REQUEST FOR PROPOSALS
FOR PROFESSIONAL SERVICES

STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE

Carvel State Building
820 N. French Street, 8th Floor
Wilmington, DE 19801

Sharon Ferrara
Bureau of Tax Collections
Division of Revenue

Contact 577-8610
Sharon.ferrara@state.de.us

_____	Proposer to Place Company Name Here
_____	Proposer's Address
_____	
_____	
_____	Proposer's Telephone Number
25-06-01-11-01	Proposal Number
Second Referral Collection Services	Proposal Description
February 17, 2014	Proposal Opening Date and Time
3:00 P.M. Prevailing Time	

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DELAWARE DIVISION OF REVENUE
Carvel State Building, 8th Floor
820 N. French Street
Wilmington, DE 19801

RFP No.: 25-06-01-11-01
Date: January 6, 2014

SECTION I. GENERAL COMMENTS AND INFORMATION

1.1 Preparation and Submission of Proposals

The Delaware Division of Revenue (hereinafter known as the "Division or DOR") will receive sealed proposals until February 17, 2014 3:00 pm prevailing time for Collection Services as described in this Request for Proposal. This Request for Proposal is issued pursuant to 29 Del. C. §§ 6902[1], 6981, and 6982. Proposals must be delivered to Sharon Ferrara, Bureau of Tax Collections, at the address as described in Section 1.6 where they will be opened and publicly read at the time stated. Proposals must be delivered in sealed opaque envelopes and be clearly marked on the outside: **"Sealed Collection Services Proposal."** Proposals must be mailed by Certified Mail, Fed Ex or Delivered by Hand.

The proposal must conform to the Proposal Procedures and Requirements Sections of the RFP. The DOR specifically reserves the right to waive any informalities or irregularities in the proposal form. Each proposal must be accompanied by a cover letter, which briefly summarizes the proposing firm's interest in providing the required professional services. The cover letter must also clearly state and justify exceptions to the requirements of the RFP, which the applicant may have taken in presenting the proposal. The DOR reserves the right to any and all exceptions to the RFP requirements.
The Division will allow written requests for clarification of the RFP. All questions will be consolidated into a single set of responses and posted on the Division's State's website at: http://www.revenue.delaware.gov/contracting.shtml by 12:00 PM each Friday. Vendors' names will be removed from questions in the responses released. Questions should be framed by the following manner. Deviations from this format will not be accepted. Section number, Paragraph number, Page number, Text of passage being questioned, Question.
Proposal must be submitted with Original and one copy of this RFP along with 1 electronic copy by CD in a PDF format, and each proposer is to retain one copy for its files. Proposals must be signed by an authorized representative of the company submitting a proposal. Notification of the proposal award will be made by letter.

The **PROPOSAL SUMMARY FORM** in Section IV must be properly filled in and signed.

1.2 Terms of Contract

It is understood that under the terms and conditions of this request that the Division of Revenue (DOR) reserves the right to contract for any of the above services from one or more bidders in accordance with 29 Del. C., §6986 during the contract period of 04/01/14 to 03/31/19. Notwithstanding that this is to be considered a five (5) year contract, there will be a required written annual renewal to be executed by the parties on or before April 1st of each year the contract is renewed, without need to resort to or seek further requests for proposals. The contract may be

terminated by either party upon thirty (30) days written notice. In the event the successful firm(s) breach any material obligation set forth under the contract, the DOR may immediately terminate the agreement upon providing written notice to the firm(s).

Prices quoted shall only be increased by the increase in the Department of Labor Consumer Price Index (all city average - all items) for the period between 04/01/14 to 03/31/19. The prices quoted shall not include state sales and use taxes. Proposers will be required, if requested by the Division, to furnish satisfactory evidence that they are qualified as a collection agency, having a regularly established place of business.

1.3 Issuing Office

State of Delaware, Department of Finance
Division of Revenue
Bureau of Tax Collections
820 N. French Street
Wilmington, DE 19801
Attention: Sharon Ferrara

1.4 Issue Date

January 6, 2014

1.5 Closing Date/Time

February 17, 2014 at 3:00 p.m. (prevailing time).

