# Exhibit 22

# Connecting California to Infinite Possibilities

Response to State of California Electronic Benefits Payments | Solicitation RFP No. 65466

Volume I – EPB Service Proposal | MASTER COPY



Submitted by:

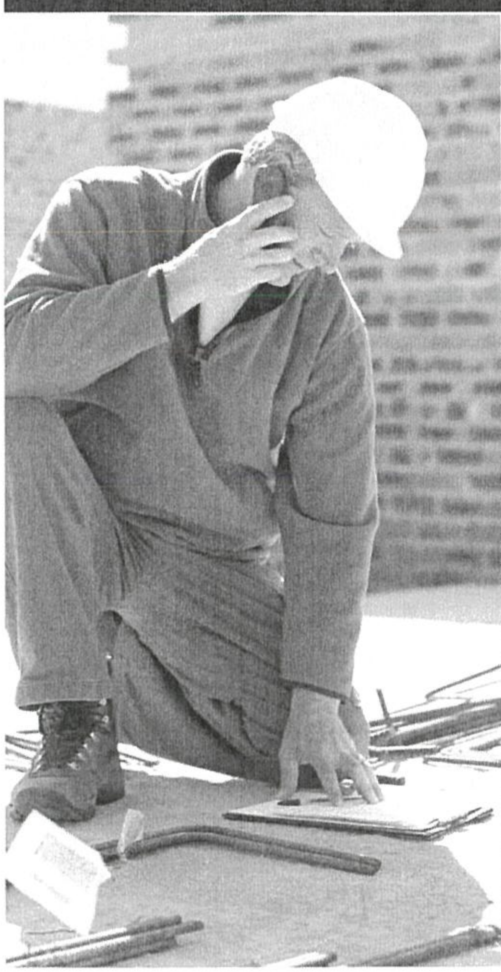
Dawn Haddock
Director, Sr. Treasury Sales Officer
916.326.7825
dawn.e.haddock@baml.com

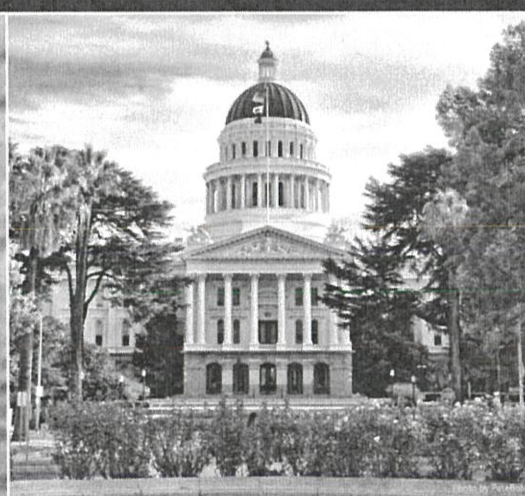
Jonathan Millard
SVP, Market Leader
415.913.2834
jonathan.millard@baml.com

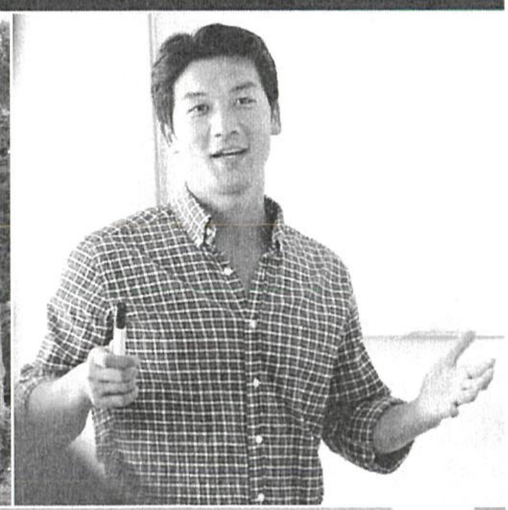
Sabrina Clark
VP, Project Manager
916.730.2948
sabrina.clark@bankofamerica.com

July 10, 2015

Bank of America
Merrill Lynch







July 10, 2015

Bank of America Merrill Lynch

Rose Liu
Employment Development Department
800 Capitol Mall, MIC #62-C
Sacramento, CA 95814

Dear Ms. Liu:

Bank of America Merrill Lynch is pleased to respond to the State of California, Employment Development Department (the EDD) RFP for Electronic Benefit Payments (EBP). For the past five years, we have worked closely with the EDD to successfully establish an unprecedented program. Californians now have a safer, more flexible and convenient method to access their benefits payments.

We stand ready for the next era.

As your current provider, we are ideally positioned to help you build upon the vast success of your EBP. We look forward to adding new program enhancements that will deliver even greater customer satisfaction and operational efficiency.

**Staying the course toward infinite possibilities**

By remaining with Bank of America Merrill Lynch, you assure your beneficiaries uninterrupted service and unwavering reliability. What's more, we can immediately begin working toward new innovations and improvements that take the program to even higher levels of success. We will leverage past successes and best practices, as well as emerging technologies, to help you continue fulfilling your organizational mission well into the future. We bring you the following distinct advantages that no other provider can match:

## A powerful partnership

At the core of the EBP program's success is our close working relationship with the EDD. Together, we have successfully launched and managed this massive card program. We have distributed an unprecedented **5.8 million cards**, processed nearly **750 million transactions** and handled **15.5 million customer service calls**. All components of this monumental program continue to run smoothly, securely – and sustainably.

Together, the possibilities are infinite.

- **Solid program continuity** – We can help the EDD avoid the burdensome and costly process of transitioning to a new provider. Your employees can continue focusing on their core duties and perhaps most importantly, avoid the learning curve that inevitably comes with moving to a new provider.
- **Unrivaled ability to assure success** – Through our experience with the EDD, we have developed a keen understanding of exactly what it takes to sustain an EBP program of this magnitude. No other provider comes close to our level of insight or ability to manage a program of this size — that means you maintain the high level of accuracy and low error rate you have come to expect.

- **Continued support of the EDD's central mission –** The focus on claimants continues as we move forward into the next era of the EBP program: we see new opportunities that can make the program better than ever. By leveraging past successes and best practices, as well as emerging technologies, we can help you continue fulfilling your organizational mission well into the future.
- **Superb customer service –** We set the bar high and pride ourselves on serving each caller with swift, responsive service. Long call hold waits and busy signals are not tolerated at Bank of America Merrill Lynch. Our representatives are empowered to use sound judgment and resolve problems quickly. We are consistently recognized as being an industry leader in the customer service arena.
- **A client team you know and trust –** The EDD will continue to be supported by your current Project Manager Sabrina Clark, who is deeply familiar with all day-to-day operations between our organizations. Working in tandem with Sabrina Clark, your client team will continue to work diligently and strategically to assure your needs are fully met.

**Evolving the program well into the future**

As we look to the future of the program, we are ready to work with the EDD to design additional disbursement options for your claimants, providing even greater convenience and efficiency. We will continue to leverage emerging technologies and innovations in an effort to refine the EBP program and fully serve cardholders' evolving needs and preferences.

Upcoming plans and possibilities include the following:

- **Direct deposit** – We will share best practices and work with you to settle on a design for direct deposit functionality that accommodates both the needs of the EDD and your claimants.
- **Mobile capabilities** – Throughout the past five years, we have introduced several enhancements as beneficiary use of the Internet and mobile has grown, including text message and email alerts, and a revised cardholder website. We continue to seek improvements to meet the rapidly changing ways beneficiaries manage their funds. Plans are already in the works to refresh the cardholder website in 2016 with capabilities that offer easy and intuitive navigation and optimal viewing experience across a wide range of mobile devices.
- **Enhanced security and fraud prevention** – Our cutting-edge approach to security is multi-faceted and ever-evolving. We are fully immersed in industry best practices and we stay in tune with emerging fraud trends in order to effectively combat fraud and reduce risk.

**Direct customer service access**

EDD personnel will continue to have immediate telephone and email access to **Project Manager Sabrina Clark**. As you know, Sabrina has managed the overall program on a daily basis since program launch. She is your first point of contact and responsible for assisting with all account management and contract management needs.

- **Convenient access to funds** – We understand that it is critical for claimants to have reliable, consistent and convenient access to funds. Claimants may make signature and cash-back purchases everywhere Visa debit cards are accepted – millions of locations worldwide. For ATM access, we have 3,745 in-network ATMs in California, and 15,171 publicly-accessible in-network ATMs throughout the U.S. Cardholders also have access to over 70,000 surcharge-free ATMs internationally through our Global ATM Alliance. In addition to accessing cash through our extensive ATM network, no other bidder can provide as many locations for claimants to access benefit funds over-the-counter via tellers. In the state of California, we have 911 Bank of America financial center locations. Claimants may also visit any of the 7,606 Visa bank or credit union locations in California for over-the-counter cash access.

**Ready, willing and able to meet—and exceed—the EDD's requirements**

Our proposal addresses all considerations of the requirements and includes innovative approaches and solutions.

Bank of America Merrill Lynch will continue to perform the work as described in this RFP and continue to provide services and work products within the timeframes specified for each deliverable. Our proven track record assures the EDD of our staunch commitment to your organization and our unwavering ability to meet—and in many cases exceed—your requirements.

Bank of America Merrill Lynch agrees to the General Terms and Conditions of this RFP and attests that we have read and will comply with the requirements set forth in this RFP. Bank of America stands ready to conclude a mutually-agreeable contract to perform to EDD's satisfaction.

As a senior officer of the bank, I am authorized to bind the bank contractually.

**Let's get to work**

We look forward to entering the next era of collaboration with the EDD. Building upon the solid foundation we have established with a highly successful EBP program, we are ideally positioned to fulfill the EDD's requirements—exceed your expectations—well into the future.

The possibilities are infinite.

Sincerely,

Dawn Haddock
Director, Senior Treasury Sales Officer
Bank of America Merrill Lynch
Ph: 916.326.7825 | Fax: 415.633.0156
dawn.e.haddock@baml.com

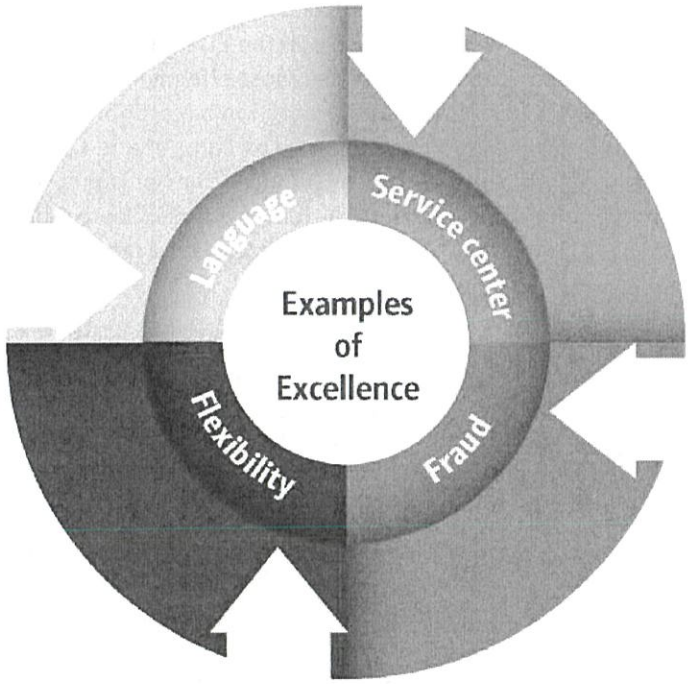
# Table of Contents

# Examples of Excellence: Illustrating our commitment to the EDD and your claimants

Over the past five years, Bank of America has continually proven our unwavering dedication to the EDD and your claimants. We have taken unprecedented steps to adjust our standard processes and customize procedures in an effort to ensure beneficiaries have reliable, convenient and secure access to their funds. Below, we outline several examples that clearly illustrate our solid commitment to the EDD and the people who depend on our respective organizations each day.

## Language capabilities

The EDD and the State of California serve a diverse population. A critical concern of the EDD upon launch of the program was to ensure the Customer Service Center supported the core languages of English, Spanish, Armenian, Tagalog, Punjabi, Cantonese, Mandarin and Vietnamese. We currently provide live representative and automated phone support through the IVR in all state core languages. In addition to these languages, we also offer additional capabilities through a language line service where over 240 different languages are supported.




## Flexibility during critical times

We recognize that in a program supporting millions of claimants, challenges can arise. Solutions require teamwork, flexibility and trust. During the recent internal enhancement to California Unemployment Benefits Services (CUBS), claimant payments were delayed due to information technology upgrade needs. We were able to be flexible and move the file processing time by two hours, allowing the EDD to keep the system up longer during the day and therefore enabling the agency to reduce payment backlogs.

## A top-rated customer service center focused on serving your claimants

We have continually provided stellar customer service to EDD claimants with a call center staff that is primarily based in California and fully dedicated to prepaid card programs. Whether it is our multiple language support, the support we provide to Authorized Representatives of claimants, live representative assistance for direct deposit transfers or Emergency Cash Transfers via Western Union for those in critical need of funds, providing excellent service is our top priority.

With the permission of the EDD, to assure that we are continually providing the best possible customer experience for cardholders, we regularly solicit feedback from those who call in. After our first two months of surveys, in July 2014 we reviewed the survey results with the EDD as part of the executive leadership meeting. The EDD indicated they were impressed with the survey results and requested to send personnel members to tour the Bank of America call center. During the upcoming visit, the EDD is looking to gain valuable insights and learn best practices to achieve similar satisfaction in their own center.

## Combating fraud with proactive initiatives and ongoing communication

We continue to meet quarterly with the EDD to discuss the evolving trends and formulate the most effective ways to protect EBP claimants from fraud. The protection of cardholders is paramount and communication is a key component. For example, in the situation where we became aware of a "phishing" event we worked with the EDD to alert cardholders and placed important messages on the cardholder website for their awareness and protection.

### Regular program reviews keep EDD leadership informed

During our bi-monthly meetings with the EDD executive leadership team, we discuss program performance and share information on any upcoming activities.

In 2013, we introduced the Fraud Policy Manager to the EDD investigations team and, as a result, bi-weekly touch-point meetings take place. We have also developed a standard communications process whereby the EDD can notify us of any large fraud issues that may cause a negative impact to cardholders.

Communication and a strong working relationship is key to fraud mitigation, and together we have built a series of routines and implemented best practices to protect the program and manage to industry-low fraud levels.

Over the past several years, as reported regularly in the media, there has been a significant increase in the number of breaches external to Bank of America where card data has been exposed. As a result of these recent merchant card data breaches **we have not had to perform any mass reissuance of prepaid cards.**

Since Bank of America is responsible for external transaction fraud on cards that we issue as part of our Zero Liability guarantee, we take a risk-weighted approach to review the likelihood that a card number will be used for fraud and minimize any negative experience to cardholders whose funds have not been impacted. Our prepaid portfolio has not seen an increase in fraud losses associated with these recent merchant data breaches and neither our clients nor cardholders have suffered any financial loss.

