Indiana Department of Administration
Delinquent Unemployment Insurance Tax Collection Services for the
Indiana Department of Workforce Development (DWD)

Premiere Credit of North America
RFP-8-81
Due Date: June 10, 3:00 p.m.

2.2 Transmittal Letter

June 9, 2008

Ms. Shelley Harris
Indiana Department of Administration
Procurement Division
402 West Washington Street, Room W478
Indianapolis, IN 46204

Dear Ms. Harris:

Premiere Credit of North America, LLC, an Indianapolis-based debt collection agency, is pleased to submit this proposal for the collection of delinquent state unemployment insurance tax from employers. We appreciate the State of Indiana's past confidence in Premiere Credit, demonstrated through our currents contract with the Indiana Department of Revenue (DOR) and the Indiana Department of Labor (DOL). We also provide collection services for the Marion Superior Court and Marion County Prosecutor's Office.

2.2.1 Agreement with Section 1 Requirements

Premiere Credit has reviewed and acknowledges it understands the information presented in Section 1 and agrees with all requirements and conditions in this section. It agrees with all mandatory and non-mandatory contract clauses as requested in section 2.3.5 and in the sample contract, Attachment B.

2.2.2 Summary of Ability and Desire to Supply the Required Products or Services

Premiere Credit was founded in 1999 for the sole purpose of debt collections. We have extensive experience in the collection of government debt, including collections for delinquent sales and employee taxes, failure to pay personal income taxes, and OSHA fines. We currently collect for the DOR, DOL and the United States Department of Education. Current and past state clients include California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Missouri, New Mexico (three agencies), North Dakota, Oklahoma, and Washington.

2.2.3 Signature of Authorized Representative (and)
2.2.4 Respondent Notification

Please direct all respondent notification or inquiries to me, David Hoeft, CEO. The information contained in this proposal response meets all general conditions required by the State of Indiana. Additionally, our *CEO/COO Responsibility Statement* may be found in Section 2.3.4 that outlines Premiere Credit's policies concerning audit functions that ensure the integrity of financial reporting.

Please direct inquires to:

David Hoeft
Chief Executive Officer
Telephone: (317) 917-4851
Fax: (317) 972-6567
dhoeft@premierecredit.com

Premiere Credit of North America
P.O. Box 19309
Indianapolis, IN 46219

Federal ID #: 35-2085743
Indiana Secretary of State #: 1999081609

2.2.5 Other Information

Premiere Credit has extensive experience collecting consumer and commercial debt, including collections for federal, state and municipal government. Consequently we have developed a proprietary scoring model that identifies the most lucrative portfolio segments in both consumer and commercial debt. We diligently work each account, realizing our role is to create the most recoveries in the least amount of time.

Premiere Credit's strength lies in collecting government debt portfolios in competitive performance environments. We routinely outperform other collection agencies, oftentimes collecting on more difficult accounts including second and older placements.

We are a financially stable, Indiana-based debt collection agency with corporate headquarters in Indianapolis, employing a workforce of 204 Hoosier men and women. We are projected to grow to nearly 310 employees during 2008 with a projected year-end payroll of $9,500,000.00. Our investment in Indiana includes a multi-million dollar facility renovation, bringing back to life an abandoned seven-acre office complex on Indianapolis' eastside. Our investment in technology, coupled with intensive employee training and employee retention efforts, produces results for our clients that exceed their expectations.

Premiere Credit also holds the honor of being named one of Inc. 5000's "Fastest Growing Private Companies in America" (2007) and Inc. 500's "Fastest Growing Private Companies in America" (2004), placing 55th out of 500 companies nationwide and ranking first among the seven Indiana companies who received similar honors.

Throughout this proposal we will emphasize several aspects that, we believe, make Premiere Credit the best vendor for DWD at it attempts to recoup nearly $82,000,000 in outstanding liabilities from employers.

They include:

- Premiere Credit has shown initiative and creativity in assisting the State of Indiana with improving its entire collections' methodology that benefits numerous divisions and departments. We brought the idea for the Data Match process to the state and were responsible for the legislation that allows DWD, as well as DOR, to have access to the data match system.

- Premiere Credit has proposed a competitive cost.

- Premiere Credit has the relevant experience and past performance demonstrated through its past performance collecting government debt. We appreciate the State of Indiana's past confidence in Premiere Credit demonstrated through our current contract that has helped DOR recover more than $21,000,000 over the past two years.

  Additional experience in government collection include:

  - We have produced over $100,000.00 in recoveries for the Indiana Department of Labor targeting employers sited for OSHA violations. The paper is on average seven-years-old.

  - We have recovered more than $300,000.00 the Marion Superior Court (Indianapolis) for delinquent traffic tickets (moving violations). The tickets are on average four-years-old.

- We have recovered more than $220,000 in back child support for Marion County on behalf of the Marion County Prosecutor's Office.

- Premiere Credit currently manages portfolios with values exceeding two billion dollars, representing over one million accounts. Its diversified client base ranges from $100,000 to billion dollar portfolios.

- Premiere Credit's Information Technology (IT) systems can accommodate all existing or future requirements of DWD. Our IT investments include use of the number one rated debt collection software, Flexible Automated Collection System (FACS), purchased from an Indiana company.

- Premiere Credit audits ensure compliance with each client's specific established criteria.

- Premiere Credit is Professional Practices Management System (PPMS) certified. This certification is similar to ISO 9000. PPMS is a management system based upon developing, implementing and adhering to a set of industry-specific professional practice and policies. It is not required by law or regulations, but is further evidence of our commitment to excellence. ***Less than 1% of debt collection agencies in the United States are PPMS certified.***

- Premiere Credit provides Indiana employees with sustainable careers in debt collections. This directly supports the Indiana economy and helps the state achieve its goal for Indiana Economic Impact and Buy Indiana Initiative/Indiana Company.

- Premiere Credit is successful because we make significant investments in state-of-the-art computer technology; security systems and collector training customized to each client's needs that exceed industry standards.

- Premiere Credit meets all requirements for the Minority & Women's Business Enterprises Participation Plan.

Thank you for your review of this proposal response. We look forward to assisting DWD and its Unemployment Insurance Unit with achieving its collection goals that contribute toward the fiscal health of our state government.

Sincerely,

David Hoeft, CEO

Premiere Credit of North America

2.3 BUSINESS PROPOSAL

2.3.1 General (optional)

This section of the business proposal may be used to introduce or summarize any information the respondent deems relevant or important to the State's successful acquisition of the products and services requested in this RFP.

2.3.1 General
a) Premiere Credit Mission Statement

Premiere Credit is a trend setting leader in the debt recovery industry. Its mission is to deliver the highest level of customer service and collection success that exceeds the expectations of its clients. It treats those who owe debt with dignity and requires team members (collectors) to adhere to strict ethical and professional standards. Premiere Credit is committed to comprehensive training that empowers team members to make knowledgeable business decisions in real time. Its corporate culture recognizes and respects the entrepreneurial spirit of each team member, yet demands accountability for achieving results. The application of this philosophy creates immensely satisfied clients, amicable relationships with those who owe debt, loyal and motivated team members, and a financially stable company contributing toward the Indiana economy through job creation.

2.3.1
b) Premiere Credit Introduction & History: An Indiana Success Story

Premiere Credit is a financially stable, Indiana-based, national debt recovery agency with extensive experience collecting government debt, including collections for the DOR and the US Department of Education. It was co-founded by Indiana residents David Hoeft and Todd Wolfe in 1999.

Mr. Hoeft and Mr. Wolfe had an entrepreneurial vision of building a business that would outperform others in the industry. They intentionally chose to differentiate themselves from their competitors by targeting companies with old debt that by most industry standards was considered unrecoverable.

There is no statute of limitations for collecting on delinquent Indiana state unemployment insurance tax. Premiere Credit welcomes the opportunity to analyze and provide its collection services for very old debt that DWD may consider exhausted.

Premiere Credit began operations in 2000 in a 4000 sq. ft. house with a staff of two and one client. Today, it employs 204 Hoosier men and women, and collects debt for a variety of government clients nationwide. To accommodate its growth, in 2004 operations were moved to a 40,000 sq. ft. corporate headquarters on Indianapolis' eastside.

Premiere Credit is creating jobs in Indiana and is projected to grow to 310 employees by the end of 2008. Its investment in Indiana employees through training and generous benefits contributes to the Indiana economy.

100% of its workforce is comprised of Indiana residents and 2008 year-end payroll is projected to be $9,500,000.00.

Premiere Credit is also cognizant that many Indiana workers have been displaced due to plant closings, bank mergers, and other corporate downsizing, including the outsourcing of jobs to other states and other countries. As Premiere Credit grows, it is creating sustainable careers in debt recovery for its employees. It seeks out displaced Indiana workers who have the interest and aptitude for debt collections. It offers training as well as financial incentives to displaced workers who have lost their jobs through no fault of their own.

From its beginnings, Premiere Credit has routinely competed with some of the largest debt recovery agencies in the *world* and consistently out-performs its competition. This is possible because of Premiere Credit's investment in

information technology (IT), coupled with its commitment to employee training -- all to achieve the highest rate of return for its clients.

Premiere Credit consistently delivers the highest collection percentage in competitive, overall rankings for its clients. It currently manages portfolios with values exceeding two billion dollars, representing over one million accounts. Its diversified client base ranges from $100,000 to billion dollar portfolios.

2.3.1
c) Awards and Recognitions

Premiere Credit is the recipient of Inc. 5000's "Fastest Growing Private Companies in America" (2007) and Inc. 500's "Fastest Growing Private Companies in America" (2004); 2003 & 2004 Indiana University, Kelley School of Business, Johnson Center for Entrepreneurship and Innovation, Growth 100 Award; 2003-2005 Ernst & Young, Entrepreneur of the Year Finalist; and Indianapolis Business Journal, 2003 & 2004 Fastest Growing Companies.

2.3.1
d) Compliance of Laws & Regulations

The debt recovery industry is covered by a multitude of laws and regulations. Premiere Credit understands the importance of staying abreast of and complying with all applicable federal and state, laws and regulations. It is keenly aware that its clients in state government are judged by its debt collection practices. Collectors are required to adhere to strict ethical and professional standards.

Premiere Credit's corporate culture demands that employers are to be treated with dignity and respect, while performing the necessary "due diligence" to achieve results for DWD.

Furthermore, Premiere Credit indemnifies the State of Indiana against any liabilities or penalties incurred as a result of employee conduct.