1.6 Inquiries

All inquiries concerning this RFP should be submitted to:

Sharon Ferrara
Delaware Division of Revenue
Carvel State Building, 8th Floor
820 N. French Street
Wilmington, DE 19801
sharon.ferrara@state.de.us

1.7 Contractual Obligation

The proposals submitted by the successful propose(s) may become at the instance of DOR an addendum to the contract or agreement signed by the successful proposer(s) and the Division of Revenue. Price quotations and other time-dependent information contained in proposals should be valid for a minimum of one-hundred-twenty [120] days from the above closing date.

1.8 Written and Oral Presentation

Proposals should be prepared simply and economically, providing a straightforward, concise description of proposer capabilities to satisfy the requirements of this proposal. To be considered, all proposals must be submitted in 2 paper copies and 1 electronic copy by CD in a PDF format and

respond to the items outlined in this RFP using the requested format. The DOR reserves the right to reject any non-responsive or non-conforming proposals. Emphasis should be on completeness and clarity of contents. An oral presentation by the proposers and/or on-site visit to any of the proposer's collection offices may be required by DOR in order for that vendor to explain or clarify its proposal.

1.9 Evaluation Process

All proposals submitted in response to the RFP shall be reviewed by the Proposal Review Committee.

A. Proposal Review Committee

Bids will be evaluated by a panel chosen by the Division of Revenue/Department of Finance. The Committee shall determine the firm(s) which meet the minimum requirements pursuant to selection criteria of the RFP and procedures established in 29 Del. C. §§ 6981, 6982. The Committee may negotiate with one or more firms during the same period and may, at its discretion, terminate negotiations with any or all firms. The Committee shall make a recommendation regarding the award to Patrick Carter, Director of Revenue, who shall have final authority, subject to the provisions of this RFP and 29 Del. C. § 6982, to award a contract to the successful firm(s) in the best interests of the State of Delaware.

B. Proposal Selection Criteria

The Proposal Review Committee shall assign up to the maximum number of points as stated in this Section for each Evaluation Item or for each of the proposing firms. All assignments of points shall be at the sole discretion of the Proposal Review Committee.

The proposals all contain the essential information in which the award decision shall be made. The information required to be submitted in response to this RFP has been determined by DOR and the Proposal Review Committee to be essential for use by the Committee in the bid evaluation and award process. Therefore, all instructions contained in this RFP shall be met in order to qualify as a responsive and responsible contractor and to participate in the Proposal Review Committee's consideration for award. Proposals which do not meet or comply with instructions of this RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at the sole discretion of the Committee.

The Committee reserves the right to:

- Select for contract or for negotiations a proposal other than that with lowest costs or highest points.
- Reject any or all proposals received in response to this RFP or to make no award and/or issue a new RFP
- Waive or modify any information, irregularity, or inconsistency in proposals received.
- Request modification to proposals from any or all contractors during the review and negotiation.

- Negotiate any aspect of the proposal with any firm(s) and negotiate with more than one firm at the same time.

All proposals shall be evaluated using the same criteria and scoring process. The following criteria shall be used by the Committee to evaluate proposals:

Evaluation Item	Maximum Points
Multi-State Government Tax Collection Experience.	5
Computer Systems & Procedures.	5
Cost of Service.	5
References.	5
Financial Condition.	5
Statement of management standards, using ISO 9001: 2000 Quality Management Standard as a guideline.	5
Provide a SAS 70 Statement of auditing or equivalent	5
Prior experience of proposer, consisting of a minimum of five (5) years collection experience	5
Total Points	**40**

1.10 Rejection of Proposals

The Division of Revenue reserves the right to reject any or all proposals received by reason of its request, or to negotiate separately in any manner that best serves the interests of the State of Delaware.

1.11 Compliance with Law

a. The proposers must comply with the laws that apply to collection agency services.

b. The successful proposer(s) must comply with Title 30, Delaware Code, Section 368. A copy of this section is attached as Exhibit A. on page 15, 16.

c. The successful firm(s) must have a valid Delaware business license, if applicable.

1.12 Liability and Retention of Proposals

The proposers shall solely be responsible for any liability or cost incurred by them in connection with responding to this request for proposal. Proposers shall specifically designate those portions of

Should any proposer have any questions as to the intent or meaning of any part of this proposal, it should contact the Division before submitting its request in time to receive a reply.