Our bank card fraud prevention and monitoring is ranked tops in the country and has been named "**Best Overall Identity Safety in Banking"** for nine consecutive years by Javelin Strategy & Research — a leading provider of independent industry specific quantitative research. The extensive fraud mitigation strategies our prepaid team utilizes are sophisticated, and have successfully mitigated large fraud losses.

Bank of America is committed to being at the forefront of fraud and data security strategies, benefiting the EDD and all of our respective cardholders. In the event a cardholder's card is compromised they are protected against unauthorized card use by Bank of America Zero Liability, a plan that exceeds the protections offered by Regulation E and standard network zero liability plans.

# Our greatest differentiator: a proven track record of solid ability and unwavering commitment

As your current provider, we are ideally positioned to build upon the vast success of your EBP. The EDD has the opportunity to grow and evolve its program on the stable foundation we've built together. We can continue moving forward with program enhancements that will derive even greater customer satisfaction and operational efficiency, such as direct deposit.

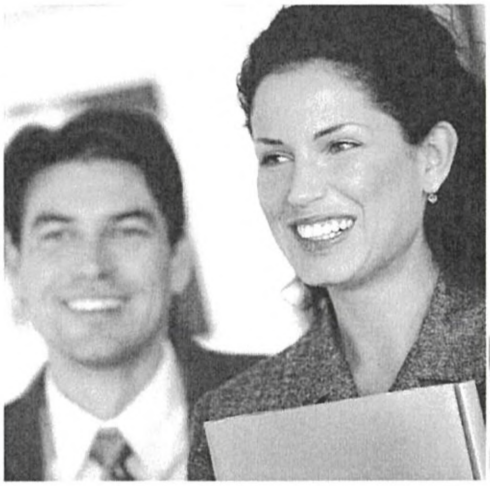
By extending the partnership with Bank of America, you assure your beneficiaries uninterrupted service and unwavering reliability. You eliminate the burdensome, costly and uncertain process of transitioning such a large and complex program to a new provider – as well as the risk. The EDD can focus on delivery and strategic priorities, while personnel focus on core duties instead of a distracting and massive transition effort. Further, and most importantly, **we are confident that the EDD already manages the best prepaid card program in the nation for the benefit of all California claimants.**

Since the program launched in 2010, we have worked side-by-side with the EDD to make process refinements and procedural adjustments that assure a successful program. We continually ensure that your claimants get the funds they depend on, when they need them. At your program peak, we were able to process 560,000 enrollments per month and managed our capacity accordingly. In the current environment we stand ready for any surges in volume.

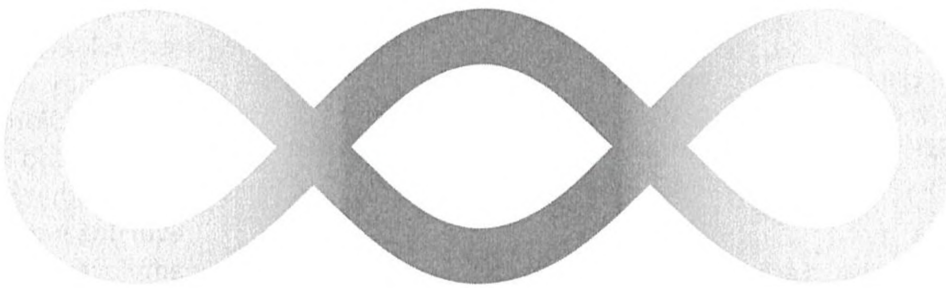
Since your program launch, while several high-profile providers have exited the prepaid disbursement space, we have invested in our capabilities and grown to meet the evolving needs of our clients. Our commitment to our clients and this public sector industry is dependent upon our ability to manage economically sustainable programs.

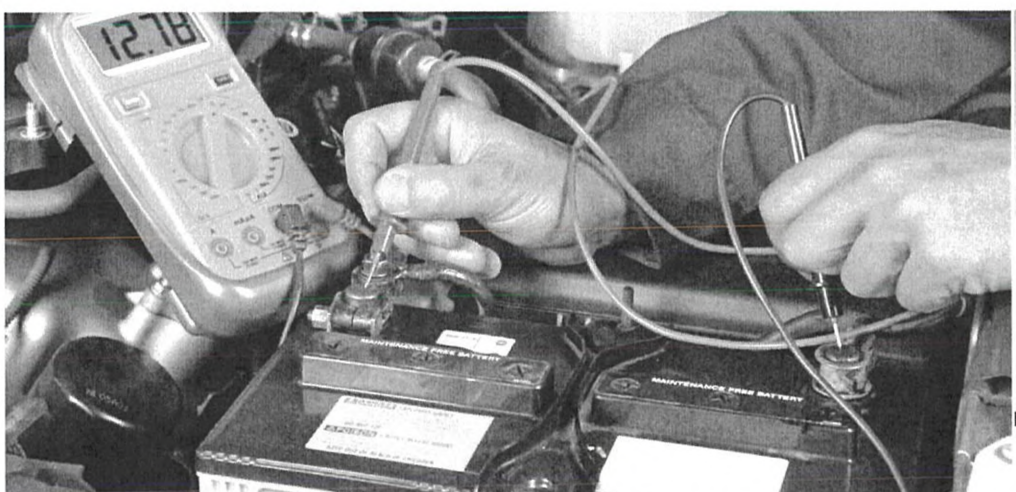
Our commitment to this product offering is evidenced by our continuous process improvements and more efficient business model. As a result of our efforts and experience over the past five years, we have developed a keen understanding of exactly what it takes to sustain a program of this magnitude. No other provider can match our insight and understanding of the complexities and nuances of your program. No other provider can so clearly demonstrate an unwavering commitment to your organization. No other provider has a track record that clearly proves our capabilities and our dedication.

We appreciate the strong relationship we've built with the EDD and we are enthusiastic about continuing and expanding it for many years to come. The possibilities are vast.



Partnership Continuity Innovation







# Continuing along a successful path

## Continuous growth: transformative technologies and ongoing process improvement

We maintain a staunch focus on claimants as we hone our processes and integrate new technology. For instance, we have significantly scaled our operations – from card production to banking center cash advances to call center management – to be more efficient and effective.

The focus on claimants continues as we move forward into the next era of the EBP program: we see new opportunities that can make the program better than ever, particularly in this time of rapidly evolving payment technology. By leveraging past successes and best practices, as well as emerging technologies, we can help you continue fulfilling your organizational mission well into the future.

The public sector client team, card experts and benefit specialists you have come to know and trust look forward to continuing our enthusiastic support of the EBP program. We will continue to deliver on our promises, maintaining close communications and consultative partnership to assure continuity of service and reliability for claimants.

We are proud of our shared achievements, and we look forward to building upon these strengths with new innovations that prepare the EDD for a successful future.

### Continuously supporting the EDD's central mission

Through close collaboration and strategically developed technology, we continue to ardently support the EDD's mission to deliver **valuable** and **innovative** services that meet the **evolving needs** of employers, workers, and job seekers.

## Where we are today

**Continuity of service** | Expert program management and staffing in place | Cardholder-centered customer service | Effective marketing and customer communications | Easy access to funds | Convenient and secure reporting

### Capabilities and capacity to support the EDD

Extending the Bank of America partnership provides assurance of having the high level of accuracy and low error rate you have come to expect. We have consistently performed according to your service levels and general processing is never above 40% utilization. Bank of America and Visa represent the world's largest card issuer and payment network, respectively. Our infrastructure is designed to scale. We manage our systems to a standard capacity indicator and when exceeded, a planned upgrade is initiated.

For the cardholder IVR and online customer service website, the current threshold is 60 percent. If this threshold is ever met, capacity is increased accordingly. With this approach, capacity is scalable and essentially unlimited. Based on our existing government prepaid debit card portfolio, anticipated growth and our knowledge of the EBP program, we have the capacity for continued service of this program and any future expansions.

## Award-winning customer service: delivering on our promises

Benefit claimants have enjoyed comprehensive 24/7/365 customer service and responsive support through multiple customer service channels. This includes online and toll-free automated phone system with the option to speak to a live customer service representative. Our call centers are staffed by experienced representatives fully dedicated to prepaid card programs.

**Our Carmichael, CA customer service center continues to serve as the primary location for live customer service support. This facility employs approximately 75 percent of the staff required to support the EBP program. Today, of all calls answered, 70 percent are answered in Carmichael.**

As you know, our call center staff members are empowered to take care of customers – we pride ourselves on providing stellar customer service to every caller. Long call hold waits and busy signals are not tolerated at Bank of America. Your program's average speed of answer is 30 seconds and your average handle time is 230 seconds. We understand that customers call because they need help and support – our team is trained to provide that support. Our system is designed to meet all of the capacity requirements within the RFP and more. We will continue to meet the EDD's requirements by providing robust multi-language self-service capability along with live operator support.

### Understanding the urgent need to provide responsive support to claimants

Customers' lives can change quickly — and their financial stability is often impacted by those changes. Because we understand the stress of a change in financial circumstances on an individual, the bank adopted a customer service approach that has our customer service representatives think of themselves as the customer. Our customer service staff takes ownership of the claimant's issues and supports callers using the appropriate approved scripts, business rules, and procedures to provide swift resolution of the caller's issue. They are empowered to use sound judgment and resolve problems to the best of their ability. They hold themselves and their peers accountable for making every interaction with a claimant an effective demonstration of our commitment to them. We continue to pride ourselves on "Doing the Right Thing" for the customer.

### Outstanding Call Center Satisfaction

Each month we measure claimant satisfaction with our call center. We're proud to say **we continually achieve 94 percent of claimants indicating high satisfaction** with our ability to resolve issues in a timely and courteous manner.

The types of reports we provide are listed below:


Our management team also uses the critical reporting information to measure the team's progress, enhance and improve specific program components, and identify areas for future capability improvement.

## E. Claimant Account Structure, Corrections, & Adjustments

Until EDD is ready to provide claimants the option for direct deposit, the contractor must provide claimants the option of establishing direct deposit transfer at no cost to EDD or the claimants. The contractor must be able to effect a transition from direct deposit transfer to direct deposit with no service interruption to the claimants.

Once direct deposit is available to the claimants, the contractor will be responsible for the direct deposit of funds from the EDD to the claimants' bank accounts, including resolution of errors in the direct deposit processing.

Where the claimant has not elected direct deposit into a bank account of his/her choice and has instead selected to receive benefits via prepaid debit card, the EBP Contractor shall create a debit card account for each new claimant upon the receipt of claimant demographic and payment data from the EDD. Each claimant should have only one account profile with a unique identifying number. In the event an existing account is compromised, the contractor shall have the ability to assign a new debit card account with a new account number to the same individual when request to do so by the EDD. Each account will be insured up to FDIC limits. ~~Debit Cards can have a status of Issued, Active, Suspended, Closed, Inactive, or Reverted~~. The Contractor shall offer claimants the ability to transfer funds from their debit card to their selected bank accounts on a one-time or recurring basis for the full or partial amounts.

The debit card account will provide the claimant a list of all transactions by date and amount, including deposits from the EDD, direct deposit transfers to the claimant's bank account, Point of Sale (POS), and other claimant-generated transactions. Statements will be provided for claimants showing all of their transactions for a given period of time. Statements will be provided in compliance with Federal Reserve Regulation E (Regulation E), which implements the Electronic Fund Transfer Act (EFTA). For claimants who select direct deposit of their benefits to a bank account of their choice (when it becomes an available option), no EDD account shall be created. However, the Contractor shall still comply with any applicable requirements imposed by the EFTA and/or Regulation E, such as notice and disclosure obligations.

For claimants who elect to receive their benefits on the debit card, the account information will include, but is not limited to, demographic data including name, address, phone number, and account number. The Contractor is required by law to comply with all applicable banking laws governing financial privacy, for example the Bank Secrecy Act, USA Patriot Act, Federal Financial Privacy Law, and the Information Practices Act of 1977, California Civil Code § 1798, et seq., and the Fair Credit Reporting Act and Regulation V, 12 CFR 222.Contractor shall ensure that claimants who receive debit cards will be able to access their real-time account information via website, IVR, telephone customer service representative, and ATM.

For claimants who do not qualify for a debit card per banking regulations and do not provide bank account information for direct deposit (once it becomes available), the Contractor shall provide an alternative disbursement method to the claimants, e.g., digital disbursement services for those who have a mean of receiving digital disbursement, or check writing services. The contractor shall provide the claimant substantiation for any method of benefit payment.

The Contractor shall follow business rules, processes and timelines for resolving claimant account errors as outlined in the Regulation E. This includes errors identified by the claimant or the Contractor. The Contractor shall provide documentation that describes how individual claimant account errors are detected and resolved, including:

- How errors identified by the claimant are logged, categorized and resolved and the timeframes associated with these processes.
- How errors identified by the Contractor are resolved and the timeframes associated with the process.

| REQ # | DESCRIPTION | CONTRACTOR AGREES (Y/N) | COMMENT |
|---|---|---|---|
| | transition and implementation. | | |
| 168 | As required by EDD, the Contractor shall document and provide to the EDD a process to handle identified IVR system problems, according to the DED process as described in Attachment V.1. E, Description of Deliverables. | Y | |
| 169 | The Contractor shall use the EDD approved scripts for the claimant IVR. | Y | |
| 170 | The Contractor shall use EDD approved scripts in the Contractor's IVR and Call Centers for unanticipated events related to EBP processes and transactions. | Y | |
| 171 | The Contractor shall develop, provide and maintain IVR documentation for the EDD approved scripts. | Y | |
| 172 | The Contractor shall provide the EDD with a weekly report on program calls unrelated to the Contractor's responsibility. | Y | |
| 173 | The Contractor shall develop and maintain an EDD Customer Service Manual for CSRs who respond to calls from the EDD's claimants, authorized representatives or heirs. | Y | |
| 174 | The Contractor shall provide to the EDD an updated EDD Customer Service Manual within 30 days from the date of any change to the EBP service. | Y | |
| 175 | As required by EDD, the Contractor shall submit to the EDD for review and approval an EDD Customer Service Manual for CSRs who respond to calls from EDD claimants, authorized representatives or heirs, according to the DED process as described in Attachment V.1. E, Description of Deliverables. | Y | |
| 176 | The Contractor shall permit the EDD to conduct monitoring on the claimant CSC via remote access at least monthly and more frequently if problems have been identified. | Y | |
| 177 | The Contractor shall permit the EDD or its designee to inspect the Contractor's CSC facility upon the EDD's request. | Y | |
| 178 | The Contractor shall keep all databases, servers and associated hardware related to the EDD contract in the United States and its territories. | Y | |
| 179 | The Contractor shall report to the EDD as soon as the contractor becomes aware of suspicious debit card activity such as phishing, hacking or compromised PINs. | Y | |
| 180 | As required by EDD, the Contractor shall provide to the | Y | |