<u>Premiere Credit adheres to the following:</u>

- Financial Services Modernization Act of 1999 (Gramm-Leach-Bliley Act (15 U. S. C., Subchapter 1, §6801-6810)
- Family Educational Rights and Privacy Act of 1974 (FERPA), as amended (20 U. S. C. 1232g)
- Higher Education Act of 1965, (Title IV) as amended 34 CFR Part 682
- Wage Garnishment Requirement, Pub. Law 102-164 (20 U.S.C. § 1095a *et seq*.) and applicable Department of Education guidance, including, but not limited to, a Dear Guaranty Agency Director letter regarding the use of administrative wage garnishment functions by a guaranty agency's contractor
- Fair Debt Collection Practices Act (15 U.S.C. § 1692 *et seq*.)
- "Guides Against Debt Collection Deception" issued by the Federal Trade Commission
- U. S. Postal Service regulations governing the use of mail in pursuing collections
- Consumer Credit Protection Act
- The Privacy Act of 1974, as amended (5 U. S. C. § 562a)
- Section 13 of the Debt Collection Act of 1982, as amended (Pub. Law 97-365)
- Federal Claims Collection Standards (4 CFR Parts 101-105)
- Fair Credit Reporting Act (20 U. S. C. § 1681 *et seq*.)
- Truth-in-Lending Act
- Health Insurance Portability & Accountability Act (HIPAA)
- Indiana specific laws and regulations as outlined the State's Attachment B, Sample Contract, including IAC 5-3-1(4), IC 4-1-10, IC 4-1-11 and IC 4-1-11-3.

In addition to complying with state and federal laws and regulations, Premiere Credit has voluntarily adopted guidelines required by *The American Collectors Association, Code of Ethics and Professional Responsibility* and its *Code of Operations.*

David Hoeft, CEO, and Todd Wolfe, President/COO, have individually achieved numerous certifications from the *Society of Certified Credit Executives*, including Associate Credit Executive, Master Credit Executive, Certified Collections Agency Executive; and Professional Practices Management System (PPMS) certification from the *American Collectors Association.*

Mr. Wolfe's PPMS certification allowed Premiere Credit to pursue and achieve PPMS *agency certification* in 2005. PPMS agency certification is the highest certification awarded by the *American Collectors Association.* It is similar in prestige and accountability to ISO 9000 certification for manufacturers, but specifically tailored to debt collection *best practices.* ***Less than 1% of all United States debt collection agencies are PPMS certified.***

The ACA Code of Ethics and Professional Responsibility and ACA Code of Operations are available for review upon request.

2.3.1
e) Insurance & Bonding

Premiere maintains the following insurance and bonding coverage:

- General Liability -- $5 Million per occurrence, $ 5 Million aggregate
- Errors & Omissions -- $20 Million per occurrence, $20 Million aggregate
- Employee Fidelity & Crime -- $ 1 Million per occurrence, $ 1 Million aggregate
- Workers' Compensation -- $ 500,000 per occurrence, $ 500,000 aggregate

2.3.1
f) Non-discrimination policy and equal opportunity commitment

Premiere Credit does not discriminate in its employment practices based upon race, color, religion, gender, age, national origin, marital status, sexual orientation, or any individual with disabilities. Its current employee demographics break down as follows: White Male - 32%; White Female - 23%; African-American Male - 23%; and African-American Female - 17%; Latino Male – 3%; and Latino Female – 2%.

Premiere Credit will met or exceed the state's MBE/WBE thresholds.

Please see DWD Attachment A - Minority & Women's Business Enterprises (MWBE) RFP Subcontractor Commitment form.

2.3.2 Respondent Company Structure

Premiere Credit of North America is registered with the Indiana Secretary of State's Office as a Limited Liability Corporation (LLC). It is an Indiana-based debt recovery and accounts receivable agency and is compliant in all 50 states to collect debt.

Premiere Credit's Federal ID # is 35-2085743 and its Indiana Secretary of State registration # is 1999081609.

Premiere Credit is neither delinquent nor in default of any federal or state taxes.

Premiere Credit's primary Collections Department has a variety of government-related contracts consisting of tax, child support, and student loan collections. The technological tools and collection techniques it provides to employees are applicable to any governmental debt collection task, regardless of the type of debt (i.e. delinquent state income taxes, property taxes, student loans, etc.). All client accounts are maintained as separate and identifiable accounts in the database; client-specific collectors work in designated areas of the call center, located in Indianapolis.

Premiere Credit Attachment F - Organizational Chart

Premiere Credit Attachment G - Articles of Organization/Certificate of Authority

2.3.3 Company Financial Information

This section must include the Respondent's financial statement, including an income statement and balance sheet, for each of the two most recently completed fiscal years. The financial statements must demonstrate the Respondent's financial stability. If the financial statements being provided by the Respondent are those of a parent or holding company, additional financial information should be provided for the entity/organization directly responding to this RFP

Premiere Credit Attachment H - 2006 & 2007 Audited Financial Statements

2.3.4 Integrity of Company Structure and Financial Reporting

a) CEO/COO Responsibility Statement

Premiere Credit of North America, an Indiana Limited Liability Company, has used an outside accounting firm to provide annual audited financials since its inception. It has received clean audit opinions every year. The audit plan devised by the accountants, in conjunction with the Company's Chief Operating Officer (COO), Chief Executive Officer (CEO), and Director of Finance, has been designed to provide the information necessary to demonstrate that the Company is in compliance with federal and state regulations governing the Company's activities, including 34 CFR 682.416.

Premiere Credit's Auditing Plan is contained in Section 2.3.4 – b) Third Party Audits.

As a matter of policy, no one with any affiliation of any sort with the accounting firm may sit on the Company's board of directors

The Managing Members of the Company have also adopted as its code of ethics the Code of Ethics and Professional Responsibility promulgated by the *American Collectors Association* (ACA), as amended through February 21, 2004, as a matter of best practices.

The Chief Executive Officer and President/COO, each, would be willing to certify, under penalties of perjury, on any form requested by the State of Indiana to the following effects:

- He has personally reviewed any financial report submitted to the State of Indiana;
- Based on his knowledge, the report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading;
- Based on his knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition and results of operations of the Company as of, and for, the periods presented;
- He is responsible for establishing and maintaining internal controls, and the Company has designed such internal controls to ensure that material information relating to the Company is made known to himself and others within the Company who are in charge of reporting and financial reporting;
- He has evaluated the effectiveness of the Company's internal controls within 90 days of the submission of the report and has either concluded that they were sound or has ordered their amendment;
- He has disclosed to the Company's outside auditors all significant deficiencies in the design or operation of the internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data; has identified any material weaknesses to the outside auditors; and has disclosed any fraud, whether or not material, that involves management or persons who have a significant role in the Company's internal controls; and
- He has indicated to the outside auditors whether there were any significant changes in the internal controls or in other factors that could affect internal controls subsequent to the date of their evaluation, including any corrective actions.

Finally, according to Premiere Credit policy, any such employee who becomes aware of any fraud on the part of anyone within the Company is encouraged to report it to the President/COO and will not be subjected to retribution for such reporting. If the asserted fraud is by the President/COO, then the employee is encouraged to report it to the Chief Executive Officer.

2.3.4

b) Third Party Audits

At its own expense, Premiere Credit hires the services of a third party auditing firm to ensure compliance with each and every client's specific established criteria.

The following initiatives significantly exceed federal and state third party auditing regulations:

- Initial interview with the corporation's owners, board of directors and officers
- Assessment of Executive Management's overall business plan methodology

Observance of Departmental Responsibilities:

- Collections – training, counseling, posture, informational and financial resources
- Accounting & Finance – financial accountability, Accounts Receivables (A/R), Accounts Payable (A/P), reporting to clients
- Computer Operations – transmission of data, archiving of files, systems strategies and logic
- General Administration – data processing, department support, misc. tasks
- Quality Assurance & Compliance – internal audits, external audits, licensing and bonding
- Recovery Support – Loan Rehabilitation, Loan Consolidation, Administrative Wage Garnishment (AWG) processes
- Business Development – informational updates, industry interaction, community interaction, and marketing

Premiere Credit's Third Party Audits conclude with the following:

- Client Service Survey
- Exit Interview & Summary of Audit Observations

Premiere Credit continues to maintain an exemplary Third Party Audit year after year and will be flexible should DWD desire to initiate an annual audit.

2.3.5 Contract Terms/Clauses

A sample contract that the state expects to execute with the successful Respondent(s) is provided in Attachment B. This contract contains both mandatory and non-mandatory clauses. Mandatory clauses are listed below and are non-negotiable. Other clauses are highly desirable. It is the State's expectation that the final contract will be substantially similar to the sample contract provided in Attachment B.

In your Transmittal Letter please indicate acceptance of these mandatory contract terms (see section 2.2.2). In this section please review the rest of the contract and indicate your acceptance of the non-mandatory contract clauses. If a non-mandatory clause is not acceptable as worded, suggest specific alternative wording to address issues raised by the specific clause. If you require additional contract terms please include them in this section.

To reiterate it's the State's strong desire to not deviate from the contract provided in the attachment and as such the State reserves the right to reject any and all of these requested changes.

Premiere Credit has stated in its transmittal letter that it agrees to all mandatory contract terms, including:

• Authority to Bind Contractor
• Duties of Contractor, Rate of Pay, and Term of Contract
• Compliance with Laws
• Conflict of Interest
• Drug-free Workplace Provision and Certification
• Funding Cancellation
• Indemnification
• Governing Laws
• Non-discrimination clause
• Payments
• Penalties/Interest/Attorney's Fees
• Non-collusion and Acceptance
• Information Technology

Premiere Credit has reviewed DWD Attachment B - Sample Contact - and agrees with all terms and conditions, including non-mandatory (desirable) contract clauses.

