

MEMORANDUM OF UNDERSTANDING

BETWEEN THE COMMONWEALTH OF KENTUCKY
EDUCATION & LABOR CABINET,
OFFICE OF UNEMPLOYMENT INSURANCE

AND

LEXINGTON FAYETTE URBAN COUNTY GOVERNMENT ON BEHALF OF THE
DIVISION OF POLICE

This Memorandum of Understanding ("MOU"), is entered into by and between THE COMMONWEALTH OF KENTUCKY EDUCATION & LABOR CABINET, OFFICE OF UNEMPLOYMENT INSURANCE, (OUI), and THE LEXINGTON FAYETTE URBAN COUNTY GOVERNMENT ON BEHALF OF THE DIVISION OF POLICE, (LPD).

The term of this MOU shall be from August 1st, 2025 through August 31st, 2029. However, any party may cancel this MOU at any time upon thirty (30) days written notice or immediately for cause.

Legal Authority. This MOU supersedes all existing or any previous MOU made between the parties concerning the use or disclosure of confidential information. Where there is conflicting language between this MOU and any existing or a previous MOUs, this MOU shall take precedence.

- A. This MOU is executed in compliance with the following laws or regulations:
- (1) KRS 341.190 Unemployment Compensation: Records and Reports – Confidential Treatment – Exceptions
 - (2) KRS 341.220 Unemployment Compensation: Cooperation with other agencies
 - (3) Grants to States for Unemployment Compensation Administration, 42 U.S.C. §503,
 - (4) Code of Federal Regulations (CFR), Employee Benefits, Federal-State Unemployment Compensation Program, 20 CFR. §603.
 - (5) KRS 440.230, Execution of warrant.

The LPD has requested unemployment insurance information contained in the Unemployment Insurance database, to be used strictly in furtherance of official business in the normal course of duties and to fulfill statutory enforcement requirements.

The OUI and the LPD shall ensure all employees, representatives, or agents, to whom the parties may grant access to the data specified in this MOU, will abide by all terms, conditions, and restrictions of this MOU, including the confidential nature of the information; the security requirements of this MOU; and the sanctions specified in state and federal laws against unauthorized disclosure of information.

NOW THEREFORE, it is hereby mutually agreed by and between the parties that:

Information to be Shared:

- 1) This request is being made for the purpose of:
 - a. LPD Law enforcement investigations, including those investigations related to unemployment compensation and public assistance fraud.
- 2) The following information is being requested:
 - a. On-line access to the OUI programs, such information including, but not limited to, wage records, unemployment insurance records, and wage audit records;
 - i. To obtain a physical or electronic copy of any data available from the OUI on-line programs, a request must be submitted in writing to the OUI. The written request must include the requesting agency employee's name, job title, specifically identify the requested records, and state the intended use of the requested unemployment insurance information. The written request shall be submitted to the OUI via email to the contact listed on "Attachment A". This describes the only authorized process to obtain a physical or electronic copy of unemployment insurance information. Any unauthorized printing, duplication, transfer, or screen capture of unemployment insurance information may result in the suspension or termination of this MOU.
 - ii. Upon request, the Records Custodian of the OUI shall certify the physical or electronic copy of unemployment insurance information in conformity with the requirements of Kentucky Rules of Evidence (KRE 902(11)(A) as a self-authenticating business record.