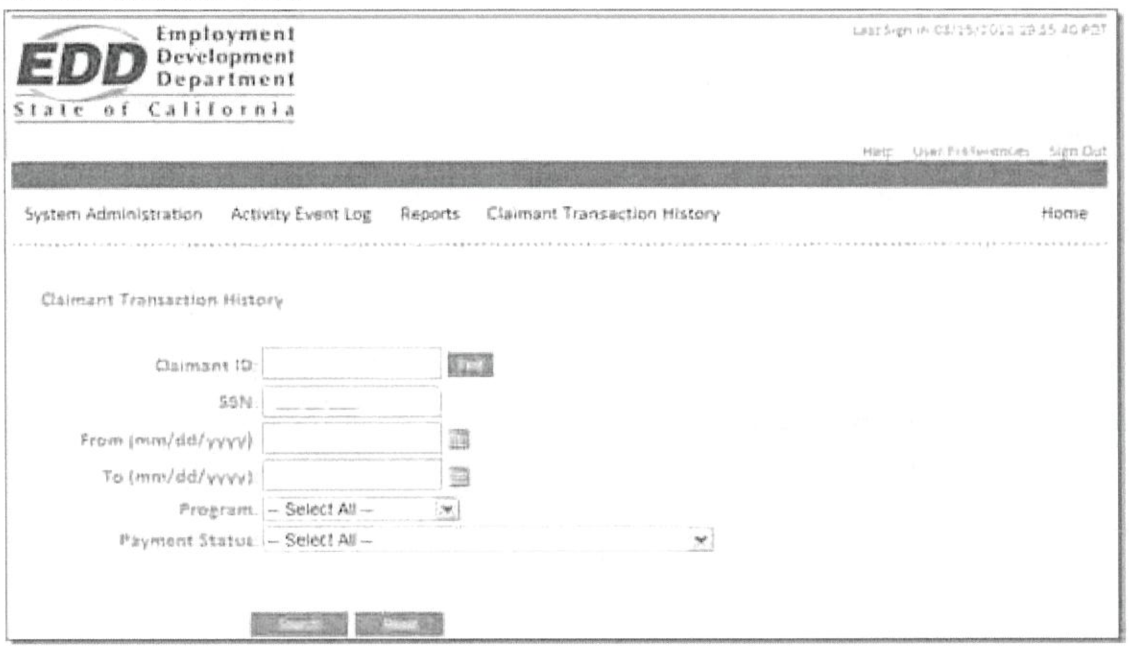
Our approach to problem resolution includes conference calls and in-person meetings with EDD designees to review the issue, provide data and detail on the issue, discuss the actions taken, and the steps to be taken to support addressing the problem and providing a satisfactory resolution. Actions include:


**Assisting the EDD with Claimant Problem Resolution**

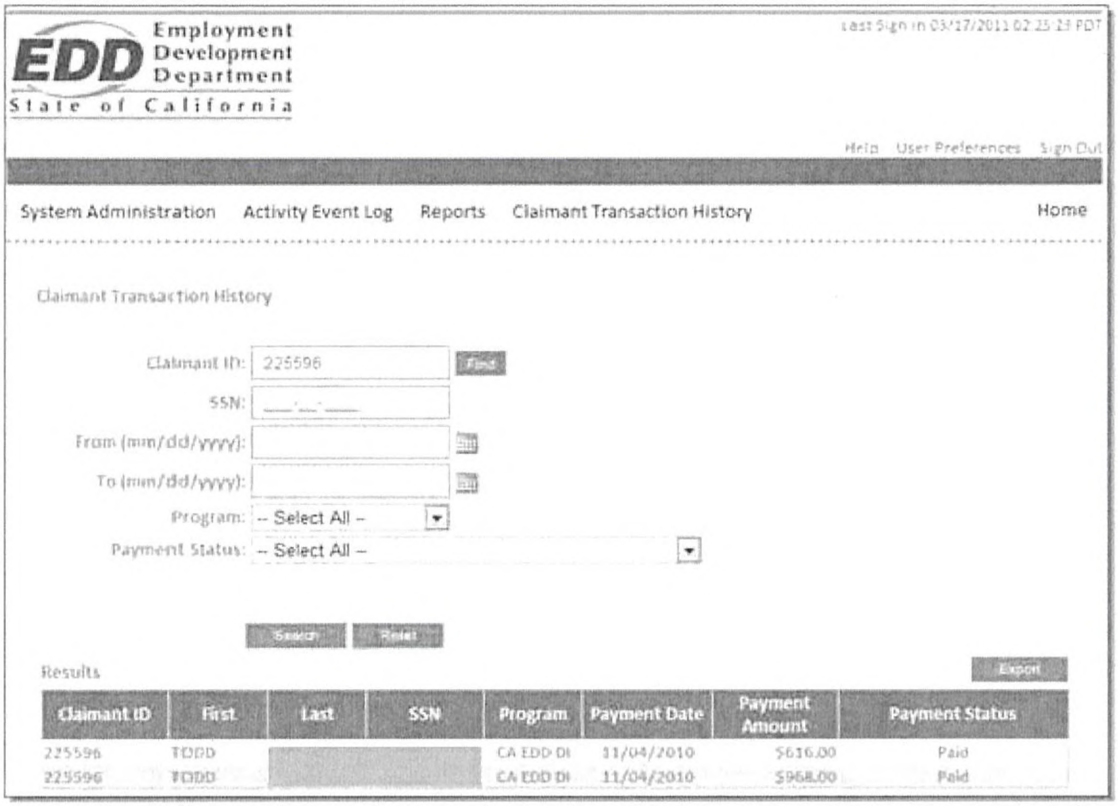
The bank's Project Manager has access to our internal reporting systems as well as the state's Admin App. Between the Admin App and the Visa Prepaid Administration System (PAS), the bank's Project Manager and Prepaid Client Support Team, all information related to cardholder enrollment, benefit load dates, times, and unique payment IDs, customer service inquiries and complaints, ATM or merchant acceptance issues, and any other claimant related problems or concerns can be provided.

For example, the majority of claimant problem resolution needs surround confirmation of card status and/or payments. Within the Admin App, the EDD as well as the Project Manager can query card status and payment transactions by accessing the Claimant Transaction Page, inputting either Social Security Number or Claimant ID and clicking on "Search."

**Claimant Transaction Page**



### Sample Search Results




### Sample Card Status Search Result

| Card Status | Illustration |
|---|---|
| Issued<br>(card was mailed to the claimant) |  |

### Direct Contact with the Project Manager

If an issue arises regarding a claimant problem that needs immediate attention, the EDD staff may always contact the Project Manager. They will work diligently with the EDD staff to facilitate a quick resolution. The project manager has the authority to bring together the necessary resources to address these key issues needing immediate attention.

### Program Success Story: Spotlight on Problem Resolution

Your dedicated government client team in Sacramento and our project management team are tenured, public sector-focused professionals who have worked with all levels of government for decades. Over the years of this program we have had occasional claimant problem resolution inquiries that were stemmed by a Legislator or Governor's Office request. Project Manager Sabrina Clark was contacted for further information and issues were resolved in a timely manner. As example, in one case, review of claimant history revealed that payments were indeed processed to the card account, but the claimant never received their card due to an address issue. The address had been updated with the EDD, but was not transmitted to the bank. We were able to immediately, at request of the EDD, manually perform the address update and expedite a card delivery at no cost. In another example delayed processing of a claim was deemed by the EDD to be a "hardship case" due to medical needs and we were able to process an Emergency Cash Transfer via Western Union at no cost for the individual claimant in need.

Unemployment and disability payments are critical, often times providing claimants the ability to secure housing or purchase necessary medical prescriptions. Our team is ready to assist the EDD with any escalated claimant problem need and in partnership will act accordingly to ensure the claimant has a positive EBP experience.

| | |
|---|---|
| 242 | **Bidders should describe their approach to capacity of service management. The Bidder's response shall address, at a minimum, the following areas:**<br>**A) The Bidder's current number of cardholders and monthly transaction volume for its government and total debit card activity**<br>**B) If applicable, current number of cardholders and monthly transaction volume of Bidder's subcontractor's entire platform.**<br>**C) How EBP capacity requirements will be met.**<br>**D) How capacity issues shall be managed for all components of the EBP Project.**<br>**E) How capacity utilization will be monitored and capacity thresholds will be established.**<br>**F) Corrective and escalation processes that will be used in the event any capacity thresholds are reached.** |

Bank of America is one of the largest card issuers in the world and a recognized leader in Visa Prepaid Debit cards. Within the bank, the Prepaid Card and Commercial Card groups are managed as part of the larger Global Transaction Services organization.

Our enterprise has established regular routines to support capacity, capacity planning, and other related aspects of the card capability for all offerings. There are currently millions of Bank of America prepaid card holders. These cardholders are supported from fulfillment through call center support by our product team within the bank. Responding to roughly 10 million calls per month for our card programs, we are an industry leader in this market.

Proven, exceptional service capacity ensures seamless program support and future growth.

**By remaining with us, you will continue to partner with an industry leader in prepaid card services that has the proven capacity to support the complexities of the EDD's service needs. We manage 25 active programs covering 17 states, and counting.**

### Our Program's Customer-centric Advantages

In 2010, 2011, 2012, 2013, 2014 and 2015, we received the J.D. Power and Associates Quality Award. We are the only bank to receive this distinction within the U.S.

Our Service Centers are certified by J.D. Power and Associates for delivering exemplary client satisfaction. To achieve certification, J.D. Power and Associates conducted a random survey of clients.

Centers must perform within the top 20% in client service, which is based on benchmarks established in J.D. Power and Associates' cross-industry client satisfaction research.

Cardholders receive customer service 24/7/365 days a year through a toll-free number with automated and live customer service representatives, as well as through an online customer service site.

### A). Current number of cardholders and transaction volume

Validating our strength, the Nilsson Report has identified Bank of America's prepaid portfolio as the fastest growing among the top 10 issuing banks for the last two years.

Bank of America currently issues nearly 2 million prepaid cards annually. Our prepaid debit card system processes over 550,000 transactions per day, 78,000 plus transactions an hour and over 28 transactions per second. Although the opportunity to continue processing your transactions through this RFP is significant, Bank of America has clearly demonstrated expertise in its ability to launch, manage and grow large card portfolios through creation and management of the EDD's existing program and our expansive card program portfolio.

Bank of America manages more than 8 million prepaid debit cards.

**Our prepaid debit card system processes over:**

- **550,000 transactions per day,**
- **78,000 transactions an hour,**
- **28 transactions per second.**

### B). Subcontractor current number of cardholders and transaction volume

Bank of America will not use a subcontractor where this requirement is applicable.

### C). How EBP capacity requirements will be met

Bank of America operates a state-of-the-art, multi-tier prepaid processing platform with proven performance, superior reliability and scalable capacity. This is confirmed by performance throughout 2014, processing over 23 billion transactions, while meeting and exceeding aggressive service levels of 99.99% authorization system availability and 99.95% IVR, core processing and website application uptime for the last 13 consecutive months. We employ a continuous capacity planning approach and invest in critical infrastructure (such as supporting double-peak volumes within the IVR) to stay ahead of organic growth, new business opportunities and surges in volume on specific payment dates and before/after holidays, which is common with benefits disbursement and payroll programs.

Our transaction and cardholder servicing infrastructure have been architected to scale faster than forecasted growth and never exceed 60% of peak capacity. Our capacity is dynamic and easily augmented to handle ever-increasing volume, while reliably performing during periods of extreme spikes in transaction and call volume.

Our experience qualifies us to accurately forecast new account, transaction, card issuance and call volumes (both IVR and call center) to support a large and dynamic government benefits program like EDD's, which, at its peak in 2011, issued 1.4 million cards within 90 days. Our current support of the EDD program shows us that we experience significant surges in transaction and customer service activities around payment dates and spikes at the moment that funds are deposited to the card accounts. We have built our architecture, as well as our call center staffing plans, to accommodate these surges in volume and continuously monitor activity across our infrastructure in order to make dynamic adjustments, if needed.

Full redundancy across two data processing sites allows for load-balancing across locations and our unique Active/Active approach means that any issues encountered within the primary application can be immediately mitigated by routing traffic to the secondary application instantly and seamlessly.

For our customer service area, we use best-in-class workforce planning tools to forecast call volumes and schedule staffing to fulfill our 24/7/365 servicing commitment. Our workforce management team continuously monitors call volumes and service levels throughout each day and makes just-in-time call routing and staffing decisions as volume dictates and call patterns change. We forecast and plan for staffing and hire and train agents efficiently and effectively. From a cardholder servicing perspective, each of our customer contact centers is fully redundant via Dual MPLS connectivity, underpinned by robust Disaster Recovery and Business Continuity Plans at the program, site and enterprise levels.

Our recruiting and hiring processes allow our call center team to quickly recruit and staff when turnover occurs by strategically spreading across multiple call centers in geographically diverse locations. This enables rapid hiring in short periods of time while maintaining high standards in recruits. Another clear advantage to our multi-site strategy is the ability to recruit staff for the anticipated fluctuation of call volume throughout the month, increasing staff flexibility and building more customization into agent work schedules.

Our experience call center operations staff includes forecasters/analysts and multiple Traffic Management positions responsible for daily schedule adherence and exceptions and real time monitoring of program performance. The workforce team is responsible for call forecasting, schedule optimization and performance analysis using industry leading workforce management software IEX Totalview. The team uses all available data and experience to manage call forecasting up to 90 days in advance, with accuracy increasing each week to within 5% one week out and 1% day of production.

Based on historical performance, expected benefits growth and our proven track record as the incumbent provider for the EDD program, we are confident in our ability to service this program and any unanticipated peaks with no disruption to cardholders.

### D). How capacity issues shall be managed for all components of the EBP project

The capacity modeling for the call center activity is based on one call per card issued for activation (knowing that the actual behavior will be split between use of the internet and the IVR for card activation, this conservative approach to volume helps to ensure over staffing during implementation).

As an example, average call durations including wrap times are estimated, for illustration, at roughly 2.5 minutes for a total per person capacity of 24 calls per hour. If 10,000 cards are issued, 10,000 calls are anticipated, which when averaged translates to 416 man hours in 5.5 hour increments (which reflects shift variables for breaks, also referred to as shift differentials), which then equates to an estimated 75 live agents. Since predictable behavior patterns provide insight into actual behavior, it is anticipated that a percentage of claimants will use a self service avenue, while others will call repeatedly to speak with a live operator. As volumes increase, our staffing increases accordingly, based on the anticipated volumes and actual call report metrics.

Bank of America will continue to manage capacity issues through:

- **Specialized monitoring teams for IVR, CSC, and Web**
- **Hands on and engaged Project Manager and Technical Project Manager**
- **Detailed reporting**
- **Accurate volume forecasts**
- **Rollover planning for unanticipated fluctuations in volume**
- **Scalable solutions**
- **Senior management involved in escalation procedures**

The bank supports millions of card accounts every day – with no service issues, degradations, or infrastructure implications. Our technical team is apprised of the anticipated volumes, claimants, claims and other associated data. This team will continue to monitor and manage any hardware and software needs to ensure that all customers – including the EBP Project claimants – receive the best responses both through technology (IVR and Web) and CSC support over the life of the contract.