2.3.6 References

> ***The Respondent must include a list of at least three (3) clients for whom the Respondent has provided products and/or services that are the same or similar to those products and/or services requested in this RFP. The Respondent should provide commercial references. Information provided should include the name, address, and telephone number of the client facility and the name, title, and phone/fax numbers of a person who may be contacted for further information.***

Indiana Department of Revenue (May 2006 – Present)
Tax Collections
Roy Gabriel
Indiana Government Center North
100 N. Senate Ave. Room N-248, Indianapolis, IN 46204
317-233-062, rgabriel@dor.in.gov

Oklahoma Guaranteed Student Loan Program (October 2006 – Present)
Federal Student Loan Collections
Christie Lee
421 NW 13th St., Suite 250, Oklahoma City, OK 73101
405-234-4219, clee@ogslp.org

Indiana Department of Labor (May 2005 – Present)
Dept. of Labor fines and penalties collections
Elizabeth Friend
402 West Washington St., Room W195Indianapolis, IN 46204
317-232-2685, efriend@dol.in.gov

South Carolina Student Loan Corporation (May 2003 – Present)
Federal student Loan Collections
David Roupe
P.O. Box 21487 Ste. 210, Interstate Center, Columbia, SC 29221
droupe@scstudentloan.org, 803-612-5048

2.3.7 Registration to do Business
<u>Secretary of State and Indiana Department of Administration, Procurement Division</u>

Premiere Credit is current with all required registrations with the Secretary of State's Office, and the two databases for vendor registrations maintained by the Department of Administration (DOA), Procurement Division.

Premiere Credit's Secretary of State #: 1999081609
DOA Vender Registration #: 74428
DOA Bidders Registration #: ID 5296

2.3.8 Authorizing Document

> ***Respondent personnel signing the Transmittal Letter of the proposal must be legally authorized by the organization to commit the organization contractually. This section shall contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement.***

David Hoeft, CEO, is legally authorized to commit Premiere Credit to this contractual arrangement.

Premiere Credit Attachment G, Articles of Organization/Certificate of Authority

2.3.9 Subcontractors

> ***The Respondent is responsible for the performance of any obligations that may result from this RFP, and shall not be relieved by the nonperformance of any subcontractor. Any Respondent's proposal must identify all subcontractors and describe the contractual relationship between the Respondent and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each proposal.***
>
> ***Any subcontracts entered into by the Respondent must be in compliance with all State statutes, and will be subject to the provisions thereof. For each portion of the proposed products or services to be provided by a subcontractor, the technical proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience.***
>
> ***The combined qualifications and experience of the Respondent and any or all subcontractors will be considered in the State's evaluation. The Respondent must furnish information to the State as to the amount of the subcontract, the qualifications of the subcontractor for guaranteeing performance, and any other data that may be required by the State. All subcontracts held by the Respondent must be made available upon request for inspection and examination by appropriate State officials, and such relationships must meet with the approval of the State.***
>
> ***The Respondent must list any subcontractor's name, address and the state in which formed that are proposed to be used in providing the required products or services. The subcontractor's responsibilities under the proposal, anticipated dollar amount for subcontract, the subcontractor's form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the Respondent of any responsibilities in responding to this RFP or in completing the commitments documented in the proposal. The Respondent must indicate which, if any, subcontractors qualify as a Minority or Women Owned Business under IC 4-13-16.5-1. See Section 1.21 and Attachment A for Minority and Women Business information.***

Premiere Credit requires that all subcontractors abide by all DWD policies and conditions of this contract and assumes responsibility for any work performed by subcontractors. It is committing $58,000 to MBE and $58,000 to WBE subcontractors.

1) Vision Financial Services (Inc.) is a WBE and will provide collection services.
1900 Whirlpool Dr. Ste. 110
LaPorte, IN 46350

Dollar Value: $56,000

Vision Financial Services employs 52 staff, has revenue of $2.8 million, and is serving both the healthcare and local government collection markets. Its services include debt collections and pre-collections services.

2) Keys to Work (Inc.) is an MBE and will provide staffing services.
3602 E. Michigan Street, Ste D
Indianapolis, IN 46210

Dollar Value: $38,0000

Keys to Work is a unique, workforce development organization that employs public/private partnerships to assist with recruitment and staffing efforts. They provide access to a wide range of employee skill sets, from entry level to mid-level management. Keys to Work assists employers with hiring and retaining quality workers.

3) Special Dispatch (Inc.) is a WBE and will provide courier services.
P.O. Box 171
Indianapolis, IN 46

Dollar Value: $2,000

Premiere Credit has a long history of working with Special Dispatch. They offer one and two hour, or same day courier service within Marion County and provide shipping services to any destination. Their clients also include city and state units of government.

4) Snodgrass Business Services (LLC) is an WBE and will provide collection services.
P.O. Box 236
Zionsville, IN 46077

Dollar Value: $14,000

Founded in 2006 by Gina Snodgrass, Snodgrass Business Services is WBE certified by both the City of Indianapolis, and the State of Indiana in the following categories: Business Intelligence Consulting Services, Business Administration, Management Support Services and Debt Collection Services. In addition, in 2006 they became a Licensed Collection Agency with the State of Indiana.

5) Guy Brown Products (Inc.) is an MBE and will provide office supplies.
9003 Overlook Boulevard
Brentwood, TN 37027

Dollar Value: $12,000

Premiere Credit has worked with Guy Brown Products for its office supply needs for the past eight years. Established in 1997, it is a 100% minority-owned business enterprise that has been certified as a Small Disadvantaged Business by the Small Business Administration.

6) Telamon Global Services (TGS) is an MBE (Inc.) and will assist with collection services.
1000 E. 116th Street
Carmel, IN 46032

Amount of Contract: $15,000

TGS is a 150-person services organization that has been providing customer relationship management, reverse logistics/ fulfillment, business process outsourcing, and IT applications and infrastructure outsourcing for the past 10-years. TGS' customers range from Fortune 500 companies, to small and mid-sized businesses near our headquarters in Central Indiana, and span across industries such as warehousing/ distribution, environmental services, telecommunications, technology, insurance, financial services, and health care. TGS is known for its flexibility, collaboration, and ability to develop need-based business solutions in a timely and cost-effective manner.

2.4
TECHNICAL PROPOSAL

The Technical Proposal must be divided into the sections as described below. Every point made in each section must be addressed in the order given. The same outline numbers must be used in the response. RFP language should not be repeated within the response. Where appropriate, supporting documentation may be referenced by a page and paragraph number. However, when this is done, the body of the technical proposal must contain a meaningful summary of the referenced material. The referenced document must be included as an appendix to the technical proposal with referenced sections clearly marked. If there are multiple references or multiple documents, these must be listed and organized for ease of use by the State.

Each respondent must provide a response that indicates how your solution meets each requirement as listed in Attachment D.

Attachment D (inserted in this bid response and begins as page 14) contains the full scope of work and proposal response requirements.

RFP-8-81
ATTACHMENT D

UNEMPLOYMENT INSURANCE COLLECTIONS
SCOPE OF WORK

I. Background

The Indiana Department of Workforce Development (DWD) is charged with continually improving the Hoosier workforce by assisting companies to create new jobs and improve employee skills. The agency offers a variety of training and educational grants, partners with Indiana's WorkOne Centers, administers the unemployment insurance (UI) system, provides labor market information, assists employers with preparing workers for layoffs and closures and operates a statewide job placement service.

DWD is responsible for administering the state's unemployment insurance trust fund (UI Trust Fund). Employers are required by law to pay state UI taxes on a quarterly basis. The monies received are deposited into a fund, which is then used to pay claimants who meet the eligibility criteria for drawing UI benefits.

Employers who are or become delinquent in the payment of UI taxes are pursued by a collection enforcement unit housed within DWD. Each liability is validated and the collection process is initiated. The internal collection process occurs for approximately 90 days, at which point the liability is matured to the next phase of collections. For appropriate accounts, this next phase will be the transfer of the account to an external collection agency. DWD retains complete discretion over which liabilities to transfer to a third-party collection agency.

Currently, DWD is attempting to collect nearly $82 million in outstanding liabilities from more than 19,400 employers. Delinquencies may range from outstanding liabilities on one quarter to several years. DWD is soliciting proposals through this Request for Proposals (RFP) to provide collection services. All activities will be performed with the approval of and at the direction of DWD.

Premiere Credit understands the full scope of services required by vendors. In addition to providing collection services, Premiere Credit will also provide analysis and insight into DWD's internal collection process to increase efficiencies prior to outsourcing of debt.

II. Services

(a) Collection Services

Collection services shall include all appropriate means necessary to collect any outstanding liability. The selected third-party service provider shall provide, at minimum, the following services:

- ***Targeted mailings and Targeted phone campaigns, including a detailed schedule:***

Premiere Credit communicates with employers through telephone communications and various types of notices and letters concerning collections and AWG.

Attorneys review all written correspondence for legal compliance with collection laws and regulations, including those that are specific to each state.

Telephone and written communications are contained within the work plan for DWD. Upon electronic import, all new employer files received from DWD will be worked in the following manner:

Upon electronic import, all new employer files received from DWD will be worked in the following manner:

1) All client-provided demographic information is data scrubbed through both NCOA and an electronic directory assistance platform to determine difficulty of collection. A bankruptcy scrub is performed.

2) Any account locate information that cannot be verified on the data scrubbing has its credit profile/score electronically imported. Premiere Credit utilizes a product that provides 58 separate scoring characteristics.

3) Any score over a predetermined threshold is manually reviewed and immediately worked by a collector.

4) Any account that is not located and/or placed into a verified status is placed on a myriad of skip tracing platforms. For example, all non-verified accounts are placed on a batch environment with TALX (*The Work Number for Everyone*), TELETRACK, Experian, and Accurint. Any account that is not initially located is maintained on the platform so that updates can be provided in real time.

To increase efficiencies, employers that have multiple warrants will be consolidated into one account and assigned to Premiere Credit's most seasoned collectors on the DWD team.

Premiere Credit's compliance module mandates that files that are not in a resolution status be worked in their entirety every 30 days. This includes, but is not limited to:

1) Contact attempts for all client provided and post-placement determined employer contact numbers;
2) Contact attempts for all numbers on the comprehensive Accurint report that are imported into the account files;
3) Asset verification reviews and requests from the appropriate organizations such as local tax assessors;
4) Contact campaigns on logical surnames, current and previous neighbors, and client provided references. (Premiere Credit collectors will even skip trace the employer provided references if necessary!)
5) This cycle is repeated every 30 days. This workflow improves recovery percentages, expedites account resolution and ensures that every account is thoroughly worked.