The Division reserves the right to reject any or all proposals, in whole or in part; to make partial awards; to waive any irregularity in any quotation; to increase or decrease quantities if quantities are listed in the proposal(s), and may reject any request that shows any omission, alterations of forms, additions not called for, conditions, or alternate proposals, and may make any such award as is deemed to be in the best interest of the State of Delaware.

2.5 Contract Conditions

The firm(s) awarded the contract under this RFP shall be subject to the following contractual provisions:

A. Non-Appropriation

In the event the General Assembly fails to appropriate the specific funds necessary to continue the contract, in whole or in part, the contract shall be terminated as to any further obligation of the State requiring the expenditure of money at the end of the last fiscal year for which no appropriation is available, or upon the exhaustion of funds.

B. Notice

Any notice to the DOR required under this contract shall be sent by registered mail to: Sharon Ferrara, Delaware Division of Revenue, Bureau of Tax Collections, 820 N. French Street, 8th floor, Wilmington, DE 19801.

C. Formal Contract & Purchase Order

The successful firm(s) shall promptly execute a contract incorporating the terms of this RFP within thirty (30) days after the award of the contract. No proposer is to begin any service prior to receipt of a State of Delaware purchase order signed by two (2) authorized representatives of the agency requesting service and properly processed through the State of Delaware Accounting Office and DOR. Upon receipt, the purchase order shall serve as authorization to proceed in accordance with the bid specifications and special instructions.

D. Indemnification

By submitting a proposal, the proposing firm(s) agrees that in the event it is awarded a contract, it will indemnify and otherwise hold harmless the State of Delaware, its agents and any employees from any and all liability, suits, actions, or claims, together with all costs, expenses for attorney's fees, arising out of the firm(s)'s, its agents and employees' performance of work or services in connection with the contract, regardless of whether such suits, actions, claims, or liabilities are based upon acts or failures to act attributable, in whole or in part, to the State, its employees or agents.

E. Non-Discrimination

their proposals which they believe to be proprietary or otherwise, privileged under the Delaware Freedom of Information Act. A copy or copies of each proposal may be kept as part of the agency file and open to inspection by any person permitted by law subject to the limitations set for the above or pursuant to the Delaware Freedom of Information Act.

SECTION II. GENERAL COMMENTS AND INFORMATION

2.1 Purpose

This Request For Proposal (RFP) is issued by the Division of Revenue (DOR) for the purpose of acquiring services for the collection of second referral tax accounts receivables and other state receivables owed to the State of Delaware. Second referral tax receivables are receivables in which collection attempts have been previously made by the Division of Revenue and/or a First Referral collection agency. DOR is authorized to establish and maintain a special fund with the State Treasurer for the purposes of contracting for the collection of delinquent State taxes. The contracts will provide for the collection of delinquent accounts from persons and businesses presently located in and out-of-state. Deposits to the special fund shall be from the collection of delinquent taxes under such contracts.

2.2 Scope

This document contains general information relating to the procedural requirements in the preparation of proposals to the Division of Revenue, performance requirements and proposer characteristics, which must be met in order for a proposal to receive consideration.

2.3 Intent

These specifications are intended to cover professional services for the collection of second referral tax account receivables in an efficient manner and in quantities referred to in section 3.2 of this bid. The intent of this proposal request is to secure a qualified firm or firms (preferably with collection experience in tax accounts) which has or have proven ability to collect upon medium to large volume, aged (approximately 1-8 years) account receivable of state governments. This intent may be served by negotiation with more than one firm, with each to handle a portion of the accounts assigned to outside collections. Accordingly, whenever the singular (e.g., "agency") is used, it implies the singular or plural (e.g., "agencies").

2.4 Reservations

The Division of Revenue reserves the right to annul any contract if, in its opinion, there is a failure at any time to successfully perform the stipulations of this invitation to respond, and the general conditions and specifications which are part of these proposals, or in any case of any attempt to impose upon the Division services of an unacceptable quality. Any action taken pursuant to this latter stipulation shall not affect or impair any rights or claim of the Division to damages for the breach of any covenants of the contract by the proposer(s).