**E). How capacity utilization will be monitored and capacity thresholds will be established**

Daily EBP reports provide insight into the volumes of callers and capacity of the IVR, as well as Customer Service Center statistics and information.

When it is determined that call volumes for the CSC may exceed the ability of onsite staff to respond in accordance with the service level requirements, the team will route a percentage of the calls to one of the backup centers until call volumes are back in normal range.

Normal ranges are quantified by the number of calls per minute, times the capacity and the number of agents in a period. Using the 2.5 minutes per call, times the 24 calls per hour, when the calls exceed the ability of the call center to respond to the calls in accordance with the contract requirements, additional resources via the rollover capability will be used to respond to calls, thereby supporting management of the service levels for the project.

The bank's Project Manager, Sabrina Clark, will work with the internal bank teams to affect the rollovers in support of the contractual requirements. The daily reports for the IVR and Call Center support the notification after-the-fact regarding the metrics. During peak timeframes, our Project Manager can notify the EDD EBP Project Manager via email or phone of peaks and high call volumes. The bank's Project Manager can continue to inform the EDD as often as the EDD would like about call volumes and will be available to respond to any concerns, questions or issues, as needed.

Customer service representatives are trained to support claimant questions regarding their prepaid debit card account throughout all designated call centers.

**F). Corrective and escalation processes that will be used in the event any capacity thresholds are reached**

Each monitoring area has escalation procedures within its management structure, which in turn communicates out to the bank's platform and product management, as well as the EBP Project team. It is at this point the EBP Project Manager will communicate any issues to the EDD.

Capacity is monitored daily, and reviewed with platform management on a semi-annual basis, with particular focus around "peak" periods like the holidays. In the event that additional capacity is recommended based on historical or current trending, our processing capabilities are augmented by taking advantage of our Active/Active processing model, which allows us to make system upgrades, perform system maintenance, and support infrastructure changes without adversely impacting cardholders or clients.

We are confident that our current program with the EDD, along with the breadth of our franchise and the millions of customers we serve today, has proven we will continue to exceed support expectations for the EBP project requirements.

| | |
|---|---|
| 243 | **The Bidder should describe how the Website capacity is scalable to accommodate unplanned increases in the volume of claimant inquiries.** |

The website that will continue to support the EBP Project is designed to support millions of cardholders. The servers hosting the website are planned to operate at an average capacity range of 20- to 40-percent peak capacity. The primary server location is in California with redundancy across the domestic U.S.

**A proactive approach**

With our approach, any unexpected spikes in demand are met with sufficient capacity headroom on existing bank servers for both the claimants, and the users accessing the Administrative Application. Additional detail can be discussed with the EDD as it has in the past; however, the bank does not encourage detailed documentation in deliverables that can be accessed by the public as it can pose a security risk to both the bank and the EDD.

The system also has a distributed architecture that allows for horizontal scaling of server components servicing the web tier. The facility hosting the production platform has significant server capacity that can be quickly configured to add capacity for all of the systems with this kind of architecture.

The Administrative Application also is built on a distributed architecture and supported by the bank infrastructure that allows for the horizontal scaling of server components servicing the web tier. The same robust server capacity configuration available to the claimants will be available for the EDD using the Administrative Application. The application was designed to support 400 concurrent users, which exceeds the number provided by the EDD by almost 100 percent.

The EDD indicated at peak approximately 250 users would potentially access the application simultaneously. Additional capacity and capability can be scaled if needed to support response times and responsiveness in the application. Full backups are completed by the bank on a weekly schedule. Each night incremental back ups are run. Monthly back ups are also conducted with offsite long term storage. Restoration of data could occur to the previous day's activities.

**Clear, proactive communication**

It is critical that forecasting information is accurate and that the EDD work with the bank to ensure that accurate anticipated volumes of claimants are communicated to Project management for successful servicing of the EDD claimants. We will work with the EDD to ensure these communication channels are clear and open.

| | |
|---|---|
| 244 | **Bidders should describe their Website's ability to accept correspondence (i.e., electronic documentation for dispute resolution) or online forms.** |

Cardholders can email us with questions via the email address provided online. All inquiries are answered within one business day.

Due to the time sensitivity and Regulation E requirements regarding dispute resolution, our website does not accept dispute correspondence or online forms. Claims initiation can only be handled via a live representative within our Customer Service Center.

| | |
|---|---|
| 245 | **Bidders should describe the process for claimants to check on the status of disputed transactions.** |

All account inquiries, including inquiries regarding dispute status, should be directed to and managed by the Cardholder Customer Service Center (CSC). All Regulation E requirements and timelines are followed with dispute claims by a claimant. All dispute inquiries will be directed to a live customer service agent where they will check on the status of an existing claim, and if necessary, follow up with the cardholder if additional information is not available at the time of the call.

The claimant should feel comfortable in dealing with disputed transactions knowing that we extend our Zero Liability protection on dispute claims, including ATM and pinned POS transactions.

**Resources dedicated to dispute transactions**

Our dedicated Claims Acceptance team within the customer service center logs all incoming disputes – both fraud and non-fraud. These agents specialize in initiating and researching claims and will work with the cardholder to file the initial the claim and provide updates to the cardholder as the claims research and resolution process is underway.

**Dispute Process**

A Claimant can file a dispute by calling the Customer Service Center for complete instructions.

- For Customer Service, including activation of the card: 866.692.9374
- Note: The toll-free numbers are only accessible from within the U.S.
- For the hearing impaired, TTY line: 866.656.5913
- For Customer Service outside of the U.S., call collect: 1.423.262.1650

After selecting the "dispute a transaction" option within our IVR, the cardholder will immediately speak with a live representative who will further review the transaction and any other possible fraudulent transactions with the cardholder. Based on the review of the transaction and the cardholder's account, it may be necessary for the customer service representative to formally begin a dispute. The representative will educate the cardholder on the process, including any needed correspondence.

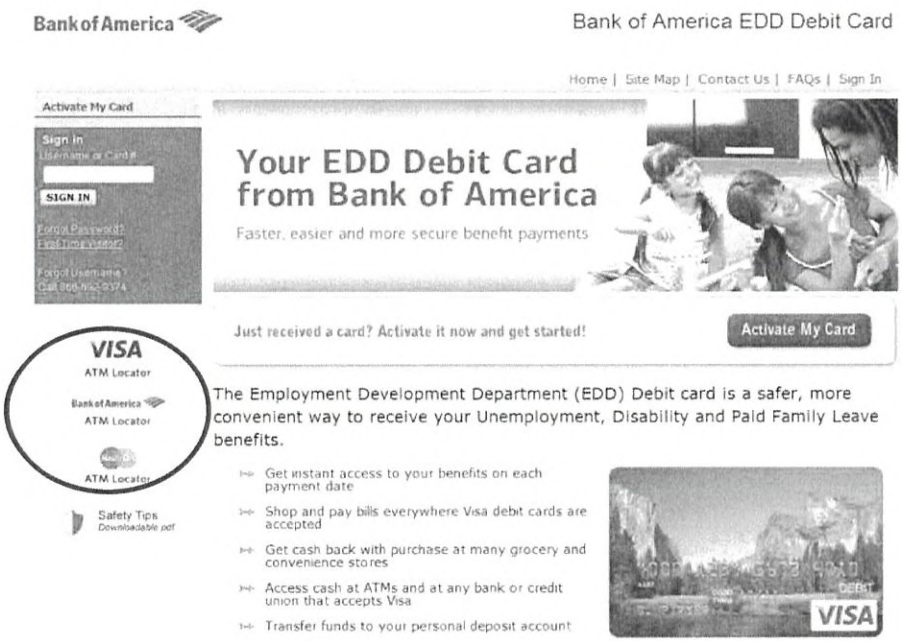
To properly process a dispute request, we may ask the cardholder for the following information: name; card number; certification that the card was lost, stolen or compromised (still in possession); transaction date, amount and merchant location. Once a dispute is requested in our system, a case will be created within our claims tracking system and tracked until final resolution.

Per Regulation E, within 10 business days of the initial dispute, we will promptly correct the error. In some instances, we may need more time. Regulation E states that we may take up to 45 days to investigate the complaint. If more time is needed, we will temporarily credit the cardholder's account within 10 business days of the initiated dispute for the full disputed amount. There is no limitation or maximum to the credit amount provided. This will allow the cardholder to use the funds while the claim is being resolved. If the dispute is resolved in the cardholder's favor, the disputed transaction will be removed at that time and the credit will be made permanent. However, if resolved in the merchant's favor, the disputed transaction will stay on the account and the temporary credit will be reversed.

| | |
|---|---|
| 246 | **Bidders should describe how their website will provide the ability to view cash access locations.** |

We understand the necessity in providing claimants the ability to easily find nearby locations to access cash. Bank of America will continue to provide user-friendly website access. Claimants can visit our website homepage where links provide a complete listing of all available in-network and out-of-network ATMs located throughout California and the U.S.

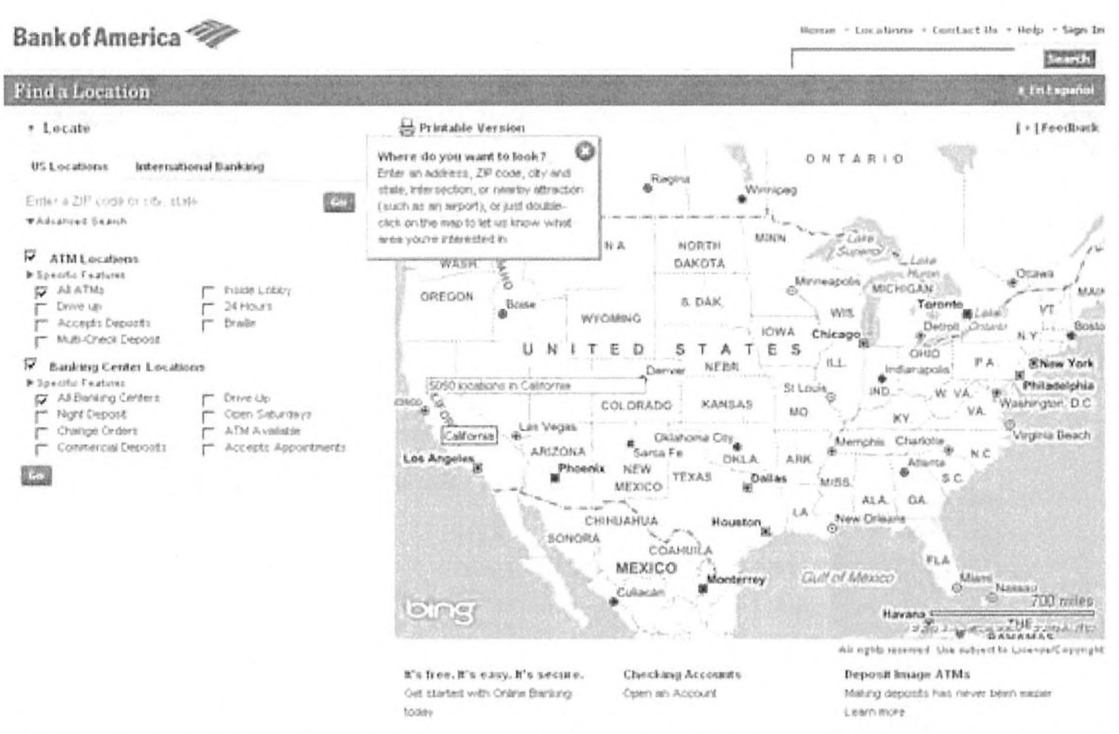
Below is a sample of the ATM locator link indicators within the website.

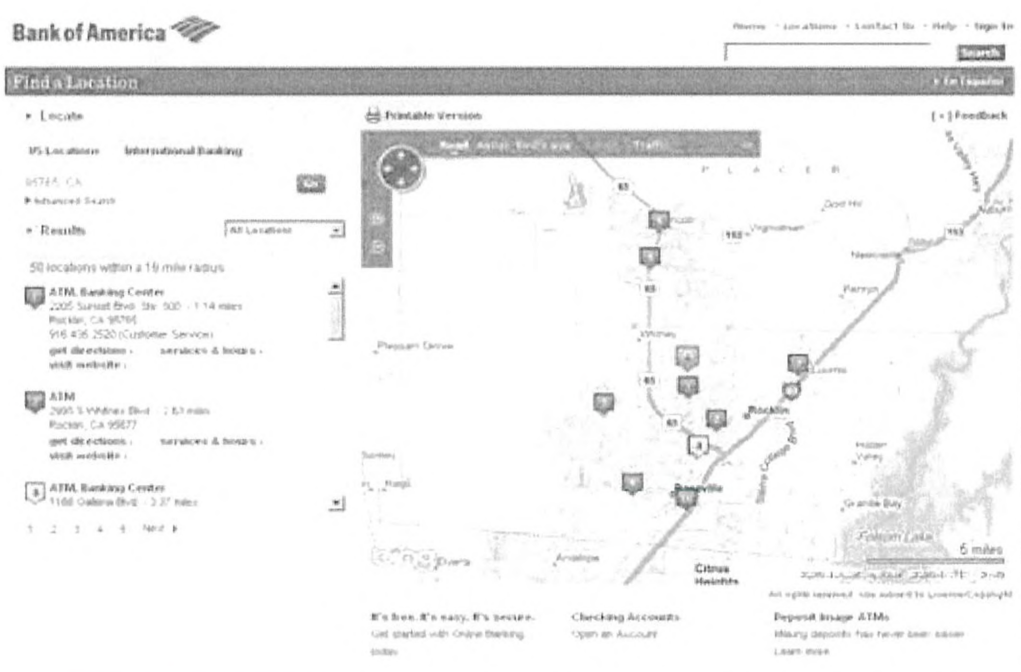



Additionally, the website houses listings of locations of Visa financial institutions where over-the-counter Cash Access transactions may be performed.