Timeline for DWD Collections

Day 1: Day 2 - 30	A standard collection notice is issued to the employer pursuant to the FCRA and the FDCPA. The file is scrubbed for bankruptcy and death. Each account is assigned to a collector so that in the event of "returned mail" or an inbound call from the employer, it can be routed accordingly. If contact information is provided in the placement file, the employer is called to determine if immediate payment can take place.
Day 31:	The collector continues to perform a diligent effort to get the account paid in full. Should the employer not have the funds to pay the balance in full, the collector performs a financial assessment and arranges for payment terms. If the employer refuses to make monthly payments, the collector reviews all available options to recover the debt and pursues administrative and/or legal action only with express permission from DWD. If the employer offers a settlement, Premiere Credit will work toward compliance with a balance in full settlement policy laid out by DWD. These steps are performed in this order to minimize employer conflict; they are concluded when the employer is located and sufficient evidence as to their financial situation is obtained. If no repayment arrangements have been made, the account is flagged for reporting to credit bureaus and is reviewed for bank levy or wage garnishment. Premiere Credit refers to this section of its workflow as the First due diligence (or monitoring) cycle; this is outlined below in the Cash Acceleration Program. Premiere Credit's Cash Acceleration Program often results in immediate cash recoveries for its clients.

Cash Acceleration Program/Due Diligence (or monitoring) Cycle

Whenever an account is flagged for a diligence (or monitoring) bucket that is not in a verified locate status, the collector attempts to call every single telephone number in the employer's file. This includes but is not limited to all possible employer contact numbers, all possible references, current and previous neighbors, logical surnames, and all non-previously contacted numbers from the comprehensive Accurint report.

While most collection agencies approach diligence (or monitoring) compliance as a nuisance, Premiere Credit utilizes diligence (or monitoring) as a "check and balance" to ensure that all accounts are thoroughly worked.

Days 32-83:	The collector conducts follow up attempts on all possible telephone numbers for the employer, references, mutual creditors, and any other possible leads obtained on day 31. The collector continues to call the established leads until exhausted or the account is in repayment.
Day 84:	Second due diligence (or monitoring) cycle is worked in compliance with regulations and the proper notice is mailed. This is the collector's last opportunity at this account before the SHIFT PROGRAM begins.

SHIFT PROGRAM

The SHIFT PROGRAM was designed by Premiere Credit to address a major weakness that is prevalent in many collection agencies -- that is, collectors become biased toward older files and fail to work them with the same vigor as more recent listings. The SHIFT PROGRAM takes all accounts that are not in repayment or scheduled for repayment and assigns them to a different collector's route.

This program also allows a different personality to interact with the employer. It is Premiere Credit's experience that sometimes a new voice interacting with the employer can result in higher recovery percentages. The moving of accounts also helps alleviate complacency with collectors. Premiere Credit monitors the recovery rate of the SHIFT PROGRAM new paper transfer. Simply put, collectors are motivated to work harder, because if they do not, it will be revealed when a different collector works the account.

The SHIFT PROGRAM gives assurance to DWD that each and every account is worked to exhaustion and that all accounts are worked in compliance with due diligence (or monitoring).

Day 85:	The new collector reworks the reassigned accounts as if all steps were never performed.
Days 86-128:	Collector makes regular phone attempts to all potential leads.
Day 129:	Third due diligence (or monitoring) cycle day is worked in compliance with regulation and the proper notice is mailed.
Days 130-180:	Collector makes regular phone attempts to all potential leads.
Day 180+:	Premiere Credit will either return account as exhausted or as allowed by DWD, request extension to keep the account for up to one year. If granted, fourth due diligence (or monitoring) cycle.

In-state and out-of state collection ability

Premiere Credit routinely collects nationwide and even worldwide if needed. It is registered or licensed as required by each state.

Copies of all licenses or registrations are available upon request.

- ***Segmenting and prioritizing accounts***

As part of its data security plan, DWD accounts are kept as separate and identifiable accounts for the purposes of collections, reporting to DWD and providing maintenance. All DWD accounts are stored and maintained in a security-monitored database at Premiere Credit's Indianapolis corporate headquarters.

- ***Skip tracing***

Finding the legally responsible individual for the employer debt is the first step in the collections process and something that Premiere Credit does very well. Premiere Credit has a 72% locate rate. All skip tracing is initiated in-house as part of routine collection efforts.

All business contacts are skip traced using a similar methodology as described below, regardless of the debt amount.

Premiere Credit maintains computer records of all skip tracing efforts, which can be provided to DWD upon request at any time.

Premiere Credit Work Plan for Skip Tracing DWD Accounts

Upon initial placement of accounts, Premiere Credit analyzes the portfolio by utilizing a proprietary scoring system that identifies accounts with the quickest locate information. In addition, skip tracing products are batched and uploaded to accounts which provides more information for the locate staff to cross-reference.

Premiere Credit has worked extensively with several of its vendors to develop customized systems to batch the most potent skip tracing information directly to the file. This greatly increases efficiencies because the skip tracers do not have to spend valuable time manually obtaining the information. It substantially decreases the time it takes to locate individuals.

Upon placement, skip tracers begin verifying the information that is provided when the account is loaded. Once the vendor information is loaded (usually within 24 hours) the skip tracers begin verifying the purchased information based on a specific order of operations designed to locate the individual by using the least amount of steps. The order of operations is outlined below.

SKIP TRACING STEPS

- Call employer telephone
- Call responsible party telephone
- Call directory assistance
- Reverse search the address
- Call DWD provided references
- Reverse search DWD provided references (when information is no longer valid)
- Call the Accurint provided references
- Call the neighbors of individual
- Call surnames if logical
- Call the tax assessor
- Call the credit report numbers
- Look for spouse information on credit report
- Reverse search old addresses for relatives (CBR and Accurint)
- Call all possible numbers on Accurint
- Use other skip tracing tools as required

All skip tracing tools are available at the skip tracer's desk and accessible electronically.

Skip tracing tools include, but are not limited to:

- Datalure
- Accurint
- MetroNet
- Teletrack
- Choice Point
- Lexus Nexus

Credit reports:

- Experian
- TransUnion

Directory Assistance:

- Directory Net
- www.google.com
- www.decoder.americom.com
- www.whitepages.com
- "Work for Everyone" (A fee service to verify employment)

Skip tracing efforts are monitored by management to ensure that each of the following steps occurs:

- All activities (telephone calls, mail correspondence and other administrative actions) are electronically documented to account file.
- A phone call attempt is made to the individual's home phone number listed on the account.
- The collector then calls all the references listed on the account. Premiere Credit does call ALL references.
- Name, address, and phone number are referenced in the directory assistance program. This information is automatically uploaded into the file. This is done to thoroughly search for each account's phone number and a surname search for any possible relatives.
- The references listed on the file are cross-referenced into the directory assistance online program for the same search to address any possibility of a reference relocating or a possible data entry error.
- The home address provided by the client is cross-referenced with the local tax assessor to determine the proper owner of the property.
- The individual's credit report is requested for important analysis of financial circumstances. In addition, the credit report allows for additional skip tracing.
- Premiere Credit subscribes to the "Flag Program" offered by Experian. One of the ways Premiere Credit recovers such high percentages is by investing in information. The Flag Program is an additional expense to the company; however should any activity occur on the individual's report since the last request, then the new information is immediately forwarded to the collector.

Through experience and continuous evaluation, Premiere Credit's Skip Tracing department has verified that the most effective way to skip trace a portfolio is by utilizing not one, but a variety of skip tools. Each tool focuses on a specific area of information that can be verified. It is the combination of these products that allows the skip tracing team to deliver high quality location information on an entire portfolio.

- ***Outgoing mailings***

Outgoing mailings are outlined in Section I – Services; (a) Collections Services, as part of Premiere Credit's detailed work plan for DWD accounts.

- ***Arranging payment agreements***

Payments: Premiere Credit collectors are trained to make every attempt to collect in full before offering payment options. If a full payment cannot be secured, collectors are trained to offer the following options: repayment over agreed upon period of time, then if allowed by DWD, collectors will proceed with bank levy and garnishment of wages.

Payments may be made as follows:

- **Electronic Funds Transfer (EFT)** can be transmitted by collectors upon request of the employer.

- **CheckWriter** is a check by phone service. Premiere Credit's collection system has bank information for all financial institutions throughout the United States. Once the check's transit numbers are entered, information is automatically pulled up which saves time and also allows for additional tracking should a check be missing information or identification. This also allows Premiere Credit to properly identify the correct banks and accounts so that bad checks are immediately flagged.

- **Credit card** payments can be made directly to a third-party website.

- **Checks, money orders and handwritten credit card forms** may be sent through the United States Postal Service directly to Premiere Credit.

Payment Control Log/Quality Control: Payments are batched together by date of receipt. For control purposes, each batch is assigned an identification number. This procedure allows Premiere Credit the ability to easily track payments back to a specific date and time of receipt and/or deposit. ***A manager must approve all electronic payments.***

Terms of liability – Six Months

> ***The liability shall be housed with the vendor for a period of six (6) months from the date the liability is submitted to the vendor by DWD. If payment has not been received or a payment agreement entered into, DWD may request the account to be returned.***

Premiere Credit understands and agrees to contract terms of six (6) months for collection attempts or to enter the account into repayment status.

Payment Terms and Conditions:

> ***Federal guidelines regarding the UI program require that all dollars collected are to be deposited within 24 hours of receipt. Each vendor must specify in detail how it will comply with this requirement and must also detail the preferred manner in which transfer of payment information and payment files will occur.***

Premiere Credit understands that federal guidelines require account collections to be deposited within 24 hours of receipt. All DWD collections will be deposited the same day they are received, in a separate DWD account maintained in an FDIC/FSLIC insured institution.

Premiere Credit will accommodate any kind of payment schedule, transfer of payment, maintenance of payment files, and payment reports as required by DWD.

Ability to Data Transfer, Data Ownership and Data Confidentiality

> ***Data shall be transferred electronically between DWD and the vendor. DWD prefers that the vendor have the ability to establish VPN access which will connect into DWD's current collection enforcement system; however, other proposals will be considered. All information and/or documentation generated or obtained by the vendor shall become the property of DWD and shall be submitted to DWD once the liability or payment is issued to DWD. Information transmitted under this Scope of Work is confidential, pursuant to IC §22-4-19-6. Any proposal must include a detailed plan for securing all confidential information.***

DATA TRANSFER: Premiere Credit can meet all technical and design requirements for data exchange with DWD. Its current collections contract with the DOR involves electronic data transfer. Premiere Credit is able to receive and send electronic data and/or files via VPN access, FTP, EDI, CD-ROM, Magnetic Media (Tape Exchange), Floppy Disk or Hard Copy (text on paper). Premiere Credit's collections software (*FACS)* customization ability allows it to conform 100% to any DWD requirements.

Premiere Credit is confident that its information technology systems can accommodate any future DWD needs or changes. Any changes in systems' information exchange can typically be accommodated with 48 hours; however if complex changes are required, Premiere Credit can make any necessary changes within the State's 30-day requirement.