Should the collection agency fail to furnish any item or items, or to complete the required work included in a contract, the Division reserves the right to withdraw such items or required work from the operation of a contract without incurring further liabilities on the part of the Division.

In performing the services subject to this RFP the firm(s) agrees that it will not discriminate against any employee or applicant for employment because of race, creed, color, sex, or national origin. The successful firm(s) shall comply with all federal and state laws and policies pertaining to the prevention of discriminatory employment practices. Failure to perform under this provision constitutes a material breach of contract.

F. Covenant Against Contingent Fees

The successful firm(s) warrant(s) that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission or percentage, brokerage or contingent fee excepting bona-fide employees, bona-fide established commercial or selling agencies maintained by the proposer for the purpose of securing business. For breach or violation of this warranty, the DOR shall have the right to annul the contract without liability, or at its discretion, to deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

G. Contract Documents

The RFP, the Purchase Order, the Bid Response and the executed Contract between the DOR and the successful firm(s) shall constitute the Contract between the DOR and the firm(s). In the event there is any discrepancy between any of these contract documents, the following order of documents govern so that the former prevails over the later: Contract, RFP, Bid Response, and Purchase Order. No other documents shall be considered. These documents contain the entire agreement between the DOR and the firm(s).

H. Applicable Law

The Laws of the State of Delaware shall apply, except where Federal Law has precedence. The successful firm(s) consent(s) to jurisdiction and venue in the State of Delaware.

I. Scope of Agreement

If the scope of any provision of this Contract is too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the Contract shall not hereby fail, but the scope of such provisions shall be curtailed only to the extent necessary to conform to law.

2.6 Consideration of Prior Service

Awards on this proposal will be made after consideration has been given to any previous performance for the State of Delaware as to quality of service and of merchandise, and with regard to the proposer's ability to perform should it be awarded the proposal.

2.7 Proposal Security

Each proposer must submit with its proposal the initial proposal security check below:

1. **A Proposer Bond for $5,000; or,**
2. **A Certified or Cashier's Check for $5,000. The security must be made payable to the "Delaware Division of Revenue."**

Required proposal security will be returned to all except the successful proposer(s) within fifteen business (15) days after awards have been made. The proposal security of the successful proposer or proposers will be returned upon receipt of the performance bond if such bond is required under the terms of the award. If no award shall be made within thirty (30) days after the date of the opening of the proposals, proposal security will be returned to any proposer upon demand of the proposer at any time after the thirty-day period so long as the proposer has not been notified of the acceptance of its proposal. Written notification of the acceptance of any proposal will be made to the successful proposer or proposers.

2.8 Performance Bond

The successful proposer or proposers on this proposal must furnish a Performance Bond in the amount of $50,000, or an amount equal to the contract, whichever is less, made payable to the State of Delaware and prepared on an approved form of Performance Bond as security for the faithful performance of the contract within fifteen (15) business days of its notification that its proposal has been accepted. The surety thereon must be such surety company or companies as are acceptable to the State of Delaware and as are authorized to transact business in this State. Attorneys-in-Fact who sign proposal bonds must file with each bond a certified copy of their power of attorney to sign said bond. The successful proposer or proposers upon failure or refusal to furnish within fifteen (15) business days after notification the required Performance Bond shall pay to the State of Delaware as liquidated damages for each failure or refusal an amount in cash equal to the security deposited with its proposal.

2.9 Fidelity Bond

The successful proposer or proposers, upon awarding of this contract and as a condition of this contract, will provide full and adequate verification to the Division that all persons connected with the State's account will be sufficiently bonded in amounts deemed satisfactory for the nature of this contract.

SECTION III. REQUIREMENTS

3.1 Introduction

The collection agency or agencies are expected to acknowledge accounts promptly upon receipt. Specific procedures relating to proper identification of accounts and handling various transactions shall be subsequently agreed upon by the vendor and DOR, but the vendor should provide sufficient information in its response to this Request For Proposal to allow for evaluation.

The agency is to provide collection procedures to achieve maximum possible recovery from the debtor. These will include a reasonable number of telephone calls, direct mailing efforts and skip tracing procedures, as well as other procedures outlined by the agency. The agency may undertake legal action only on out-of-state accounts and only when authorized by DOR. The agency's collection procedures should be described in response to Section 3.6 of the Request For Proposal.