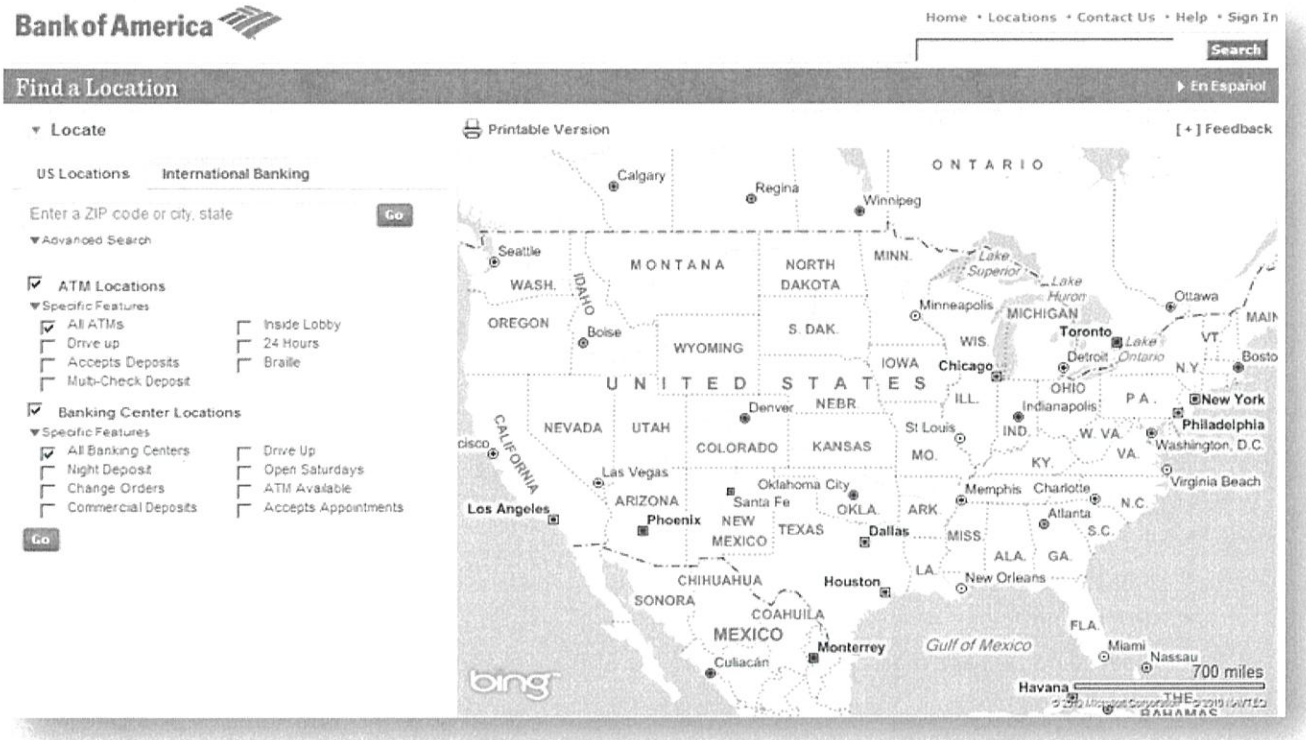
**Bank of America Locator**

As shown on the next page, once on the locator screen, the Bank of America search features help claimants to find a location that meets their need, including 24 hour access, drive up capability, Saturday availability and other feature/functionality to support the ability to access payments as needed, when needed.




From the locator screen, you can also access International ATM Locations, on the International Banking Tab.




**Online customer service – knowledgeable assistance at the click of a button**

The bank is delighted to continue to offer the EDD a cardholder Online Customer Service website custom developed for your program — available in English and Spanish. Cardholders activate their cards via our website and have online access to their debit card information through this dedicated website 24/7/365.

In early 2016, we will be enhancing our Cardholder Website to allow for right-sized and device-appropriate access from any Internet enabled device, including cell phones, PCs and tablets. The modern look and feel of the site will be complemented with easy and intuitive navigation. The responsive architecture automatically resizes the screen based upon the size of the device, thus providing an optimal and consistent viewing experience across a wide range of devices (from mobile phones and tablets to laptop and desktop computer monitors).

Our customer service website will continue to conform to all WCAG & ADA standards for accessibility. Within the homepage of the site, we also provide special messaging and a link to EDD's website. Customization of the EDD's cardholder customer service website has proven to be an important part of ongoing support. The EDD currently reviews and approves any changes to the website prior to release.

The Online Customer Service website currently supports IP address logging, and our enhanced website will offer cardholders 24 months of online transaction detail and online statements. In 2016, we will be introducing Device Finger Printing technology, which is used to recognize the device (computer, mobile phone or tablet) that accesses the website and is used to help positively identify the appropriate cardholder. This technology is a critical component of the Knowledge-Based Authentication functionality of the website, which promotes an additional level of fraud mitigation capabilities for clients.

The cardholder website has been specifically developed for the EDD's debit card program. The EDD's cardholders have online access to real-time information on their debit card through a dedicated website 24/7/365. Features include the following:

- Card activation and PIN selection
- Security validation using the cardholder's social security number and CVV2 security code
- Check balance
- View statements and real-time transaction history
- ATM/Cash access locators
- Select text/mail notifications – Cardholders can receive texts messages or emails for:
  - Low balance alerts
  - Value load notifications
- Direct deposit transfers
- Ability to change PIN, password and personal settings
- Frequently asked questions
- Cardholder agreement
- Privacy notice
- Special home page messaging and links to the EDD's website

We currently provide cardholders online access to both account transaction activity and monthly electronic activity statements for a period of 12 months, moving to 24 months in 2016. Cardholders can request a paper copy of these statements through our call center.

| | |
|---|---|
| 247 | **Bidders should provide samples of Web pages, statements, dispute forms, or any other forms available through the Website in their proposal response.** |

Samples of statement and alert messages (email and text) are provided below. Samples of web pages available through the website are provided within the CSC Services Plan located in the Appendix. From the home page of the EBP project for EDD, claimants will be able to access collateral associated with the program as well as other critical information.

Note: All disputes are now filed electronically by our live customer service representatives. Your claimants simply have to call the number on the back of their card to file a dispute claim. If any further documentation is required, our fraud or dispute representatives will communicate those instructions directly to the claimant.

Sample Statement

Bank of America
PO BOX 8488
GRAY TN 37615-8488

RETURN SERVICE REQUESTED

00002 9061370 000003 000003 00001/00001

>00002 9061370 001 374600
ROBBIE A SASPATUPLOAD PH.D.
242 PAT UP LANE
SUITE 100
LITTLETON CO 80127
TEST

| | |
|---|---|
| Customer Service: | 1-866-213-4074 |
| Card Number: | XXXX XXXX XXXX XXXX |
| Period Start Date: | May 27, 2006 |
| Period End Date: | June 26, 2006 |

## Summary of Transactions

| Previous Balance | (+) Credits and Adjustments | (-) Purchases and Adjustments | (=) New Balance |
|---|---|---|---|
| $0 00 | $5,220 00 | $647 00 | $4,573 00 |

We have improved the look of your monthly statement. Summary transaction information is conveniently located above. In addition, we have improved delivery times and your statement will be received at this time each month.

## Account Transaction Activity

| Posted Date | Reference Number | Transaction Description | Credit | Debit |
|---|---|---|---|---|
| 06/01/06 | | Monthly Maintenance Fee | $0 00 | $0 00 |
| 06/23/06 | 825138575707 | Manual Card Reload;The Cheesecake Factory In | $5,000 00 | $0 00 |
| 06/23/06 | 617418013172 | Purchase Return | $100 00 | $0 00 |
| 06/23/06 | 825987328586 | Adjustment Credit;The Cheesecake Factory In | $25 00 | $0 00 |
| 06/23/06 | 826003881288 | Adjustment Debit;The Cheesecake Factory In | $0 00 | $35 00 |
| 06/23/06 | | Teller Cash Fee - Domestic | $0 00 | $15 00 |
| 06/23/06 | 617418013182 | Teller Cash Withdrawal | $0 00 | $125 00 |
| 06/23/06 | 617418013184 | Purchase Return | $95 00 | $0 00 |
| 06/23/06 | | Teller Cash Fee - Foreign | $0 00 | $15 00 |
| 06/23/06 | 617418013186 | Teller Cash Withdrawal | $0 00 | $200 00 |
| 06/23/06 | | Teller Cash Fee - Foreign | $0 00 | $15 00 |
| 06/23/06 | 617418013190 | Teller Cash Withdrawal | $0 00 | $50 00 |
| 06/23/06 | 617418013192 | Purchase of Goods or Services | $0 00 | $16 00 |

(continued)

Would you like to receive account information, as well as your monthly statements online? Please go to www.bankofamerica.com/cashpay to register and to sign up for electronic statements. Online customer service is available at no cost 24 hours a day. Statements can easily be printed and you will have access to account information going back one full year. Sign up today!

**"In case of Errors or Questions About Your Electronic Transfers:**
Telephone us at 1.866.213.4074 or write us at CardServices Center. Dispute Processing. P O Box 266001. Highlands Ranch. CO 80163-6001 You may also fax us at 1 303 389-7324 Contact us as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared:

(1) Tell us your name and card number
(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information
(3) Tell us the dollar amount of the suspected error

We will investigate your complaint and will correct any error promptly If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation "

Page 1 of 2

| | |
|---|---|
| Customer Service: | 1-866-213-4074 |
| Card Number: | xxxx xxxx xxxx xxxx |
| Period Start Date: | May 27, 2006 |
| Period End Date: | June 26, 2006 |

**Account Transaction Activity (continued)**

| Posted Date | Reference Number | Transaction Description | | Credit | Debit |
|---|---|---|---|---|---|
| 06/23/06 | 617418013194 | Purchase of Goods or Services | | $0 00 | $17 00 |
| 06/23/06 | 617418013196 | Purchase of Goods or Services | | $0 00 | $18 00 |
| 06/23/06 | 617418013200 | Purchase of Goods or Services | | $0 00 | $30 00 |
| 06/23/06 | 617418013202 | Purchase of Goods or Services | | $0 00 | $30 00 |
| 06/23/06 | 617418013204 | Purchase of Goods or Services | | $0 00 | $30 00 |
| 06/23/06 | 617418013208 | Purchase of Goods or Services | | $0 00 | $18 00 |
| 06/23/06 | 617418013210 | Purchase of Goods or Services | | $0.00 | $17 00 |
| 06/23/06 | 617418013212 | Purchase of Goods or Services | | $0 00 | $16 00 |
| | | | TOTAL -- | $5,220.00 | $647.00 |

## Alert Messages

In addition to the information as provided from the Home page, alert messaging capability is provided as part of the Bank of America web capability.

ALERTS | AVOIDING FRAUD | AVOIDING FEES | LOST/STOLEN CARD | ATM SAFETY TIPS

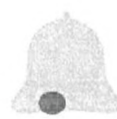
**Stay Informed with Alerts**

Get email or text alerts:

- When a deposit is made to your card
- When your balance is low

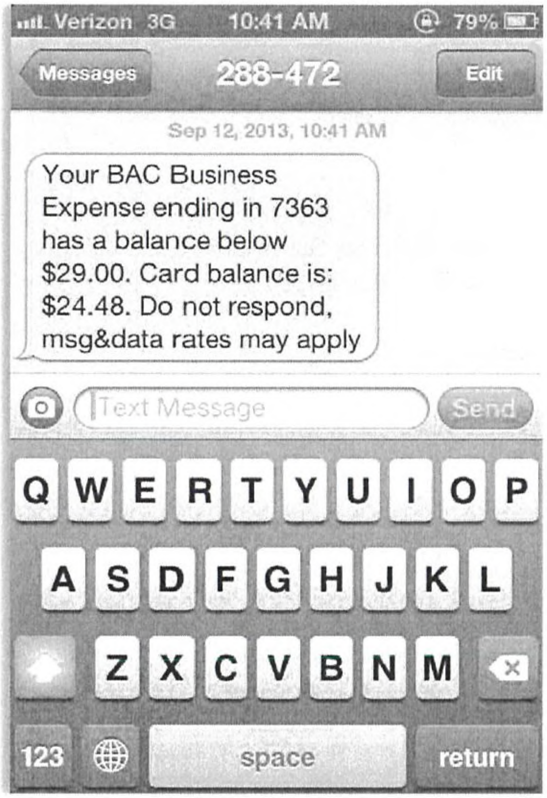
To sign up for alerts:

- Log in and select Alert Options under the Profile menu
- Select the alerts you would like to receive and click save
- Select Alert Settings under the Profile menu and enter your contact details. Be sure to complete the verification steps for your text message device number.



The following are examples of:

**Low balance alerts**




From: BAC Business Expense [noreply@visaprepaidprocessing.com] Sent: Thu 9/12/2013 10:41 AM
To: Rashedi, Shannon
Cc:
Subject: Your BAC Business Expense has low balance.

Dear Shannon,

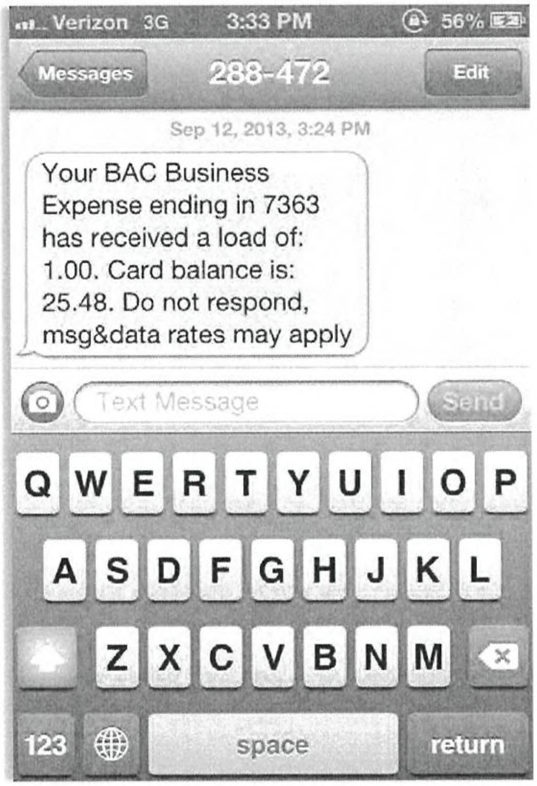
Your BAC Business Expense card ending in 7363 has a balance below $29.00.
Your current available balance is: $24.48.

Please do not reply to this message. If you need further assistance, or wish to no longer receive these e-mails, please contact Customer Service at 866.213.8564, or sign in to our BAC Business Expense Website to change your alert options.

Thank you.

EID 1088 V 1

**Value Load Alerts**




From: BAC Business Expense Sent: Thu 9/12/2013 3:23 PM
To: Rashedi, Shannon
Cc:
Subject: Funds have been successfully added

Dear Shannon,

This email is to notify you that funds have been added to your BAC Business Expense.

Funding Amount: $1.00

You can view this information by signing in to your account online at the BAC Business Expense Website.

Please **do not** reply to this message. If you need further assistance, please contact Customer Service at 866.213.8564.

Thank you.

EID 1006 V 1

From: BAC Business Exp Sent: Thu 9/12/2013 3:24 PM
To: Rashedi, Shannon
Cc:
Subject: Your BAC Business Expense had a value load.

Dear Shannon,

Your BAC Business Expense card ending in 7363 has received a load of $1.00. Your current available balance is: $25.48.

Please do not reply to this message. If you need further assistance, or wish to no longer receive these e-mails, please contact Customer Service at 866.213.8564, or sign in to our BAC Business Expense Website to change your alert options.