DATA OWNERSHIP: Premiere Credit agrees that all information and/or documentation generated by collections becomes the property of DWD and will be returned to DWD, stored at Premiere Credit, or destroyed.

DATA CONFIDENTIALITY: Premiere Credit treats all client data as confidential and agrees to abide by all federal and state laws governing the protection and disclosure of personal information it compiles while collecting DWD accounts.

Standard operating policies, procedures and security measures to protect confidentiality and security of DWD data include:

- Premiere Credit abides by all laws pertaining to the Gramm-Leach-Bliley Act 15, USC, Subchapter 1, Sec. 6801-6809 regarding disclosure of nonpublic personal information. All collectors receive G-L-B training during orientation. Premiere Credit has no legal right to sell, share, or reuse data received from DWD.

- Marion County (Indianapolis) criminal history checks and national criminal history checks are conducted for all Premiere Credit collectors and employees to screen for those with a known history of fraud or criminal deception. (Premiere Credit's Officers, Directors, employees and subcontractors have no past disciplinary action on licenses or past criminal convictions.)

- Premiere Credit currently requires all of its collectors to sign confidentiality statements which are kept on file and available for review by DWD.

- All data is stored and maintained in a database located at the corporate headquarters in Indianapolis. DWD accounts will be kept as separate and identifiable accounts for the purposes of reporting to the client, evaluating collection activities, and providing maintenance.

- Premiere Credit uses the *Flexible Automated Collection System* (*FACS),* that was purchased from Ontario Systems, an Indiana company (Muncie). As a prevention tool against unwarranted disclosure of data, all information is stored on the *FACS* system, which requires a pass code to gain access. Premiere Credit employees who are not directly working on DWD collections will not have access to the *FACS* system's DWD account information. All pass codes to the *FACS* system are changed every 30 days or more frequently if needed. The structure of this system maintains the integrity, security, and privacy of the data in the system.

- Premiere Credit carefully controls physical access to the data; for example, no data can be downloaded to a portable memory storage device. The use of laptops is strictly prohibited. In fact, no data is ever kept at the personal computer level – all account work is done within the *FACS* collection system that monitors data security.

- All Information Technology systems are computer-monitored by security cameras twenty-four (24) hours a day.

- Due to Premiere Credit's advanced computerized security systems, it can literally observe every keystroke made by collectors. All voice calls are recorded and routinely audited to monitor taxpayer/collector communications.

- State-of-the-art computer servers continue to run if the hard drive fails to minimize downtime for collectors or loss of data.

- All DWD collections will take place in a dedicated area. Key fobs access with tiered-security clearance restricts employee access to areas containing confidential information. There is limited access to the collection floor. A biometric hand scanner (similar to what is used by the U.S. Department of Defense) protects access to areas with sensitive data.

- Redundant fault tolerant T1 lines.

- Computer monitored security systems (interior offices and exterior grounds) provide for video monitoring of anyone entering the campus or the Premiere Credit building. This ensures a safe working environment for employees as well as an added layer of data security.

- Cisco Firewall protection is provided for Premiere Credit's private network.

- Premiere Credit provides its clients with secure on-line access to account information at any time that is 128 bit, Secure Sockets Layer (SSL) Certificate Authority encrypted; this is similar to what is used by on-line retailers for purchases and website communications. It is a secured VeriSign site. All users have a login and password.

- At the conclusion of all collections contracts, or anytime upon request, client data is archived, returned or destroyed, per client policies.

- Premiere Credit has standard procedures and policies in place to safeguard client and account information upon employee termination. Employees are required to turn in their key fobs that control entry into the building and allow for tiered-security access to specific areas of the building relevant to their position. All access to electronic devices and computers is disabled immediately. If applicable to the position, passwords and access codes are changed immediately. Premiere Credit follows a standard "Employee Security Termination Checklist" to guard against security breaches or vandalism by terminated employees.

- Likewise, Premiere Credit can quickly modify or eliminate any state worker's access to DWD accounts upon notification by DWD.

Premiere Credit Business Continuity/Disaster Recovery Plan

A significant disruption of daily operations is highly unlikely due to the systems and operational safeguards, including 24-hour security monitoring for all IT and collections activities. *Please note, all data is mirrored at a hot-site and is updated in real time.*

Depending upon the nature of the disaster, Premiere Credit has established procedures to resume full operations at our corporate headquarters within 24 hours. It has agreements in place for rapid response from vendors (i.e., collection system and telephone system supplier).

If a "worst case" scenario occurs that will disrupt normal business operations beyond 24 hours, Premiere Credit immediately activates its hot-site.

Premiere Credit conducts annual disaster recovery testing of its collection system and has systems in place to prevent, contain or survive a catastrophic event.

Recovery Team & Responsibilities

Should operational problems or a disaster strike, the first point of contact is President/COO Todd Wolfe who will contact all *Emergency Response Team (ERT)* members outlined below within one hour. Todd Wolfe is also the designated contact person for reporting any severe weather concerns or reports of fire, break-ins, power loss, etc.

President/COO Todd Wolfe - As the designated ERT leader, he will conduct an immediate situational analysis to determine the severity of the problem and what steps will be taken to resume normal operations as quickly as possible. In the event of a catastrophic disaster, Todd Wolfe (or other designated Premiere Credit representatives) will notify all clients immediately through an emergency e-mail bulletin, and telephone contact within three hours. Additionally, Premiere Credit will post updates every two hours (or as appropriate) to its client section on our website, www.premierecredit.com.

Director of Information Technology JD Mabbitt - The responsibility for coordinating equipment replacement with vendors and resuming normal collection operations is assigned to JD Mabbitt . (If Todd Wolfe is unavailable, JD Mabbitt will assume the ERT Leader role, including performing an initial situational analysis and coordinating

with **CEO David Hoeft** for client communications.) JD Mabbitt will manage the efforts of the hot-site location if it becomes applicable. (In the unlikely event that both Todd Wolfe and JD Mabbitt are unavailable, the ERT leader role is assigned to **CEO David Hoeft**.)

Director of Human Resources Julie Stoelting - The responsibility for coordinating all communications with employees is assigned to Julie Stoelting. She will also communicate with Premiere Credit's public relations consultant to determine appropriate public responses should the local or national media inquire. Premiere Credit's CEO and COO are the designated media spokespeople.

Risk Analysis & Response

Premiere Credit has also completed a risk analysis for all functions that support normal business operations.

A summary of areas addressed in its Business Continuity/Disaster Recovery Plan include:

- Critical applications and resources
- Communication requirements
- Hardware inventory
- Data inventory
- Software inventory
- Critical forms inventory
- Personnel inventory
- Vendor list
- Vital records storage facility
- Alternative processing sites
- Vendor commitments
- Applications recovery procedures
- Developing data & software
- Documentation backup and storage procedure
- Vendor notification procedures

Highlights of Preventative Measures

- Premiere Credit's facility is computer monitored 24 hours a day, 7 days a week for burglary, smoke, and fire; the computer room is continually monitored for temperature changes.
- Premiere Credit's corporate headquarters (internally and grounds surrounding the building) are computer/security monitored 24 hours.
- Collections software is provided by *Ontario Systems.* Their corporate headquarters is within a one- hour drive of Indianapolis. Premiere Credit's service plan with Ontario System's includes a two-hour response time guarantee should any systems need replacement.
- Premiere Credit utilizes a state-of-the art, APC InfraStrucXure/Symmetra Rack & Power Management System; this infrastructure allows for computer infrastructure to remain stable in case of brown outs or black outs.
- All critical paper information is scanned into the computer system and backed up nightly. Additionally, some of these documents (e.g., client contracts, licensure information) are stored in a fire-safe, environment that is secured by four separate access systems, including but not limited to, a biometric scanner and motion activated video surveillance.
- Copies of important manuals and other additional information are stored in a fire-safe, locked cabinet to be retrieved in the event of an emergency. A duplicate copy of this information is also stored off-site with each ERT member.

- Full backups of collector workstations are mirrored at the hot-site and are updated in real time. Premiere Credit's dialing platform allows for monitoring and real time recording of every keystroke a collector makes.
- A full back up of the entire system is performed nightly and stored off-site at a secure location. Systems snap shots are taken hourly for main site back up. Back-up snap shots are replicated to the hot-site every four hours.
- Premiere Credit also maintains (on-site and off-site) an emergency contact list that includes important client, vendor, security, computer, telecommunications, and other contacts.
- An adequate supply of critical forms and supplies are stored off-site. Necessary long distance and local communication lines are available should Premiere Credit quickly need to leave its corporate headquarters.
- Paperwork such as contracts and insurance records are considered vital and are maintained at our corporate headquarters. Copies of these documents are also kept off-site.

Critical Steps to Resume Normal Business Operations

- Initial disaster recovery steps will attempt to restore all computer systems (and all related programs), applications and software used on a regular basis at our corporate office within 24 hours. All programs, applications, and software relevant to telecommunications and customer information would be among those areas first restored. *This would include LAN/WAN interface and computer functions.*

- Hardware, network, and telecommunications infrastructure must be restored to support normal operations. The Disaster Recovery Plan addresses configuration requirements (memory, storage, CPU, etc.), environmental requirements (air conditioning, etc.), peripheral equipment (printers, terminals, modems, etc.), and the availability of required hardware and software.

- Premiere Credit will move operations immediately or within 24 hours to its designated hot-site if its corporate facility is non-functional to support normal collection activities.

- Premiere Credit has the necessary insurance coverage in place to assist with recovery costs in terms of equipment cash value or replacement, cost of reconstruction, and the cost of processing at the hot-site. Insurance coverage includes, lodging, transportation, monetary loss, and deductibles.

- The Disaster Recovery Plan addresses the return to corporate headquarters from the hot-site.

In summary, depending upon the nature of the disaster, Premiere Credit has established procedures to resume full operations at its corporate headquarters within 24 hours. It has an Emergency Response Team in place to immediately address minor issues specific to one client, as well manage a major disaster that can potentially impact operations for the entire company. It has agreements in place for rapid response from vendors (i.e., collection system and telephone system supplier).

The first priority is to protect client data and to resume normal operations as quickly as possible to continue business operations and collections. The contingency of the mirrored hot-site ensures there is no prolonged downtime for collections.

Collector Training for DWD Collections

DWD requests that the vendor provide customized training protocols, which will meet the requirements for collecting outstanding liabilities set forth in the Indiana Code.

New Premiere Credit staff, regardless of past experience with debt recovery, receives comprehensive training that uses animated video, senior staffers who give presentations in their areas of expertise, and written exams. Employees receive one month of collection training and then monthly follow-up sessions thereafter.