3.2 Volume of Current Accounts

The Division anticipates forwarding on a monthly basis to the collection agency or agencies accounts receivables of approximately 200 to 500 accounts for a total anticipated value of $200,000 to $500,000. These may vary further according to the Division's satisfaction with the performance of the collection agency and allocation of accounts to other collection agencies as well as availability of accounts. These accounts will include various tax categories for prior years including personal income tax, withholding tax, license and gross receipts tax and corporate income tax and other State of Delaware accounts receivables. The accounts are typically, but not entirely, from tax assessments that are from 1 to 8 years outstanding.

3.3 Remitting Collections

All payments on accounts are required to be deposited in a separate designated State escrow account within one week of receipt. The agency agrees to remit all amounts collected under this agreement on a weekly basis to the Division for the amounts collected during the prior weekly period. If the collection agency requires a minimum monetary amount to be accrued prior to making a deposit, this condition, as other conditions, must be stipulated in the proposal response. Accounts are to be returned after 270 days if no payments have been received within the previous 90 days or if a scheduled payment plan is not in place. Extension of time would require Division of Revenue approval. The Division of Revenue may request the return of an account at any time.

3.4 Reporting and Billing Procedures

It is expected that the Collection Agency will provide a detailed weekly accounting of collection activity. The agency shall submit weekly statements itemizing by account all payments received the previous week. The invoice for services should also be account specific and indicate the commission due for each payment from the debtor.

3.5 Fee Schedule

It is expected that the fee schedule is guaranteed and fixed for the duration of the contract period and that no payment for services will be made unless and until funds are deposited in the State account pursuant to 2.1 above and a preferred payment provision is as follows: The collection agency or agencies shall be reimbursed on the basis of a percentage commission fee on all monies collected on the accounts, regardless of size of account, age of account, skip tracing, etc. Cases wherein legal action is taken may be computed on an additional percentage commission fee.

3.6 Written Proposals

Proposal responses will be expected to address, at a minimum, the following areas:

1. Number of offices on a national, state, or local level and the address and name of each. Also, the number of employees at each office must be included.

2. Routine methods of collection applicable to this contract. An overview of the agency's collection system, including computer aids, and copies of representative letters and notices reflecting each agency's procedure. Emphasis should be given to [a] the ability to send data and funds electronically, such as email and/or FTP; [b] discussing in detail the methods of transferring of data and funds that the agency would provide; and [c] what methods, frequency, and format of reporting will the agency provide the DOR regarding status or collection activities.

3. Please address the following areas and state how each factor affects the collection method utilized.

    (a) Geographical location of debtor.
    (b) Size of debt.
    (c) Age of debt.
    (d) Others factor which influence collection method.

4. Fee schedule and payment procedures. The fee should be related in some manner to the amount collected from debtors since the schedule and payment procedures are constrained by paragraph 3.3 of this proposal.

5. Proposed procedures for compromise payment (settlements); e.g., prior written approval for a settlement based on proposer's recommendation.

6. Minimum and maximum duration of collection cycle.

7. Proposers must submit with the proposals:

    (a) Five references from large volume customer accounts (i.e.; from customers with similar or greater number and value of cases forwarded for collection). In addition submit the contact name, telephone #, and **email address** of the reference. It is preferred that one or more of said references be a large governmental account and it is additionally preferred that said governmental account be a tax accounts receivables. Include years of collection experience.

(b) A narrative detailing the method by which the agency intends to deal with the increased business this contract would bring.

(c) A statement of whether legal/litigation capabilities exists in the agency and how and when the agency would indicate to DOR and the debtor that it desires to proceed with legal action.

(d) Audited financial statements from the previous two fiscal years which also adequately portray the financial position of collection operations, if the operation is a portion of other financial services of the agency.

(e) Provide a SAS 70 statement of auditing, or an equivalent statement.

(f) A statement of management standards using the ISO 9001: 2000 quality management standard as a guideline.

(g) A narrative how projected deadlines involving systems updates will be met.