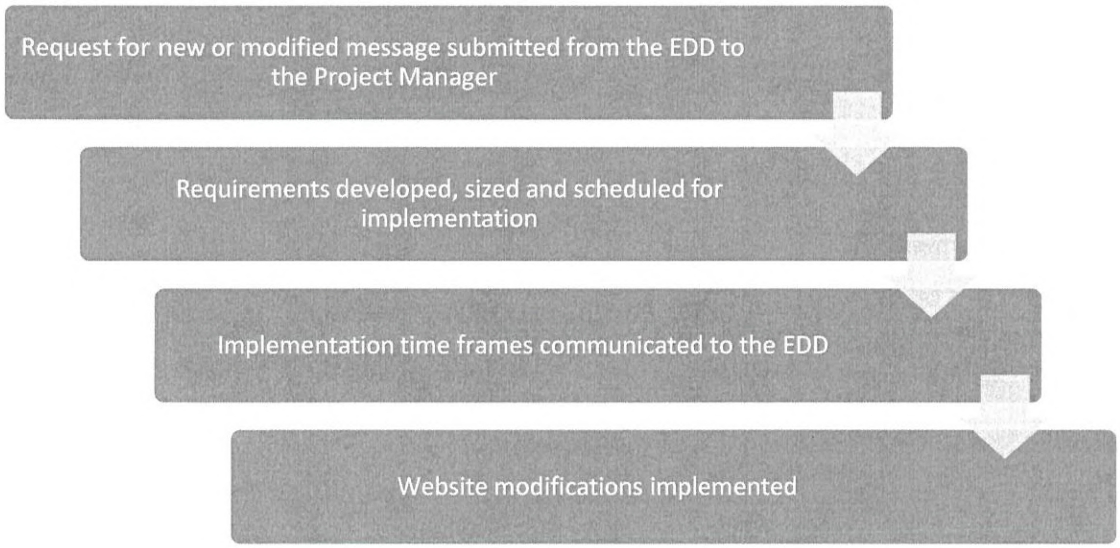
Thank you.

EID 1086 V 1

| | |
|---|---|
| 248 | **Bidders should describe their process for Website modifications requested by the EDD at no cost to the EDD. For example, text changes, updated or new links, image changes.** |

We will accommodate requests for website modifications at no cost to the EDD. The following is the process to request website modifications (e.g., text changes, new links, image changes, etc).

**Website Modification Request**




Timeframes associated with these updates are determined through collaboration between Bank of America and the EDD and dependent upon the requirements and urgency of the request; however, Bank of America understands that as program events occur, the need to add an alert message, and communicate what the change is, is imperative. We'll work with the EDD to ensure the changes are made as swiftly as possible, even immediately. Below is an Impact Analysis and Change Request Form.

Visuals: Impact Analysis and Change Request Form

## Change Request Statement / Impact Analysis Package

**Title**

| | | | |
|---|---|---|---|
| **Change Request ID:** | | | **Date Identified:** |
| **Change Request Section 1: General** | | | |
| **Originator Name** | | **Originator's Organization** | |
| **Phone** | | | |
| **Change Control Board** | ☐EDD ☐EBP ☐ BofAML | **Baseline Deliverable/ Configuration Item** | Version number: |
| **CR Decision** | ☐Approved ☐Denied ☐ Deferred<br>Approved by: Date: | **Reason for Denial or Deferral** | |
| **Project(s) Impacted**<br>Select the project(s) that may be impacted by this change. | ☐EDD Other ☐BofAML<br>☐EBP Project ☐Other | **Date Change Needed By**<br>**Date change needs to be implemented by.** | Comments |
| **Other Area Impacts**<br>Indicate other areas impacted by this change | Reporting ☐Yes ☐No ☐Unknown<br>Forms ☐Yes ☐No ☐Unknown<br>Reports ☐Yes ☐No ☐Unknown<br>Files ☐Yes ☐No ☐Unknown<br>Other: | | |
| **Federal Requirement** Provide citation in Justification section | | ☐Yes ☐No | |
| **State Reg. or Legal Requirement** Provide citation in Justification section | | ☐Yes ☐No | |
| **Program Specific Requirement** Provide citation in Justification section | | ☐Yes ☐No | |
| **Enhancement** Provide citation in Justification section | | ☐Yes ☐No | |
| **Other** Provide citation in Justification section | | ☐Yes ☐No | |
| **CR Priority**<br>Identify the urgency for this change. Refer to Priority description list. | See descriptions in Table 1 before selecting one:<br>☐Urgent<br>☐High<br>☐Medium<br>☐Low | **Proposed IAP Leads:**<br>**Proposed IAP Team Members:** | |

| Change Request Section 2: Description and Justification | | | |
|---|---|---|---|
| **Change Request Description and Justification** | | **Date Change Request Accepted for Analysis (provided by EBP Project Team)** | |

| Impact Analysis Package Section 1: Dates | | | |
|---|---|---|---|
| **Date IAP Assigned** | | **Date IAP Due** | |
| **Impact Analysis Package Section 2: Impact Assessments** | | | |
| **Contract Amendment Required** | ☐Yes ☐No<br>additional information | **Reviewed by Core Project Team** | ☐Yes ☐No<br>If yes, provide date |
| **Financial (+/-)** | EDD Cost Change ☐Yes ☐No<br>BofAML Cost ☐Yes ☐No<br>State Cost Change ☐Yes ☐No<br>Other Cost Change ☐Yes ☐No | **BofAML Contract Term Change** | ☐Yes ☐No |
| **Scope** | EDD ☐Increase ☐Decrease ☐No Change<br>BofAML ☐Increase ☐Decrease ☐No Change | | |
| **Impact Associated with Implementing the Proposed Solution**<br>Instructions: Include discussion of impact and risk associated with implementation. | | | |
| | | | |
| **Impact Associated with Not Implementing the Proposed Solution**<br>Instructions: Include discussion impact and risk associated with not implementing. | | | |
| | | | |
| **Impact Analysis Package Section 3: Implementation Plan** | | | |
| **Solution Description**<br>Instructions: Use the IAP checklist as a guide to complete the analysis and in writing the detailed solution description. The Executive Summary should be concise and to the point. The IAP checklist is a guideline of elements that may need to be included in the analysis. | | | |
| | | | |
| **Impact Analysis Package Section 4: Other** | | | |
| **Other Impacts and Considerations**<br>Instructions: Document completion criteria and estimated schedule. | | | |
| | | | |
| **Other Alternatives Considered including Business Processes that are not Part of the Recommended Solution**<br>Instructions: Document assumptions (alternatives) and concerns/risks (alternatives). | | | |
| | | | |

| | |
|---|---|
| 249 | **Bidders should describe their process for expedited Website modifications requested by the EDD at no cost to the EDD. For example, text changes, updated or new links, and image changes.** |

As stated in our response to requirement 248 above, Bank of America will accommodate requests for website modifications requested at no cost to the EDD. The following is the process to request Website modifications (e.g., text changes, new links, image changes, etc:

- Request for new or modified message submitted from the EDD to the Project Manager
- Requirements developed, sized and scheduled for implementation
- Implementation time frames communicated to the EDD
- Website modifications implemented

We are able to expedite website modifications upon EDD's request at no cost to the EDD. Timeframes are normally based on the urgency of the request and the requirements. When the need to expedite a modification request arises we collaborate with EDD to determine an appropriate timeframe with the understanding that the timeline must be swift.

| | |
|---|---|
| 250 | **Bidders should describe their online bill pay services available for the EDD's claimants.** |

Cardholders may pay bills utilizing their 16-digit EDD Debit Card number at all billing merchants accepting Visa for payment. This includes transactions at point-of-sale, through a website, by mail or by phone.

Currently, EDD cardholders frequently use their cards for bill pay transactions, including cell phone and internet providers, cable companies, etc. Below is a current list of top 20 bill payment merchants:

- AT&T
- Verizon Wireless
- T-Mobile
- California DMV
- Comcast
- DirectTV
- Time Warner Cable
- Metro PCS
- Dish Network
- State Farm Insurance
- Geico
- Cox Communications
- Charter Communications
- Mercury Insurance
- Allstate Insurance
- Los Angeles Department of Water and Power
- Sacramento Municipal Utility District
- Superior Court of California
- Southern California Gas Company
- Netflix

| | |
|---|---|
| 251 | **Bidders should describe the language services available for the claimant IVR above the minimum required of: English, Spanish, Armenian, Tagalog, Punjabi, Cantonese, Mandarin, Vietnamese languages and TTY-TDD (telephone device for the deaf).** |

Our Cardholder Customer Service IVR system currently supports English, Spanish, Armenian, Tagalog, Punjabi, Cantonese, Mandarin and Vietnamese. In addition to these languages, we also offer TTY-TDD (telephone device for the deaf).

If additional language support is needed beyond the languages required, the claimant will need to opt out to speak with a live customer service representative where language line services will be utilized. Our language line services support over 240 different languages as shown in the listing on the following page.

LanguageLine Solutions

Additional languages and dialects may be available. Rare languages may require additional interpreter connect time.

## Over-the-Phone Interpreting Language List

Acholi
Afar
Afrikaans
Akan
Akateko
Albanian
Amharic
Anuak
Apache
Arabic
Armenian
Assyrian
Azerbaijani
Bahasa
Bahdini
Bahnar
Bambara
Bantu
Barese
Basque
Bassa
Belorussian
Bemba
Benaadir
Bengali
Berber
Bosnian
Bulgarian
Burmese
Cantonese
Cebuano
Chaldean
Chamorro
Chaochow
Chin Falam
Chin Hakha
Chin Mara
Chin Matu
Chin Senthang
Chin Tedim
Chipewyan
Chuukese
Cree
Croatian
Czech
Danish
Dari
Dewoin
Dinka
Duala
Dutch
Dzongkha
Edo
English
Estonian
Ewe
Farsi
Fijian
Fijian Hindi
Finnish
Flemish
French
French Canadian
Fukienese
Fulani
Fuzhou
Ga
Gaddang
Gaelic-Irish
Gaelic-Scottish
Garre
Gen
Georgian
German
German Pennsylvania Dutch
Gheg
Gokana
Greek
Gujarati
Gulay
Gurani
Haitian Creole
Hakka-China
Hakka-Taiwan
Hassaniyya
Hausa
Hebrew
Hiligaynon
Hindi
Hmong
Hunanese
Hungarian
Icelandic
Igbo
Ilocano
Inuktitut
Indonesian
Italian
Jakartanese
Jamaican Patois
Japanese
Jarai
Javanese
Jingpho
Jinyu
Juba Arabic
Jula
Kaba
Kamba
Kanjobal
Kannada
Karen
Kashmiri
Kayah
Kazakh
Kham
Khana
Khmer
K'iché
Kikuyu
Kimiiru
Koho
Korean
Kpelle
Krahn
Krio
Kunama
Kurmanji
Laotian
Latvian
Liberian Pidgin English
Lingala
Lithuanian
Luba-Kasai
Luganda
Luo
Maay
Macedonian
Malay
Malayalam
Mam
Mandarin
Mandinka
Maninka
Manobo
Marathi
Marka
Marshallese
Mbay
Mien
Mirpuri
Mixteco
Mizo
Mnong
Mongolian
Moroccan Arabic
Mortlockese
Napoletano
Navajo
Nepali
Ngambay
Nigerian Pidgin
Norwegian
Nuer
Nupe
Nyanja
Nyoro
Ojibway
Oromo
Palauan
Pampangan
Panjabi
Papiamento
Pashto
Plautdietsch
Pohnpeian
Polish
Portuguese
Portuguese, Brazilian
Portuguese, Cape Verdean
Pugliese
Pulaar
Quechua
Quichua
Rade
Rakhine
Rohingya
Romanian
Rundi
Russian
Rwanda
Samoan
Sango
Seraiki
Serbian
Shanghainese
Sichuan Yi
Sicilian
Sinhala
Slovak
Slovene
Soga
Somali
Soninke
Sorani
Spanish
Sudanese Arabic
Sunda
Susu
Swahili
Swedish
Sylheti
Tagalog
Taiwanese
Tajik
Tamil
Telugu
Thai
Tibetan
Tigré
Tigrigna
Toishanese
Tongan
Tooro
Turkish
Turkmen
Tzotzil
Ukrainian
Urdu
Uyghur
Uzbek
Vietnamese
Visayan
Welsh
Wodaabe
Wolof
Wuzhou
Yiddish
Yoruba
Yunnanese
Zapoteco
Zarma
Zyphe

| | |
|---|---|
| 252 | **Bidders should describe the process for handling calls that may exceed the IVR call capacity.** |

Bank of America IVR exceeds expectations

- **To date, we have not suffered an interruption in IVR service due to calls exceeding the Bank of America IVR call capacity.**
- **On average, we use about 40% of our port capacity.**

The IVR is sized to handle large volumes of calls and peak volumes for the EBP Project. On average, the call center uses no more than 40 percent of available port capacity. Call forecasting is critical to maintain additional capacity to cover any spikes in calls. The bank will work actively with the EDD to appropriately forecast claimant numbers. In addition, we have established an Active/Active approach means that any issues encountered within the primary application can be immediately mitigated by routing traffic to the secondary application instantly and seamlessly. If a situation were ever to arise where IVR call capacity is exceeded, we can ensure that cardholders will not receive a busy signal. An emergency alert message would be placed on the IVR providing an update for the claimant on current status and anticipated availability.

| | |
|---|---|
| 253 | **Bidders should describe the process to handle IVR problems identified by claimants.** |

Any IVR problems identified by claimants should be directly communicated to the customer service center. Traditionally, an issue of this type is immediately communicated to a live customer service representative when a cardholder opts to speak with a live operator.

Once an issue is identified, the customer service representative begins the escalation process by making their immediate supervisor aware. From that point, platform management is made aware, the issue is logged and the issue resolution process begins immediately. The issue is researched for immediate resolution; a solution is identified and implemented as soon as possible to restore normal service to the claimant. The EDD receives updates by the Project Manager of any service disruptions and the imminent resolution of the issue.

| | |
|---|---|
| 254 | **Bidders should describe their process to record and play new or modified IVR messages at no cost to the EDD.** |

Our program can accommodate the recording of different messaging within the IVR at no cost to the EDD. The following is the process to implement new or modified IVR messages:

- Request for new or modified message provided to the Project Manager
- Requirements developed, sized and scheduled for implementation
- Implementation time frames communicated to the EDD
- Message recorded by voice talent
- Message implemented on IVR system

Prior to releasing any new messaging to the IVR, our team will gain the approval of the appropriate EDD staff.

| | |
|---|---|
| 255 | **Bidders should describe their process to expedite new or modified IVR messages at no cost to the EDD.** |

We will continue to provide the ability to expedite new or modified IVR messages at no cost to the EDD. It is understood that unforeseen circumstances such as special EDD messaging, service delays or other imperative information may require key messages being delivered to claimants through various communication channels, including the IVR.