This training includes collection laws, regulations, guidelines and policies that are specific to each client. All collectors working DWD accounts receive comprehensive training regarding contractual agreements, protection of DWD data, privacy concerns and so forth.

All collectors are trained in Fair Debt Collection Practices Act (FDCPA), Fair Credit Reporting Act (FCRA), Health Insurance Portability & Accountability Act (HIPAA), Gramm-Leach-Bliley Act, phone communication skills, negotiation skills and closing skills. Training is also provided for use of computers, phone system and other office equipment. A formal "Mentor" Program and one-on-one coaching are available to help collectors with further honing their collection skills. Collectors are trained in using Premiere Credit's proprietary, debt collection scoring system.

Premiere Credit also has several managers in training that move into management positions as new accounts are secured, all under the direct supervision of seasoned Department Directors. Premiere Credit, whenever possible, promotes from within.

The training model for collectors emphasizes *continual training* to keep abreast of applicable laws and regulations, including those specific to states, and new and emerging trends such as identity theft. Collectors are trained in communication techniques to treat borrowers with respect while achieving bottom-line results.

Goal setting meetings are held each month for balance in full payments, liquidation rates, wage garnishment and bank levy progress. Goals and expectations are communicated to collectors to ensure accountability. Staff is given performance goals based upon client expectations.

A "Management by Objective" approach monitors daily, weekly, monthly, quarterly, and annual performance scorecards to ensure maximum results are delivered to our clients.

Premiere Credit provides employees with a *Career Progression Program* that allows collectors to train and be promoted as they meet specific criteria. Furthermore, ongoing professional development is required for all management positions to enhance management skills in areas such as leadership, coaching, and production management.

Premiere Credit of North America Training Outline

Week One:

- Orientation to Premiere Credit
- FDCPA, FCRA, and GLB guidelines
- New hire paperwork
- Overview of benefits and incentive programs
- Computer Training
- Phone Training

Week Two:

- Review of FDCPA, FCRA, and GLB guidelines
- Review of DWD requirements
- Continue computer training
- Additional phone training as needed
- Phone skills
- Counseling skills
- Listening to training tapes
- Listening to live collection calls
- Skip tracing techniques

Week Three:

- Additional skip tracing techniques
- Monitoring calls
- Live collection calls with manager
- Review of FDCPA, FCRA, and GLB guidelines
- Review of all Indiana laws regarding privacy and data security
- Review of DWD requirements
- Data security and passwords/ID's
- Payment options for businesses

Week Four:

- Live collection calls monitored by manager and collection staff
- Review skip tracing techniques
- Review counseling techniques
- Review DWD requirements
- Lunch with managers
- Payment options for businesses

Monthly:

- Review collection calls
- Skip Tracing
- Question and answer
- Motivational staff meetings

Premiere Credit's corporate headquarters has a dedicated facility for new employee training and ongoing staff development workshops for the following:

- Compliance and due diligence issues
- Collection sensitivity training
- Collection strategy
- Data security
- Coaching
- Motivational seminars

DWD Auditing of Employers

Additionally, DWD reserves the right to contact employers who have been affected by this contract and in contact with the third-party service provider to ensure that agency standards are being met.

Premiere Credit monitors and audits all collections activities to ensure that its collectors adhere to requirements for appropriate communications and met legal requirements. All collector calls are recorded. No less than four calls are audited monthly to monitor collection methods.

Premiere Credit understands that its contact with employers - from skip tracing activities to collection attempts to repayment - reflects upon the State of Indiana. It follows all industry standards for its collections practices, including respectful treatment, proper identification as a collection agency when making contact, reverse entries/adjustments, customer instructions for processing payment, and guidelines for partial payment.

Premiere Credit understands that DWD may at any time audit employers to ensure DWD collection guidelines are being followed.

Premiere Credit Staffing

Each vendor shall provide DWD with the number of full-time staff that will be dedicated to this project, current staffing levels and expertise of staff. Specifically, DWD is interested in current staffing levels and whether or not the vendor will have to increase its staff to meet DWD's requirements. DWD prefers that no processes be subcontracted to other service providers, with the exception of legal services.

Premiere Credit currently has a staff of six who are trained and prepared to begin working DWD paper immediately. Staff is trained in collecting both consumer and commercial debt. Premiere Credit can seamlessly assign additional collectors, as the portfolio placement requires.

Premiere Credit is led by a hands-on Executive Management Team who are experts regarding collection operations, use of human capital, government and taxpayer collections, human/technology interaction, and fiscal responsibility.

Todd Wolfe, President and Chief Operating Officer

Mr. Wolfe has 17 years of experience in the collections business. As President and COO, he provides leadership for day-to-day operations and oversees strategies that empower employees to think like entrepreneurs and share in the profits of their efforts.

Mr. Wolfe holds a Bachelor of Science degree in accounting from Indiana University, Kelley School of Business. He is certified as an ACE (Associate Credit Executive), MCE (Master Credit Executive) and CCAE (Certified Collections Agency Executive) from the *Society of Certified Credit Executives* and PPMS (Professional Practices Management System) from the *American Collectors Association*. His PPMS certification allowed Premiere Credit to pursue and successfully achieve *PPMS Agency* certification (similar to an ISO 9000 Certification, but specifically tailored for the collection industry). Less than 1% of all United States collection agencies are PPMS certified. Mr. Wolfe and his wife live in Indianapolis with their three children.

David Hoeft, Chief Executive Officer

Mr. Hoeft has 20 years of business management experience, including several successful entrepreneurial ventures. He has worked in national collections for the past nine years. As CEO of Premiere Credit he provides vision, financial and strategic planning to ensure continued, profitable growth.

Mr. Hoeft holds a Bachelor of Science degree from Purdue University and an MBA from Indiana Wesleyan University. He holds ACE (Associate Credit Executive) certification from the *Society of Certified Credit Executives.* Mr. Hoeft and his wife live in Indianapolis with their four children.

JD Mabbitt, Director of Information Technology

Mr. Mabbitt has senior level experience in project management, including Information Technology, operations, finance and general management. He has 25 years of professional experience that includes spearheading change initiatives, optimizing business systems, financial and budgetary cost controls, and building best-in-class technology infrastructure.

He holds degrees in Master of Business Administration, University of Indianapolis and Bachelor of Science, Finance with High Distinction, from Indiana University.

Chris Hartmann, Senior Systems Engineer

Mr. Hartmann has worked in computer Information Technology for more than two decades and brings to Premiere Credit experience as a systems analyst and software development manager. Mr. Hartmann serves as an advisor for all facets of Premiere Credits technological upgrades and information systems to support collectors. He is also responsible for overseeing Premiere Credits state-of-the-art office security and procedures that protect sensitive information, financial data, and provide employees with a safe working environment.

He has consulted with the State of Indiana on several projects, including DOR, and has intimate knowledge of the State's technology needs and interfacing with Premiere Credit's IT systems. Mr. Hartmann holds a degree in Electronics Engineering Technology.

Duane Wagner, Department Director

Mr. Wagner began at Premiere Credit as a collector in 2002 and has first-hand experience when it comes to the needs and challenges of collections. He has managed the DOR contract for the past two years and understands the intricacies of working employer accounts. He has nearly eight years experience in national debt collections. He also conducts collections and skip tracing training for all new hires. He holds certification from the *American Collectors Association* and has a Bachelor's Degree in Accounting from Indiana University.

Diana Abner, Director of Operations Support

Ms. Abner has worked in accounting for over 17 years experience and provides support to the collections team. She oversees the day-to-day operations of the accounting and administrative staff to include the processing of payments, wage garnishments, client account reconciliation, and client setup.

She also monitors changes in debt collection laws and statutes and provides updates to the management team. Ms. Abner holds a Bachelor's Degree in Accounting from Indiana University-Purdue University.

Jamie Hefty, Floor Manager

Mr. Hefty has over five years of government collections experience. He oversees the skip tracing department and manages account flow activity for DWD under the current contract. As a seasoned collector and manager, he assists with training other collectors. Mr. Hefty holds a Bachelor's Degree in Business from Indiana University.

The DWD team consists of the following key staff members:

- Todd Wolfe (President/COO)
- JD Mabbitt (Director of Information Technology)
- Chris Hartmann (Senior Systems Engineer)
- Duane Wagner (Department Director)
- Diana Abner (Director of Operations Support)
- Jamie Hefty (Floor Manager)

COO Todd Wolfe and Department Director Duane Wagner lead the current DWD team Implementation team.

Their responsibilities during initial set-up of new DWD accounts:

- Maintain rapport with DWD
- Continuous review of data to ensure familiarity with accounts
- Respond to DWD calls on a daily basis
- Review DWD correspondence and take appropriate action
- Meet with DWD representatives as needed

JD Mabbitt monitors all IT needs and systems interface:

- Maintains rapport with DWD IT system manager
- Respond to DWD technology calls as needed
- Resolves any interface, connectivity, or communications issues
- Administrative responsibility for maintaining Premiere Credit's technology infrastructure
- Oversees all infrastructure and programming development projects
- Liaison with client technology departments
- Liaison with technology venders and consultants
- Provides leadership and management for seven IT professionals
- Establishes the IT vision; integrates the Corporate Vision into the IT Vision

- Prepares, implements, and maintains the IT strategic initiative, goals, objectives, and annual IT Capital and Expense budgets
- Serves as the IT Information Security Officer
- Meets with Todd Wolfe and Duane Wagner to ensure all client expectations are met

Chris Hartmann manages day-to-day IT responsibilities:

- Establishes system-to-system connectivity
- Resolves any connectivity issues
- Provides DWD reports as needed
- Meets with Todd Wolfe and Duane Wagner to ensure all client expectations are met

Duane Wagner monitors client needs and compliance:

- Conducts continuous review of DWD expectations
- Reviews DWD set-up procedures and monitors of potential problems
- Reviews system compliance and reporting procedures
- Provides continuous feedback to Todd Wolfe and IT department

Diana Abner provides administrative support:

- Manages DWD payment postings
- Manages DWD invoicing
- Monitors all laws and regulations relevant to DWD collections

Jamie Hefty supervises day-to-day DWD collections:

- Manages batch process for skip tracing
- Ensures accounts are scrubbed for bankruptcy
- Assigns accounts for collections
- Coaches/Mentors collections staff to increase productivity

Premiere Credit's DWD Implementation Team will monitor all aspects of the contract to ensure that collections deadlines are met, maximum results are obtained, customized reports provided, and that all collections activities are compliant with federal and state requirements regarding the ethical debt collection. Premiere Credit's *FACS* system allows for continuous monitoring of DWD deadlines and documenting all employer contact.