(h) The basis for assurance that your firm can meet the bonding requirements, professional performance requirements of the Federal Fair Debt Collection Practices Act and the Division's non-disclosure requirement. A copy of the latter is attached hereto as Exhibit A.

(i) Any contractual provisions which the proposer expects the Division to agree

(j) A narrative as to how the agency will be able to electronically exchange demographic and financial information.

3.7 Records Inspection

The collection agency or agencies shall maintain, for all accounts, records which reflect all account activity. The State shall have a right to inspect such records at its convenience during the term of the contract and for a period of two years after the completion of a contract.

3.8 Performance Evaluation

The collection agency will be evaluated on a quarterly basis and based on that evaluation may be assigned future cases accordingly.

3.9 Availability

Division of Revenue prefers a start-up date not to exceed ninety (90) days after receipt of acceptance of bid. The collection agency or agencies must state the expected start-up date and agree to a liquidated damage clause for failure to meet the scheduled delivery date.

SECTION IV.

PROPOSAL SUMMARY FORM FOR THE STATE OF DELAWARE

Division of Revenue Collection Services

Attention: Sharon Ferrara, Bureau of Tax Collection
Office of Financial and Account Services
Delaware Division of Revenue
Carvel State Office Building - 8th Floor
820 North French Street
Wilmington, Delaware 19801

We have read the Request for Proposals (a copy of which is attached and is part of our proposal), fully understand the intent of the agreement, certify that we have adequate personnel and equipment to fulfill the requirements thereof, and agree to furnish such services in accordance with the contract documents should we be awarded the contract.

SERVICE

Collection of: Corporate Income Tax, Withholding Tax, Gross Receipts/License Taxes, Personal Income Taxes, Other (State Government, Accounts Receivables).

COMPENSATION

Percentage Amount of Account Collected

Commission _____ %

Litigation Fees _____ %

We agree to provide all Collection Services as detailed in your Request for Proposal.

We understand that volumes are projected based on one successful bidder. We further understand that for two or more successful bidders, annual volumes would be reduced apportionally.

Non-Collusion: Proposals are made without any previous understanding, agreement, or connection with any person, firm, or corporation making a proposal for the same services, or supplies, or equipment, and is without collusion or fraud.

Submitted By:

Proposer: _____

Address: _____

Phone No.: _____

Federal E.I. No.: _____

State of DE Business License No. [if applicable]: _____

Signature of Authorized Person: _____

Email address of Authorized Person: _____

Title of Authorized Person: _____

Printed Name of Authorized Person: _____

Proposer is a [state whether Sole Proprietor, Partnership, Corporation, other]: _____

Corporate Seal of Proposer

Witnessed By: _____ **Date:** _____

EXHIBIT A

State of Delaware
DEPARTMENT OF FINANCE
Division of Revenue

NONDISCLOSURE STATEMENT

Section 368, Title 30, Delaware Code, and Sections 7213, 7513A and 7431, Federal Internal Revenue Code, (See Page 2 on back of this statement) make it unlawful for any employee, or former employee of the Division of Revenue (or person employed on an independent contract basis) to disclose to any unauthorized person any information set forth in any State or Federal income tax return, report, or document filed with the Division including the fact that it was or was not filed. Violation of Section 368 may be punished by a fine of $1,000, or imprisonment or both. The law provides as follows:

§ 368, Secrecy of returns and information; penalty.

(a) Except in accordance with proper judicial order or as otherwise provided by law, it shall be unlawful for any officer or employee of the Department of Finance, or for any other officer or employee of this State who has access to tax returns or information from tax returns under this Title (other than Chapters 30 (except §3004 and §3005), 51, and 52) to disclose or make known to any person in any manner the amount of income or of any particulars set forth or disclosed in any report or return required under this Title (other than Chapters 30 (except §3004 and §3005), 51, and 52) including any copy of any portion of federal income or state tax return, or any information on a federal return or report which is required to be attached to or included in a State tax return.

(b) Nothing in this section shall be construed to prohibit the publication of statistics classified so as to avoid identification of specific taxpayers, or to prohibit the disclosure of the tax return information of any taxpayer to such person or persons as the taxpayer may designate in a written request or consent to such disclosure.