Any escalated needs for new or modified IVR messages should be first directed to your Project Manager, Sabrina Clark. Sabrina will communicate the need to client services where requirements will be developed, sizing and scoping of the changes will take place and communication will go back to the EDD on exact implementation time frames. Bank of America will continue to work collaboratively with EDD to refine messaging and prompts within the IVR to best suit the needs of the California claimants and community served.

| | |
|---|---|
| 256 | **Bidders should describe all services provided by the CSC.** |

Whether customers or claimants use an online channel or call the Customer Service Center, they expect rapid service and accurate, secure information. Bank of America meets those expectations by providing customers and claimants as well as the associates who serve them with state-of-the-art technology they can rely on. We are passionate about providing exceptional customer service and we are very sensitive to claimants' needs and understand that the EDD wants each claimant 'experience' with the program to be a positive one. Thus, the focus on customer service enables flexible, empathetic, knowledgeable and well-trained representatives to support the claimants needs and provide the customer 'experience' desired by the EDD.

The services provided through the CSC are identified below.

**Customer Service Center: Services Provided**

| | |
|---|---|
| Integrated Voice Response (IVR) System | •First point of contact for callers to the CSC. Callers can perform functions using a touch-tone phone or opt to speak directly to a live customer service representative. |
| Online Website | •Claimants may access the online website to access information and perform various functions with their card. |
| Customer Service Representative (CSR) Support | •Claimant callers to the CSC may choose to speak to a live CSR at any time during the call. The primary, dedicated CSC is located in Carmichael, CA, with additional fully-trained agents available in Johnson City, TN and Harlingen, TX |
| Additional Language Support | •Additional language support beyond the required eight languages is provided through the AT&T Language Line. |

**Specific Customer Service Support**

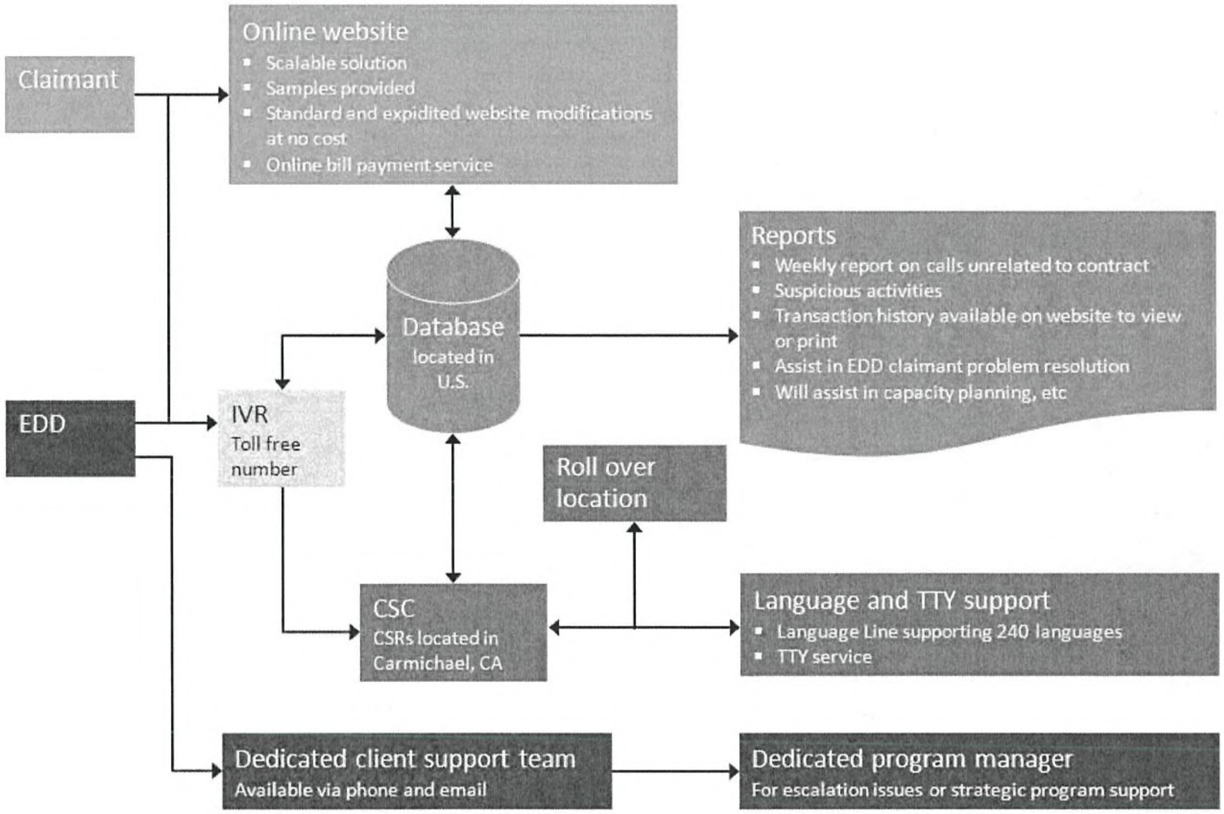
Our live customer service representatives provide the following services:

- Card activation activity and support
- PIN sets/resets
- Cardholder website inquiries and password resets
- Balance inquiries and specific transaction inquiries
- Transaction history/statement requests
- Investigate transactions (fraud, security, use)
- Process lost/stolen/damaged card requests
- Initiate disputes
- Support an Emergency Cash Transfer
- Initiate direct deposit transfers

Additionally, customer service representatives will assist cardholders with automated customer service system questions, finding ATMs and Banking Center locations, and referring specific claim questions to the appropriate EDD customer service center.

The graphic below depicts various functions the CSC representatives perform. The RFP requirements are included where applicable. This diagram is meant to be illustrative, as our current and future service provides more than the stated requirements.

**Bank of America EDD Customer Service Flow Diagram**




We're confident that the Bank of America approach to customer service will continue to meet and exceed the needs of the EDD and the public. We're proud to say we continually achieve 94 percent of claimants indicating high satisfaction with the program and our ability to resolve issues in a timely and courteous manner.

| | |
|---|---|
| 257 | **Bidders should describe the language services available for the CSC above the minimum required of: English, Spanish, Armenian, Tagalog, Punjabi, Cantonese, Mandarin, Vietnamese languages and TTY-TDD (telephone device for the deaf).** |

The Bank of America CSR staff currently provides live Customer Service Center support in the following 8 languages with in-house resources:

- English
- Spanish
- Armenian
- Tagalog
- Punjabi
- Cantonese

- Mandarin
- Vietnamese

If additional language services are required above the minimum required, language line services will be used to service these individuals. The service provides for over 240 different languages, which represents the vast majority of languages spoken in the world. See the response to requirement number 251 for a listing of supported languages.

| | |
|---|---|
| 258 | **Bidders should describe how their CSC will have the capability to expand to provide services 3 additional languages at no cost to the EDD.** |

At this time, the bank is providing the required eight languages plus TTY-TDD. If requested by the EDD, we will add up to three languages to the IVR and live CSR assistance. The change would go through the change management process as described in our Change Management Plan.

The bank's EBP Project team consistently monitors all CSC activities, including that of additional language support. If it is determined that specific languages are needed more than others, we will communicate such findings to the EDD through the Project Manager and work directly with the EDD to determine if additional language support is warranted and/or changes to the existing service structure are required.

Benchmarking to add languages should include the number of calls requesting the language. The bank's Staffing Management Plan supports hiring multilingual staff to support the most languages requested, based on findings.

In addition to language volumes resulting in additional languages, we can provide the up to three additional languages the EDD may require based on regulatory or other changes.

| | |
|---|---|
| 259 | **Bidders should describe how their CSC will provide referral services for claimants who need assistance in languages not serviced by the Bidder's Customer Service Center.** |

If additional language services are required above the minimum required, language line services will be used to serve these individuals. The service provides for over 240 different languages, which represent 98.6% of the languages spoken in the world. A listing of the languages supported is provided under Requirement 251.

Once the appropriate language required is identified, the live representative will contact our language line translation service and request support in the needed language. Our representative will then support the cardholder via a three-way call with cardholder and translator on the line.

| | |
|---|---|
| 260 | **Bidders should describe their process to ensure that the CSC capacity is scalable to accommodate significant changes in call volume.** |

The CSC is fully capable of handling expected and unexpected increases in call volume using telecommunications redundancy. As calls come into the system they are routed to the next available agent based on call type. The telecommunications system allows for call queuing and routes calls to agents immediately as they become available. Adjustments to agent schedules to accommodate peak call volumes are done based on trending analysis reports.

When it is determined that call volumes may exceed the ability of the onsite staff to respond in accordance with the service level requirements, the team will route a percentage of the calls to one of the backup centers until call volumes return to normal range. Our CSRs are trained to support claimant questions regarding their prepaid debit card account throughout all designated call centers.

To determine CSC capacity for the EDD, the bank uses claimant data provided by the EDD in combination with Bank of America call forecasting and a workforce management tool to create volume models. This information identifies peak times and volume distribution levels and provides the most appropriate staffing models.

The workforce management system the bank uses has been developed to meet the requirements of contact centers that serve geographically dispersed offices. The system integrates forecasting, schedule planning, schedule management, long-term staff planning, office analysis, and database administration in one modular system. Within the system, data moves from function to function and server to supervisor workstation personal computer as needed.

As a planning and management tool, the system forecasts anticipated contacts received and average handling times (AHTs), and based on these forecasts projects staffing requirements. This provides for optimal utilization of personnel resources and ensures that CSC objectives are met.

| | |
|---|---|
| 261 | **Bidders should describe how calls unrelated to the Bidder's responsibility under this RFP and resulting contract will be identified and referred to the EDD.** |

The CSR staff is trained to identify and respond to questions that arise from a variety of card account usage situations.

In the event a request for information is unrelated to the services provided by the customer service team and the question must be escalated to the EDD staff, the CSR refers the claimant to the appropriate EDD customer service number. Per RFP requirements, the call will be identified as an "unrelated" call by the nature of the question and logged for the required reporting. This process is further detailed in the Customer Services Manual.

We will continue to work with the EDD to determine if a different referral process (i.e., soft transfer, cold transfer) is preferred. We will remain flexible in offering the best customer service to all EDD claimants who have a question directly related to their claims versus card account usage.

| | |
|---|---|
| 262 | **Bidders should describe the process for the EDD to directly speak to Bidder staff for priority assistance.** |

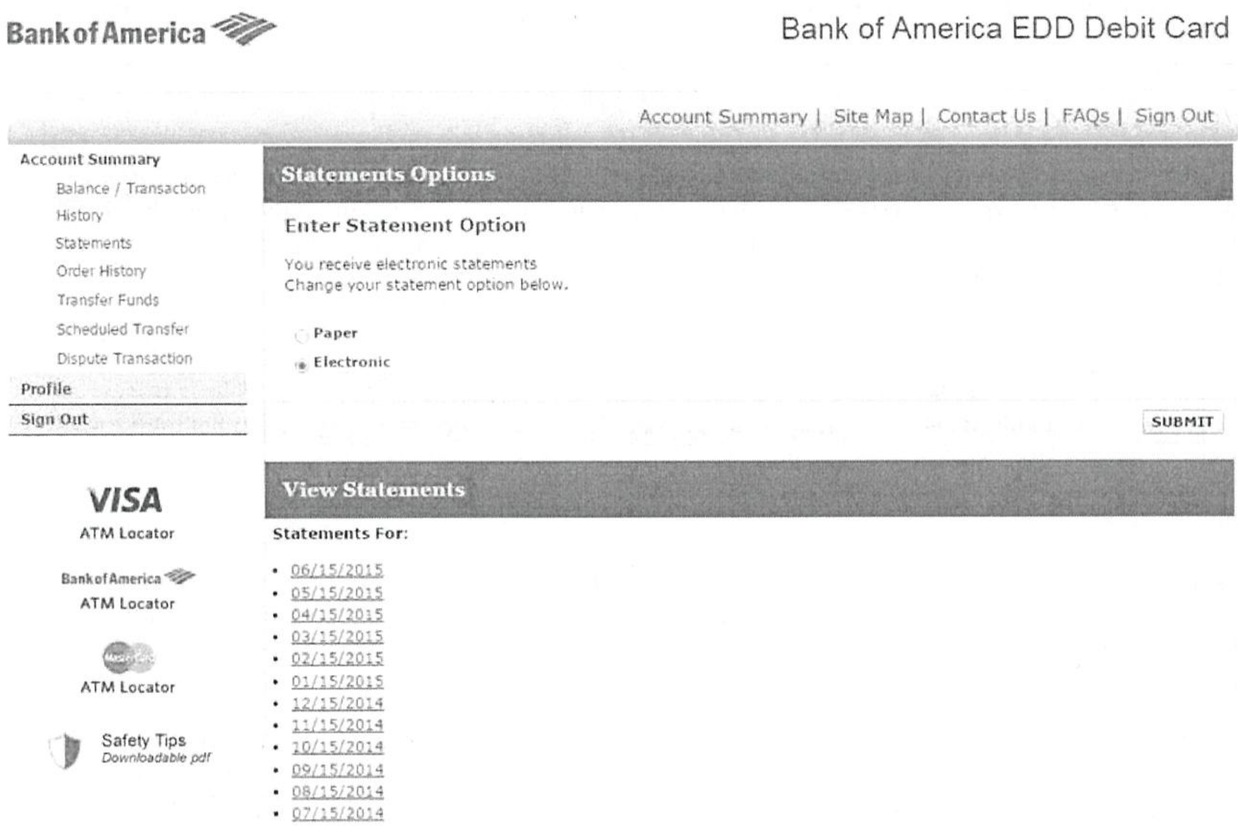
In addition to providing customer service to EDD claimants, our team also provides customer service to EDD staff. These services include direct interaction with the Project Manager. Cell phone numbers are already provided to the EDD, as well as alternative contact numbers to support meeting the requirement for 24/7 service and one hour face-to-face response times. The EDD is our priority, and as such, these positions are supported by our Sacramento-based Client Management team resources.

| | |
|---|---|
| 263 | **Bidders should describe the number of days of transaction history available on their Website to view and print. Six months is minimum requirement per Req. 305. Bidders who offer longer period of transaction history on their Website will get points.** |

Convenient access to transaction history is available through Online Customer Service by logging onto the website with User ID and Password. Once logged into the system, by navigating to Account History the cardholder may select current transactions for the current 30-day statement period or simply click on View Statements and select the desired statement period for the last 12-month period.

It is our pleasure to provide access for the past 12 months online, and if cardholders need additional information they may always call cardholder customer service and request additional information. Starting in early 2016, we will have 24 months of transaction information and statements available online thru the Cardholder Website.

Below is a sample screen shot.