Data Match System

> ***Additionally, House Enrolled Act 1219 authorizes DWD or its agent to use a data match system that identifies bank accounts held by debtors and levy those accounts. DWD expects use of this system will significantly improve collections. All costs associated with the use of this system must be paid by the selected vendor(s) or the vendor(s) must reimburse DWD for these costs. Respondents should explain any experience they have with the data match system or similar systems and how they expect to use these systems to increase the collection of debt owed to DWD.***

Premiere Credit first suggested the idea of the data match system to the State of Indiana, as well as several other creative suggestions to help improve its efficiencies among all vendors and departments. Premiere Credit worked to pass the legislation that allows state agencies to use the data match system.

(b) Legal Services

DWD, with the consent of the Office of Indiana Attorney General, may request the vendor to provide legal services to aide in the recovery of amounts due. The necessity of such legal actions will be determined by DWD legal staff on a case-by-case basis. The vendor is invited to outline the legal and investigatory action it would take, if requested, to obtain the amounts due.

Premiere Credit is well versed in the litigation process involving government debt. It uses the services of an Indianapolis law firm and a nationwide legal attorney network through the *American Collectors Association*. An in-house administrative team tracks each step of legal process.

All information is tracked and flagged in the collections management system (*FACS)* for dates of action. All correspondence is digitally imaged into the system and will be linked to the employer's account. This system allows for any requested information by the employer to be available at each collector's workstation.

The legal process is not pursued unless the 1) employer is unwilling to establish repayment arrangements and 2) with approval of DWD.

The legal collection's process includes the following steps:

- Verification of ability to pay and availability of assets.
- Letter sent to the employer informing them Premiere Credit is pursuing legal action on behalf of client.
- Collection system is updated.
- The letter is followed up with recorded telephone contact.
- If the letter and telephone contact fails to not resolve the debt, an attorney in the employer's area is contacted to serve legal papers.
- The process is followed through until judgment is obtained or the employer establishes repayment (that will immediately stop the legal proceedings).
- Once the judgment has been granted Premiere Credit will move to seize assets, freeze bank accounts or garnish wages.

III. Pricing

Premiere Credit understands that federal law prohibits DWD from using any portion of the tax owed to it to pay for collection services. Therefore pricing is based on a fee charged to the employer, pursuant to IC 5-22-6.5-3.

Premiere Credit is proposing a 12% fee calculated on a Make Whole Rate.

The calculation would be as follows:

Employer owes $1,000.00 to DWD

Premiere Credit's Collection Fee 12%

Total amount owed which includes the collection fee: $1,136.36

Calculation to arrive at total amount owed by the employer:

$1,000.00 / .88 = $1,136.36 (total dollars owed by the employer)

Calculation of Make Whole Rate for DWD:

The Make Whole Rate is a calculation method, which makes DWD whole on the amount placed with Premiere Credit. As in the example of DWD placing an account with an outstanding dollar amount of $1,000.00, upon 100% of the outstanding dollars being collected, DWD would receive $1,000.00 and thus would be Made Whole.

The calculation (math) works as follows:

$1,136.36 (total owed by the employer including collection fee)
x 12% (Premiere Credit's fee percentage)

= $136.36 due Premiere Credit

= $1,000.00 due DWD

Premiere Credit understands that employers will make partial payments on their outstanding balances. Premiere Credit's collection system (FACS) is programmed to handle partial payments.

The calculation of Premiere Credit's fee in the following scenario is:

Employer has an outstanding balance (including collection fees) of $1,136.36. Premiere Credit's collection fee is 12% calculated by the Make Whole Rate. The employer makes a partial payment of $250.00.

$250.00 payment x 12% collection fee = $30.00 due Premiere Credit and $220.00 due DWD.

IV. Term

DWD seeks to engage a third-party service provider on a one year pilot basis, with the possibility of contract renewal on a yearly basis, renewing up to three times. The timeline for commencement of these activities will be established by mutual agreement between the selected third-party service provider and DWD.

Premiere Credit welcomes the opportunity to participate in a one-year pilot arrangement and agrees to provide collections for any length of time that best serves DWD's need. During the course of the contract, Premiere Credit will provide DWD with analysis and suggestions that might improve its internal and outsourced collections efforts.

V. Additional Required Proposal Elements

- ***Vendor History***

Premiere Credit is a financially stable, Indiana-based, national debt recovery agency with extensive experience collecting government debt, including collections for the DOR and the US Department of Education. It was co-founded by Indiana residents David Hoeft and Todd Wolfe in 1999.

Mr. Hoeft and Mr. Wolfe had an entrepreneurial vision of building a business that would outperform others in the industry. They intentionally chose to differentiate themselves from their competitors by targeting companies with old debt that by most industry standards was considered unrecoverable.

Premiere Credit began operations in 2000 in a 4000 sq. ft. house with a staff of two and one client. Today, it employs 204 Hoosier men and women, and collects debt for a variety of government clients nationwide. To accommodate its growth, in 2004 operations were moved to a 40,000 sq. ft. corporate headquarters on Indianapolis' eastside.

Premiere Credit is creating jobs in Indiana and is projected to grow to 310 employees by the end of 2008. Its investment in Indiana employees through training and generous benefits contributes to the Indiana economy.

100% of its workforce is comprised of Indiana residents and 2008 year-end payroll is projected to be $9,500,000.00.

Premiere Credit is also cognizant that many Indiana workers have been displaced due to plant closings, bank mergers, and other corporate downsizing, including the outsourcing of jobs to other states and other countries. As Premiere Credit grows, it is creating sustainable careers in debt recovery for its employees. It seeks out displaced Indiana workers who have the interest and aptitude for debt collections. It offers training as well as financial incentives to displaced workers who have lost their jobs through no fault of their own.

From its beginnings, Premiere Credit has routinely competed with some of the largest debt recovery agencies in the *world* and consistently out-performs its competition. This is possible because of Premiere Credit's investment in information technology (IT), coupled with its commitment to employee training -- all to achieve the highest rate of return for its clients.

Premiere Credit consistently delivers the highest collection percentage in competitive, overall rankings for its clients. It currently manages portfolios with values exceeding two billion dollars, representing over one million accounts. Its diversified client base ranges from $100,000 to billion dollar portfolios.

- ***Vendor Structure***
  Provide detail to the structure of the company and its ability to do targeted phone campaigns, mass mailings, audit & compliance, telephone monitoring and training.

Premiere Credit of North America is registered with the Indiana Secretary of State's Office as a Limited Liability Corporation (LLC). It is an Indiana-based debt recovery and accounts receivable agency and is compliant in all 50 states to collect debt.

Premiere Credit has three main departments: Government Insured, Tax and Child Support, and Medical Accounts Receivable. All Premiere Credit collectors are trained in debt recovery collection techniques and have extensive experience collecting government debt, including collections for delinquent sales and employee taxes, and failure to pay personal income taxes.

Premiere Credit is a trend-setting leader in the debt collection industry and routinely competes with other collection agencies, outperforming them in recoveries as well as compliance. It has the experience and capacity to collect more money for DWD.

Ability to do targeted phone campaigns and mass mailings: Telephone and written communications are standard debt collection tools. Please see our detailed work plan for DWD collections and skip tracing outlined in this section (Attachment D – I. Services (a) Collections Services) on Page 13).

Currently, the average number of calls received on a daily basis is 1,128. The average wait time is 9.6 seconds, a portion of which is a recorded greeting stating that the call may be recorded for quality assurances. The average number of outgoing calls is 13,280 per day. Monthly volume is averaging 31,584 on incoming, 294,880 outgoing. Yearly estimated phone usage is 379,000 incoming and 3,538,560 outgoing.

Needed phone lines are already in place to handle the increase in phone activity that a DWD contract would bring.

Audit & compliance: At its own expense, Premiere Credit hires the services of a third party auditing firm to ensure compliance with each and every client's specific established criteria.

The following initiatives significantly exceed federal and state third party auditing regulations.

- Initial interview with the corporation's owners, board of directors and officers.
- Assessment of Executive Management's overall business plan methodology.

Observance of Departmental Responsibilities:

- Collections – training, counseling, posture, informational and financial resources
- Accounting & Finance – financial accountability, Accounts Receivables (A/R), Accounts Payable (A/P), reporting to clients
- Computer Operations – transmission of data, archiving of files, systems strategies and logic
- General Administration – data processing, department support, misc. tasks
- Quality Assurance & Compliance – internal audits, external audits, licensing and bonding
- Recovery Support – Loan Rehabilitation, Loan Consolidation, Administrative Wage Garnishment (AWG) processes
- Business Development – informational updates, industry interaction, community interaction, and marketing

Premiere Credit's Third Party Audits conclude with the following:

- Client Service Survey
- Exit Interview & Summary of Audit Observations

Premiere Credit continues to maintain an exemplary Third Party Audit year after year and will be flexible should DWD desire to initiate an annual audit.

Telephone monitoring and training: All incoming and outgoing telephone calls are captured on tape to protect both our clients and Premiere Credit collectors. All calls are digitally archived should they be needed at any time to resolve a dispute. Additionally, a minimum of three collector calls is audited each month by management to ensure compliance with laws and regulations, and to monitor telephone communications. All employees are trained in proper telephone techniques to achieve collection results.

- ***Productivity Statistics***

Past Performance Highlights

Performance Collecting on Difficult Accounts: Premiere Credit has gained a national reputation as experts in the collection of Federal, State and Municipal non-commercial debt, including judgment accounts and aged paper. Its training model for collections, collections methodology and advanced skip tracing methods result in greater recovery percentages for clients.

Performance Collecting Nationwide Against Larger Agencies - Premiere Credit routinely competes with much larger, collection agencies nationwide and consistently outperforms them in competitive rankings.

Performance Handling Large Account Volumes - As of June 2008, Premiere Credit manages portfolios with values exceeding two billion dollars, representing over one million accounts. Premiere Credit has the necessary technical infrastructure in place to effectively manage an unlimited volume of accounts.

Premiere Credit has recovered more than $21,000,000 for the Indiana Department of Revenue over the past two years; and over $100,000.00 in recoveries for the Indiana Department of Labor targeting employers sited for OSHA violations. (The paper is on average seven-years-old.)