Requirements:

- 1) The LPD shall provide a list to the OUI of all employees, or contractors, their titles, and Social Security Numbers who will be permitted to have access to the OUI data. In addition, the LPD shall notify the OUI immediately of any such employee or contractor who terminates his/her employment with the LPD or whose job duties no longer require access to the OUI data. Further, the LPD agrees that all employees who have access to unemployment insurance data shall be required to read and sign a copy of the security forms and complete the trainings as well as the accompanying acknowledgements listed in "Attachment B". The LPD shall forward the signed and dated security statements to the OUI contact listed in "Attachment A" prior to access being provided to an employee or contractor.
- 2) The parties agree that the list of employees, signed security agreements, a written copy of internal security safeguards, acknowledgement, completed Confidentiality Acknowledgement forms, and any other information or notification required by the terms of this MOU to be provided by the LPD shall be sent to the contact listed in "Attachment A".
- 3) The LPD agrees that each employee or contractor with access to the OUI data shall annually execute a Confidentiality Acknowledgement form. The signed

Confidentiality Acknowledgement form shall be forwarded to the contact listed in “Attachment A” prior to access being provided to an employee or contractor.

- 4) The LPD assures the confidentiality of the unemployment insurance information received as required by KRS 341.190(4)(a).
- 5) An authorized representative of the LPD shall sign an Acknowledgement of Confidentiality on behalf of the LPD that it will adhere to all the confidentiality statutes, regulations, rules, requirements and procedures regarding unemployment insurance information; that all of its personnel having access to any disclosed unemployment insurance information have been instructed of all the confidentiality statutes, regulations, rules, requirements and procedures regarding unemployment insurance, including but not limited to KRS 341.190, 42 U.S.C. § 503, 26 U.S.C. § 3304, 20 CFR § 603, subpart B and this MOU, and the sanctions set forth in KRS 341.990 for the unauthorized disclosure of unemployment insurance information; and that any infraction of the confidentiality statutes, regulations, rules, requirements or procedures shall be fully and promptly reported, in writing, to the contact listed within “Attachment A” in accordance with 20 CFR § 603.9(b)(v)(B).
- 6) The LPD shall instruct all their personnel with access to the unemployment insurance information regarding the confidential nature of the unemployment insurance information; the confidentiality rules, requirements, and procedures of KRS 341.190, 42 U.S.C. § 503, 26 U.S.C. § 3304, and 20 CFR § 603, subpart B; and of the sanctions specified in KRS 341.990 for the unauthorized disclosure of unemployment insurance information.
- 7) The unemployment insurance information shall be used by the LPD only for the purpose(s) identified in this MOU.
- 8) The LPD shall not re-disclose any unemployment insurance information except as outlined in this MOU, by court order, or as required by law, and in accordance with KRS Chapter 341 and 20 CFR § 603, subpart B. Upon such redisclosure, LPD shall notify the OUI in writing within two (2) business days.
- 9) The LPD shall notify the OUI in writing within at least two (2) business days before disclosing any unemployment insurance information in a court proceeding, and shall request that any unemployment insurance information to be utilized in a court proceeding be filed under seal to maintain the confidentiality of those records.
- 10) In accordance with KRS 61.878(1)(k) and KRS 341.190(4), the OUI Data shall not be disclosed pursuant to an open records request.
- 11) The LPD shall provide to the OUI, with this signed MOU, a written copy of their internal security safeguards to ensure that information obtained from the OUI shall be protected against unauthorized access or disclosure.
- 12) The unemployment insurance information shall be stored in a place physically secure from access by unauthorized persons and processed in such a way that

unauthorized persons cannot retrieve the information by means of computer, remote terminal, or any other means.

