who will issue authentication credentials (e.g. a unique user ID and complex password) to authorized contractor staff. Contractor will notify DSHS staff immediately whenever an authorized person in possession of such credentials is terminated or otherwise leaves the employ of the contractor, and whenever a user's duties change such that the user no longer requires access to perform work for this contract.

g. **Access via remote terminal/workstation over the Internet through Secure Access Washington.** Data accessed and used interactively over the SGN. Access to the data will be controlled by DSHS staff who will issue authentication credentials (e.g. a unique user ID and complex password) to authorized contractor staff. Contractor will notify DSHS staff immediately whenever an authorized person in possession of such credentials is terminated or otherwise leaves the employ of the contractor and whenever a user's duties change such that the user no longer requires access to perform work for this contract.

h. **Data storage on portable devices or media.**

(1) DSHS data shall not be stored by the Contractor on portable devices or media unless specifically authorized within the Special Terms and Conditions of the contract. If so authorized, the data shall be given the following protections:

(a) Encrypt the data with a key length of at least 128 bits

(b) Control access to devices with a unique user ID and password or stronger authentication method such as a physical token or biometrics.

(c) Manually lock devices whenever they are left unattended and set devices to lock automatically after a period of inactivity, if this feature is available. Maximum period of inactivity is 20 minutes.

Physically protect the portable device(s) and/or media by

(d) Keeping them in locked storage when not in use

(e) Using check-in/check-out procedures when they are shared, and

(f) Taking frequent inventories

(2) When being transported outside of a secure area, portable devices and media with confidential DSHS data must be under the physical control of contractor staff with authorization to access the data.

(3) Portable devices include, but are not limited to; handhelds/PDAs, Ultramobile PCs, flash memory devices (e.g. USB flash drives, personal media players), portable hard disks, and laptop/notebook computers if those computers may be transported outside of a secure area.

(4) Portable media includes, but is not limited to; optical media (e.g. CDs, DVDs), magnetic media (e.g. floppy disks, tape, Zip or Jaz disks), or flash media (e.g. CompactFlash, SD, MMC).

2. Data Segregation.

a. DSHS data must be segregated or otherwise distinguishable from non-DSHS data. This is to ensure that when no longer needed by the contractor, all DSHS data can be identified for return or destruction. It also aids in determining whether DSHS data has or may have been compromised in the event of a security breach.

b. DSHS data will be kept on media (e.g. hard disk, optical disc, tape, etc.) which will contain no non-DSHS data. Or,

- c. DSHS data will be stored in a logical container on electronic media, such as a partition or folder dedicated to DSHS data. Or,
 - d. DSHS data will be stored in a database which will contain no non-DSHS data. Or,
 - e. DSHS data will be stored within a database and will be distinguishable from non-DSHS data by the value of a specific field or fields within database records. Or,
 - f. When stored as physical paper documents, DSHS data will be physically segregated from non-DSHS data in a drawer, folder, or other container.
 - g. When it is not feasible or practical to segregate DSHS data from non-DSHS data, then both the DSHS data and the non-DSHS data with which it is commingled must be protected as described in this exhibit.
3. **Data Disposition.** DSHS data will only be stored within the Lottery's HP Nonstop SQL Database and will be deleted from the database when more current data is received or within 45 days, whichever is shorter. The data will not be copied to or stored on any other media.
4. **Notification of Compromise or Potential Compromise.** The compromise or potential compromise of DSHS shared data must be reported to the DSHS Contact designated on the contract within one (1) business day of discovery.
5. **Data shared with Sub-contractors.** If DSHS data provided under this contract is to be shared with a sub-contractor, the contract with the sub-contractor must include all of the data security provisions within this contract and within any amendments, attachments, or exhibits within this contract. If the contractor cannot protect the data as articulated within this contract, then the contract with the sub-contractor must be submitted to the DSHS Contact specified for this contract for review and approval.