Working with city and county government, Premiere Credit has recovered more than $300,000.00 for the Marion Superior Court (Indianapolis) for delinquent traffic tickets (moving violations) they had written off as uncollectible. (The tickets are on average four-years-old.)

Premiere Credit has also recovered more than $220,000 in back child support for Marion County families on behalf of the Marion County Prosecutor's Office.

Internal Productivity Benchmarks

In order to establish repayment terms as quickly as possible, all accounts prior to being placed with the collection staff are scrubbed through a customized scoring platform which provides locate information and credit reports. This information is automatically populated on each account and then routed to the collection staff. By batch scoring the accounts, levels of difficulty are established and the accounts are then routed to a specific team of collectors.

Goals are established in each division of the company in reference to expected recovery rates based upon the type of paper placed for collections. Once the paper is analyzed, call thresholds are determined for the collection staff.

A minimum of 120 calls per day is expected from each collector. Reports are generated daily to review statistics. In addition a "calls to contact" report is produced which provides details of how many calls it takes to reach the employer and the average dollar amount recovered per calls. This information is reviewed with the collection staff and is available for DWD review as well. By providing this data to DWD, Premiere Credit can demonstrate with certainty how well the accounts are being worked and provide insight to DWD for ways the accounts could be worked prior to being outsourced.

- ***Current Volume / Average Daily Caseload***

Currently each collector has between 350 and 550 accounts depending on their abilities to manage workflows.

- ***<u>Audit & Compliance</u>***

  Detail all internal controls for critical processes, ensuring that all safeguards specific to this contract are in place.

Premiere Credit is Professional Practices Management System (PPMS) certified. This certification is similar to ISO 9000. PPMS is a management system based upon developing, implementing and adhering to a set of industry-specific professional practice and policies in 17 core areas. It is not required by law or regulations, but is further evidence of our commitment to excellence. ***Less than 1% of debt collection agencies in the United States are PPMS certified.***

PPMS certification and routine auditing for compliance ensure that processes are in place that safeguard critical areas of operations, including: (*ACA International, The Association of Credit and Collections Professionals)*

- Management Responsibility: Reviewing vision, mission, goals and expectations.
- Management System: Writing company policies, procedures and work instructions.
- Review of Client Issues: Determining company's ability to meet client's needs and expectations.
- Document & Data Control: Maintaining both electronic and paper documents—policies, procedures, work instructions—and removing obsolete information.
- Purchasing: Managing the purchasing process—major products and services only.
- Control of Client & Customer Supplied Data: Securing and controlling all data flowing into the office.
- Data Identification & Traceability: Understanding company information and where it belongs.
- Process Control: Maintaining procedures or instructions for consistent performance—new business entry, cash application collection call, etc.
- Inspection & Testing: Testing, reviewing and verifying planned work processes—new business entry, cash application, collection call, etc.
- Inspection & Test Status: Verifying that company processes occur in sequence.
- Identification of Nonconformity: Identifying and recording mistakes or problems.
- Corrective Action, Preventive Action & Continuous Improvement: Correcting and preventing problems by finding a better, faster or more reliable way to accomplish work.
- Handling, Storage, Preservation & Delivery: Disaster planning and delivery of information.
- Management of Records/Data: Handling, storing, retrieving and depositing of information.
- Internal Management Audits: Ensuring procedures and policies are followed and the management system is working by having all departments inspected on a regular basis.
- Training: Continuous training of all staff.
- Process & Client Satisfaction Measurements: Measuring results internally and externally.

- ***Training***
  Address how respondent plans to customize training protocols to meet the specific needs of DWD and this contract.

Please reference page 23 of DWD work plan for a detailed outline of protocol for training collectors.

- ***Background Checks***
  Each employee assigned to work on DWD accounts must pass a background check.

Premiere Credit is aware that its security systems, including data security, are only effective if the employees accessing the information adhere to the highest standard of ethical behavior. It is for this reason that Premiere Credit self-initiated conducting criminal background checks on all employees, specifically screening for applicants that may have prior criminal histories involving theft or fraud.

Premiere Credit will contract with a private firm to conduct *national* criminal history checks on all employees involved with DWD collections. (A national criminal history check goes one step further than criminal histories provided by local law enforcement, which provides information on arrests and criminal convictions for Marion County *only*.)

This is not required by any laws or regulations, but gives further assurance to DWD that its data is protected from individuals who may have a known history of criminal fraud or deception.

- ***References***
  Third party service providers should provide commercial references only. DWD requires a minimum of 3 references being submitted with this proposal.

Indiana Department of Revenue (May 2006 – Present)
Tax Collections
Roy Gabriel
Indiana Government Center North
100 N. Senate Ave. Room N-248, Indianapolis, IN 46204
317-233-062, rgabriel@dor.in.gov

Oklahoma Guaranteed Student Loan Program (October 2006 – Present)
Federal Student Loan Collections
Christie Lee
421 NW 13th St., Suite 250, Oklahoma City, OK 73101
405-234-4219, clee@ogslp.org

Indiana Department of Labor (May 2005 – Present)
Dept. of Labor fines and penalties collections
Elizabeth Friend
402 West Washington St., Room W195Indianapolis, IN 46204
317-232-2685, efriend@dol.in.gov

South Carolina Student Loan Corporation (May 2003 – Present)
Federal student Loan Collections
David Roupe
P.O. Box 21487 Ste. 210, Interstate Center, Columbia, SC 29221
droupe@scstudentloan.org, 803-612-5048

- ***Tax Clearance information***
  Each third party service provider is expected to provide a certification of tax clearance from Indiana and the state in which the agency is based.

As outlined in Section 1.19 – Compliance Certification, Premiere Credit certifies that neither it nor its principals are presently in arrears in payment of any taxes, permit fees, or other statutory, regulatory, or judicially required payments to the State of Indiana.

See Premiere Credit Attachment I – Notarized Compliance Certification for Tax Clearance

- ***Proposed Complaint Process***

A manager or supervisor will address any employer complaints within twenty-four (24) hours. If needed, Premiere Credit's CEO or President/COO will personally handle a complaint.

Premiere Credit will contact the employer registering the complaint and listen to all aspects of the situation. Premiere Credit has found that most issues can be resolved just by listening. Once all of the information is gathered, any individuals needed to help resolve the complaint are contacted. Any additional information is gathered and then discussed with the person filing the compliant to help bring closure.

All complaints are tracked as follows: complaint date, response date(s), individual(s) responding, conclusion to the compliant, and the corrective action(s) taken.

Once this information is logged it is referenced by Quality Assurance (QA) staff should another complaint occur. This helps to monitor for complaint trends among collectors and take corrective action.

If requested, DWD will be notified of any employer complaints.

VI. Additional Information

- ***File Protocol***

Details for all accounts to be collected will be passed by the Department of Workforce Development, to the collection agency, daily in an ASCII text file. Details of all funds collected will be passed by the collection agency, to the Department of Workforce Development, daily in an ASCII text file.

All data files will be transferred via Secure FTP. 'Putty' or 'SSH' protocol must be used to interact with the State of Indiana Secure FTP server. Transmission requirements are located at https://extranet.in.gov/sftp/base/Default.asp.

Additional reports will be provided by the Department of Workforce Development which will detail; new accounts placed in collection status, accounts removed from collection status, and funds collected by the Department of Workforce Development which should have been received by the collection agency.

Premiere Credit will provide account details and amount of funds collected, with any frequency required by the State. Premiere Credit can meet any transmission requirements and will provide any reports requested by DWD or IDOA.

2.5 COST PROPOSAL

Premiere Credit understands that federal law prohibits DWD from using any portion of the tax owed to it to pay for collection services. Therefore pricing is based on a fee charged to the employer, pursuant to IC 5-22-6.5-3.

Premiere Credit is proposing a 12% fee calculated on a Make Whole Rate.

The calculation would be as follows:

Employer owes $1,000.00 to DWD

Premiere Credit's Collection Fee 12%

Total amount owed which includes the collection fee: $1,136.36

Calculation to arrive at total amount owed by the employer:

$1,000.00 / .88 = $1,136.36 (total dollars owed by the employer)

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The Make Whole Rate is a calculation method, which makes DWD whole on the amount placed with Premiere Credit. As in the example of DWD placing an account with an outstanding dollar amount of $1,000.00, upon 100% of the outstanding dollars being collected, DWD would receive $1,000.00 and thus would be Made Whole.

The calculation (math) works as follows:

$1,136.36 (total owed by the employer including collection fee)
x 12% (Premiere Credit's fee percentage)

= $136.36 due Premiere Credit

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Premiere Credit understands that employers will make partial payments on their outstanding balances. Premiere Credit's collection system (FACS) is programmed to handle partial payments.

The calculation of Premiere Credit's fee in the following scenario is:

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$250.00 payment x 12% collection fee = $30.00 due Premiere Credit and $220.00 due DWD.

2.6 INDIANA ECONOMIC IMPACT

All companies desiring to do business with state agencies must complete an "Indiana Economic Impact" form (Attachment C). The collection and recognition of the information collected with the Indiana Economic Impact form places a strong emphasis on the economic impact a project will have on Indiana and its residents regardless of where a business is located. The collection of this information does not restrict any company or firm from doing business with the state.

Please see DWD Attachment C – Indiana Economic Impact

Highlights of the attachment include:

A. The amount of the contract that is being allocated for payroll and benefits to Indiana residents: $450,000
B. The amount that is being awarded to Indiana subcontractors and suppliers: $116,000
C. The amount that is being subcontracted to Indiana certified minority and women owned businesses: $116,000

Premiere Credit is a financially stable, Indiana-based debt collection agency with corporate headquarters in Indianapolis, employing a workforce of 204 Hoosier men and women. It is projected to grow to nearly 310 employees during 2008 with a projected year-end payroll of $9,500,000.00. It has made significant investments in Indiana through creating jobs and a multi-million dollar facility renovation of an abandoned, seven-acre office complex on Indianapolis' eastside.

Premiere Credit also holds the distinction as one of Inc. 5000's "Fastest Growing Private Companies in America" (2007) and Inc. 500's "Fastest Growing Private Companies in America" (2004), placing 55th out of 500 companies nationwide and ranking first among the seven Indiana companies who received similar honors.

2.7 BUY INDIANA INITIATIVE/INDIANA COMPANY

Premiere Credit meets the "Indiana Company" requirements stipulated by the State in this RFP, including:

Premiere Credit is located in Indianapolis, Warren Township.
100% of its employees are Indiana residents
100% of its payroll goes to Indiana residents.

End of DWD RFP-8-81
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