(c) For purposes of this section, the term "officer or employee" shall include present and former officers and employees, and any person or persons employed or retained by the State on an independent contractor basis. The term "return" or "report" shall include report of the Internal Revenue Service or other competent federal authority containing tax return information.

(d) Any violation of this Section shall be a misdemeanor, punishable upon conviction by a fine not to exceed $1,000 or imprisonment not to exceed six months, or both. The Superior Court shall have exclusive original jurisdiction over such misdemeanor.

(e) For purposes of this section, the terms "return" and "return information" shall not be construed to include any information appearing or to appear on the face of a license required to be displayed under §2109 of this Title or the name or mailing address of the licensee of said license.

In addition, it is unlawful to access Federal Tax return information for any reason other than those pertaining to the official business of the Division of Revenue. It is contrary to the rules governing employment for an employee to access either state or federal tax return information for other than official purposes.

Patrick T. Carter
Director of Revenue

Please indicate, by your signature below, that you have read and understood the foregoing provisions of law and policy, and those provisions of Federal law enumerated on Page 2 of this statement.

(Signature at start of employment) _____ ____/____/____
Signature of Employee Date

Please indicate, by your signature below, that you understand the nondisclosure provisions on the front and back of this statement apply to you as a former Division of Revenue employee.

(Signature on separation from employment) _____ ____/____/____
Signature of Employee Date

Exhibit A

State of Delaware
DEPARTMENT OF FINANCE
Division of Revenue

NONDISCLOSURE STATEMENT (continued from front of this form)

FEDERAL LAW COVERING FEDERAL TAX RETURNS AND TAX RETURN INFORMATION PROVIDED TO THE DIVISION UNDER THE INTERNAL REVENUE CODE'S SECTION 6103

IRC SEC. 7213 UNAUTHORIZED DISCLOSURE OF INFORMATION.

(a) RETURNS AND RETURN INFORMATION.-

(2) STATE AND OTHER EMPLOYEES provides that it shall be unlawful for any person [not described in paragraph (1) willfully to disclose to any person, except as authorized in this title, any return or return information [as defined in section 6103(b)]acquired by him or another person under subsection (d), (i)(3)(B)(i)(6), (7), (8), (9), (10), (12), (15) or (16) or (m)(2), (4), (5), (6), or (7) of section 6103.. Any violation of this paragraph shall be a felony punishable upon conviction by a fine in any amount not exceeding $5,000, or imprisonment of not more than 5 years, or both, together with the costs of prosecution.

Sec. 7213A. UNAUTHORIZED INSPECTION OF RETURNS OR RETURN INFORMATION

(a) PROHIBITIONS.-

(2) STATE AND OTHER EMPLOYEES.-It shall be unlawful for any person [not described in paragraph (1)] willfully to inspect, except as authorized by this title, any return information acquired by such person or another person under a provision of section 6103 referred to in section 7213(a)(2).

(b) PENALTY.-

(1) IN GENERAL.-Any violation of subsection (a) shall be punishable upon conviction by a fine in any amount not exceeding $1000, or imprisonment of not more than 1 year, or both, together with the costs of prosecution..

IRC SEC. 7431 CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE OF RETURNS AND RETURN INFORMATION.

(a) IN GENERAL.-

(2) INSPECTION OR DISCLOSURE BY A PERSON WHO IS NOT AN EMPLOYEE OF UNITED STATES.-If any person who is not an officer or employee o0fthe United States knowingly, or by reason of negligence, inspects or discloses any return or return information with respect to a taxpayer in violation of any provision of section 6103, such taxpayer may bring a civil action for damages against such person in a district court of the United States

(b) EXCEPTIONS-.No liability shall arise under this section with respect to any inspection or disclosure –

(1) which results from good faith, but erroneous, interpretation of section 6103. or

(2) which is requested by the taxpayer.

(c) DAMAGES.-In any action brought under subsection (a), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of-

(1) the greater of-

(A) $1,000 for each act of unauthorized inspection or disclosure of a return or return information with respect to which such defendant is found liable, or

(B)the sum of-

(i) the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure, plus

(ii) in the case of a willful inspection or disclosure or an inspection or disclosure which is the result of gross negligence, punitive damages, plus

(2) the cost of the action.