- 13) The LPD shall immediately shred or delete any unemployment insurance information disclosed or obtained pursuant to this MOU, including any copies thereof, after the purpose for which the information was disclosed is served.
- 14) The LPD shall permit the OUI to make unannounced on-site inspections to audit and to ensure that the requirements of all state and federal unemployment insurance confidentiality laws, rules, requirements, and procedures are being met.
- 15) In accordance with 20 CFR Section 603.9(b)(1)(vii), the OUI will periodically conduct an audit with a sample of transactions in which the OUI data was accessed. The audit will ensure that the person receiving the information has on file a signed Confidentiality Acknowledgement authorizing the access.
- 16) The LPD shall report, as soon as possible, but no later than 24 hours, a suspected security breach of the OUI data to elc.securityincidents@ky.gov and to the OUI.
- 17) If any party knows of any occurrence, activity, or practice that constitutes a material breach or violation of the MOU, the party agrees to notify the remaining parties through the contact information listed in "Attachment A" in writing within two (2) business days of determining that such occurrence, activity, or practice constitutes a material breach or violation of this MOU and must take reasonable steps to cure the material breach or end the violation. If the steps are unsuccessful, the MOU may be terminated.
- 18) The LPD shall comply with all applicable requirements in KRS 61.931 to 61.934 to implement, maintain and update security, breach investigation and notification procedures and practices, including taking any appropriate corrective action, to protect and safeguard the unemployment insurance information against any unauthorized access, use, modification, disclosure, manipulation, or destruction. All notification and investigation costs due to a security breach of unemployment insurance information provided to the LPD under this MOU shall be the responsibility of the LPD.
- 19) Failure to comply with any provision of this MOU by the LPD shall result in suspension of this MOU by the OUI, at its discretion, until the OUI is satisfied that corrective action has been taken and there is compliance with this MOU. In the absence of prompt and satisfactory corrective action, OUI may exercise an option to cancel this MOU and the LPD shall surrender to the OUI all unemployment insurance information, including copies, obtained under this MOU which has not previously been returned to the OUI and any other information relevant to the MOU.

Cost:

- 1) The LPD will be responsible for the OUI's costs associated with providing the requested physical or electronic copy of unemployment insurance information.
 - a. Online access to OUI data programs is \$25 per person, per program, per month and are billed quarterly.
 - b. Data files will be quoted for estimated work necessary to produce requested file and will be provided to agency for approval prior to work being completed.

Additional Provisions:

- 1) In the event that the LPD, its employees or contractors, are sued or held liable in a claim or lawsuit arising from any disclosure of information received under this MOU by its employees, the LPD hereby agrees to notify the OUI through the contact information listed in "Attachment A" in writing within five (5) business days and LPD agrees to defend such claim or lawsuit, and assume responsibility for any and all expenses, costs, or liabilities arising there from.
- 2) In the event that the OUI, its employees or agents, are sued or held liable in a claim or lawsuit arising from the LPD, its employees' or agents' disclosure of information received under this MOU, the LPD hereby agrees to indemnify to the extent permitted by law the OUI for any and all liability, loss or damage the OUI may suffer as a result of claims, demands, costs, or judgments against the OUI. The OUI will notify the LPD of any such claim or lawsuit and provide the LPD an opportunity to defend and settle any such claim or lawsuit. This shall not be deemed a waiver of sovereign immunity or any other third party defense.
- 3) The terms and conditions of this MOU may be amended by mutual written consent of the parties. This MOU is effective and binding upon execution of the parties. All questions as to the execution, validity, interpretation, and performance of this MOU shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action, which is brought on the basis of this MOU, shall be filed in the Franklin Circuit Court of the Commonwealth of Kentucky with each party to bear their own costs and attorneys' fees.

FIRST PARTY

KENTUCKY EDUCATION AND LABOR CABINET,
OFFICE OF UNEMPLOYMENT INSURANCE

GREG HIGGINS
OUI EXECUTIVE DIRECTOR
EDUCATION AND LABOR CABINET

DATE

EXAMINED AS TO FORM AND LEGALITY

CHARLES R. WHEATLEY
DEPUTY GENERAL COUNSEL
EDUCATION AND LABOR CABINET

DATE

SECOND PARTY:

LEXINGTON FAYETTE URBAN COUNTY GOVERNMENT,
LEXINGTON POLICE DEPARTMENT

LINDA GORTON
MAYOR
LEXINGTON FAYETTE URBAN COUNTY GOVERNMENT

DATE

EXAMINED AS TO FORM AND LEGALITY

MICHAEL R. SANNER
ATTORNEY SR.
LEXINGTON FAYETTE URBAN COUNTY GOVERNMENT

DATE