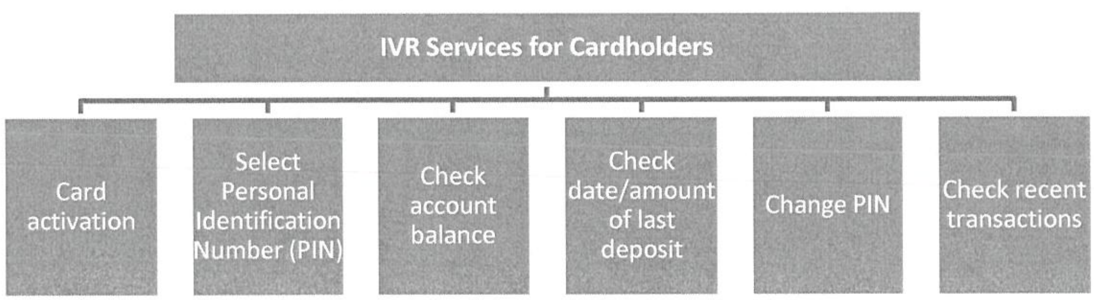



| | |
|---|---|
| 264 | **Any Bidder that provides the option to speak with the CSR in the first announcement of IVR choices will be awarded points.** |

As we have since program launch five years ago, within the initial greeting of our IVR, we provide callers with an option to talk to a live customer service agent.

Cardholder customer service is provided 24 hours a day by calling a toll-free number for automated account information or live customer service representatives, as well as via online customer service. The hearing impaired may call a toll-free number for TTY line access as well.

All IVR call flows for convenience provide account balance information up front following cardholder authentication and will also offer access to live representatives without going through multiple menus. The following are services that cardholders may obtain through the IVR:



While we offer alternate time-saving and efficient methods of obtaining account information through both automated and online methods, we understand that speaking to a live representative is important to individual claimants when needed. The following are services that cardholders may obtain through live customer service representatives:

- Toll-free access line
- Multi language support
- TTY line for hearing impaired
- When speaking to a customer service representative a claimant may:
  - Activate their card
  - Request transaction history
  - Investigate transactions
  - Process lost / stolen / damaged card reports
  - Request an emergency cash transfer
  - Close accounts

# I. End of Contract Activities

The Contractor agrees that upon termination of this contract, the Contractor will work with the new contractor and the EDD throughout the transition in the best interest of the public being served.

Changeover activities to be conducted by the Contractor, at no cost to the EDD, include, but are not limited to:

- Participation in schedule development.
- Testing of files and data records to be transferred.
- IVR/Call Center transition planning.
- Conversion planning, testing, and execution.
- System and process documentation.
- Ability to transfer balances to new debit cards.
- EDD-approved communications to claimants.

To prepare for changeover, the Contractor shall participate in the development of an End of Contract Plan, which will describe the activities to successfully transition to a replacement contractor, the sequence of those activities, the parties responsible for performing the activities, and a contingency plan, in the event changeover activities are delayed.

| REQ # | DESCRIPTION | CONTRACTOR AGREES (Y/N) | COMMENT |
|---|---|---|---|
| 350 | The Contractor shall participate with its successor and the EDD in good faith to assist in changeover planning, preparation, testing, and implementation. | Y | |
| 351 | The Contractor shall develop an End of Contract Plan with the EDD within six (6) months from contract execution in accordance with the DED. | Y | |
| 352 | The Contractor shall deliver status reports to its successor and the EDD at the frequency determined in the EBP End of Contract Plan describing changeover activities during the changeover period. | Y | |
| 353 | The Contractor shall document the results of changeover activities defined within the Plan in the EBP Changeover Activity Completion Report. | Y | |
| 354 | The Contractor shall provide information necessary to facilitate the transition of services to its successor. | Y | |
| 355 | The Contractor shall convert, export, or otherwise electronically deliver the data needed by its successor to conduct operations and maintain operational continuity, including, but not limited to debit card holder account data, direct deposit data, and names and addresses for mailing, reports, etc. | Y | |
| 356 | The Contractor shall provide any data needed by its | Y | |

## L. Investigations and Fraud Prevention

The EDD takes a comprehensive approach to fraud prevention, detection, and deterrence. This approach involves the EDD's program areas, oversight entities, and business partners including federal, state, local law enforcement agencies, and prosecutors.

The EDD's Investigation Division (ID) is a specialized law enforcement organization, enforcing the provisions of the CUIC. The Division provides investigative services to prevent, detect, and investigate instances of fraud committed against the EDD's programs and resources. The Contractor shall cooperate with the EDD's ID and/or any contractors EDD may utilize with regard to fraud investigations to the extent permissible by law.

The ID's Criminal Intelligence Unit (CIU) analyzes allegations of fraud against the EDD's programs, and develops cases to be referred to the appropriate fraud unit for investigation and prosecution. The CIU also assists in detection and prevention of fraud in the EDD's programs.

| REQ # | DESCRIPTION | CONTRACTOR AGREES (Y/N) | COMMENT |
|---|---|---|---|
| 400 | The Contractor shall provide from its fraud team or fraud investigation unit a SPOC to work with an EDD fraud SPOC to assist in investigation, detection, deterrence and prevention activity. | Y | |
| 401 | The Contractor shall report and confirm at each quarterly meeting a negative report or absence of any accidental or inadvertent release of confidential EDD or Claimant information. | Y | |
| 402 | The Contractor shall provide a single process/form by which EDD Investigation Division can request transaction history, still photo images AND/OR video images with one request. | Y | |
| 403 | The Contractor's fraud SPOC shall be available during business hours, 8 am to 5 pm Monday through Friday (PT). | Y | |
| 404 | The Contractor's fraud SPOC shall be available after business hours based on the EDD's business needs with prior notification. | Y | |
| 405 | The Contractor shall have a representative (Custodian of Record for court testimony) to testify during hearings for subpoenaed documents. | Y | |
| 406 | The Contractor shall provide a quarterly briefing to the EDD on trends, patterns, and overall fraud-related topics in the California EBP service. This briefing shall include information on new threats, new security related laws, regulations, and standards, and a history of security and fraud related issues since the previous briefing. The briefing will detail how the issues were handled and their disposition. | Y | |

| REQ # | DESCRIPTION | CONTRACTOR AGREES (Y/N) | COMMENT |
|---|---|---|---|
| 407 | The Contractor shall provide a quarterly report to the EDD on trends, patterns and overall fraud related topics in the California EBP service. This report shall include information on new threats, new security related laws, regulations, and standards, and a history of security and fraud related issues since the previous report. The report will detail how the issues were handled and their disposition. | Y | |
| 408 | The Bidders shall provide a description of its fraud investigation process and when there would be interaction with the EDD Investigation Division, in their bid package. | Y | |
| 409 | The Contractor shall retain in-network ATM video, photo, and/or digital image data for a minimum of twelve (12) months. | N | Given the volume of ATMs and ATM transactions, and the size of videos and photos, our enterprise-wide policy is to have a retention period of 120 days for ATM video. |
| 410 | The Contractor shall document fraud detection procedures and methodologies. | Y | |
| 411 | The Contractor shall cooperate with the EDD's Investigation Division and/or its contractors with regard to fraud investigations to the extent permissible by law. | Y | |

| | |
|---|---|
| **The Bidder's responses to each of the following requirements will be scored using the methodology described in Section VIII, EVALUATION of this RFP.** | |
| 412 | **Bidders should describe their in-network ATM video, photo and/or digital image data retention process including timelines beyond the twelve (12) month minimum required.** |

Bank of America operates a network of more than 15,000 ATMs and provides video and photos as required by thousands of clients and non-clients nationwide. To manage this complex operation that provides critical investigative information, we must follow consistent internal processes and industry best practices as permitted by law.

The EDD benefits from working with Bank of America as we have in-house insight into a high volume of EDD cardholder transactions – more so than any other ATM operator in the State. The organization stores transaction video and photos for 120 days. In addition, our industry best-in-class Fraud Investigations Department participates in investigations, applying specialized processes and tools to resolve fraud. We will continue to cooperate with the EDD's Investigation Division with regard to fraud investigations to the extent permissible by law.

| | |
|---|---|
| 413 | **Bidders should describe their fraud detection procedures and methodologies.** |

Our fraud specialists are committed to stopping card transaction fraud before it happens by monitoring cardholder spending patterns. We provide extensive fraud monitoring, reviewing how and where the card is being used in order to block potential fraud if abnormal patterns are detected. Our fraud strategies decision authorization operates in real time with the ability to create manual and systemic fraud detection work queues.

We support real-time maintenance of watch/block status on potential fraud accounts based upon access to prior authorization and activity information. Internal fraud trending reports are developed to monitor real-time changes to account status, as well as real-time ad hoc authorization reports.

Once activity is identified as being outside normal spending habits:

1. Cardholders are contacted to validate the transaction activity.
2. Based on cardholder direction, the account is placed into the appropriate status. If there are posted fraudulent charges on the card account and the cardholder reports the card as lost or stolen, along with reporting the unauthorized transactions, the cardholder is no longer responsible for fraudulent activity attempted on the card.
3. The Fraud Investigation team will engage the appropriate level of law enforcement and continue the investigation as warranted. Depending on the breadth of issues and patterns associated with the fraudulent transaction, fraud strategies will be developed and implemented in an effort to prevent similar situations.

Depending on the breadth of issues and patterns associated with the fraudulent transaction, fraud strategies will be developed and implemented in an effort to prevent similar situations. Through our program, not only is there no liability for the EDD — all cardholders will be provided Bank of America's Zero Liability coverage with the card.

As a part of our commitment to continually combat fraud, we are currently piloting the use of the Visa DPS Risk Services Manager (RSM) system for our Government Prepaid Card products. The fraud management tool will bring speed and control for additional fraud-rule creation or edits and provides a second layer of fraud mitigation. The system is also built to recognize misuse not fraud related and descriptive reason codes for authorization blocks versus suspected fraud declines. This ultimately reduces live agent minutes and cardholder frustration.

RSM allows immediate response to emerging fraud trends and the application of specific rules and actions to transaction activities within an hour. Blocks may be placed on accounts, a fraud case may be created and transactions may be declined in real time and/or transactions can be sent in real time to the fraud system for scoring and evaluation against authorization and case create rules. The tool provides deeper risk strategy segmentation and rules can be tested within against historical transaction data. There is additionally robust daily detail and monthly summary analysis reporting available to assist us with updating the EDD on current fraud trends within the program.

In addition to detection of transaction fraud, through five years of operating the EBP program, our call center and fraud personnel have become familiar with cues that may indicate benefits enrollment fraud. Upon detection of suspicious circumstances (such as recipient spending time in prison), the fraud team will flag the account for further review. Our fraud team will contact EDD's Investigation Division to alert you of the possibility of benefits enrollment fraud and allow you to conduct further investigation.

Bank of America is committed to being at the forefront of fraud and data security strategies, benefiting the EDD and your claimants. We fully intend to apply the most rigorous fraud detection procedures to the EBP Program. Bank of America will continue to document our fraud detection procedures and methodologies for the EBP and Bank of America will cooperate with the EDD's Investigation Division with regard to fraud investigations to the extent permissible by law.

### Bank fraud policy

We employ the highest level of security and fraud safeguards that provide significant risk reduction associated with misuse of stolen claimant information and access to bank applications. As a part of these safeguard measures, the bank uses its corporate Enterprise Information Management (EIM) policy to support the administrative, technical and physical security of information and applications. EIM is a division within Bank of America.

EIM also protects the information in the bank's care and maintains our ability to serve even under difficult conditions.

To meet these responsibilities, EIM has enterprise accountability for architecture, policy standards, access, delivery, analytics, and security.

EIM is made up of these teams:

- **Cyber Security and Identity Management** - Leads the bank's relationships with public and private partners in cyber security and identity management reporting.
- **Global Information Security** - Protects the bank's information assets by managing external and internal risks. To meet that responsibility, the team provides security policy, processes and controls, security assessments and consulting and threat management and remediation.
- **Information Operations Analytics and Management** - Manages operational processes including the bank's data warehouse (The W) production and delivery, access operations and governance, eDiscovery and cyber forensics.

### Fraud personnel

Bank associates are responsible and held accountable for protecting our customers by understanding fraud policies. The InfoSafe Hotline is a 24x7 corporate wide support line used for the reporting of any incidents that can be categorized as an inappropriate use, or potential compromise of bank assets to the EIM team. InfoSafe is utilized across our network and is part of the infrastructure for supporting security policies and procedures.

### Fraud detection

The fraud detection system is supported by a comprehensive record retention that includes an electronic activity log for each action that is performed against a claimant's account.

#### Fraud and security reports

Our team retains records for the length of time required by the EDD after the expiration of the contract or to meet all legal requirements, whichever is longer. Logs are retained online for three years, after which time logs will be transferred to off-line storage for the remaining time. The online storage length of time allows the EDD to access historical information quickly if necessary.

### Reporting and briefings

Our EIM policy provides for reporting of security incidents and fraudulent activities by the various program types within Bank of America and spans across all products and platforms. Bank of America provides a quarterly briefing and report to the EDD on trends, patterns, and overall fraud related topics in the California EBP service. This briefing includes information on new threats, new security-related laws, regulations, standards, and history of security and fraud related issues since the previous briefing. The briefing details how the issues were handled and the disposition.

We also provide monthly and annual reports on security breaches of confidential information as well as security incidents of compromised system issues.

Note: Reports are only generated if there are incidents reported during the reporting time period. If there are no incidents during the reporting time period, notifies the EDD during status update meetings that no incidents were reported.

Severity levels indicate the amount of interaction needed by EIM teams. There are some incidents that only require notification of the action, such as test/debug, and some that require further research in which a potential for claimant confidential data may be breached. Items in the escalated category means that further investigation is needed to determine what actions need to be taken and what resolution is necessary. In the event confidential data is breached, we will work with the EDD information security officer to determine the severity as well as the next steps for resolution.

### Incident detection and reporting

A primary function of the EIM InfoSafe team is to investigate and respond to incidents reported. Any incidents that are reported to the InfoSafe team are thoroughly investigated and responded to base on the severity of the incident. The InfoSafe team will engage the Incident Response Team as the incident is being investigated.

As part of standard operating procedures and in accordance with EIM standards, security incidents are reported and recorded as critical, important, or recommended. These incidents may include fraud, theft, loss of data, physical destruction and unauthorized access to an information technology system. Security incidents will be reported in accordance with the severity classification. The bank will notify all parties affected by a security breach in accordance with our EIM information security plan.

The bank has a dedicated Incident Response Team that manages information security incidents escalated as critical. This includes coordination of response activities and communication to our business partners and EIM management. The Incident Response Team evaluates what information was compromised and engages multiple areas to process, evaluate, and respond accordingly. For instance, if a social security number was lost, then Identity Theft Monitoring would be performed. If a credit card number was lost, Visa would be notified and the card would be terminated.

Incident detection management includes, but is not limited to, response and investigation of all security related incidents that adversely affect the EDD claimants in an effort to minimize damages from security malfunctions. If there are conditions where the applicability of the standards is not clear, it is the responsibility of that individual to seek additional guidance from the EIM group.

### Security incident reporting procedures

Procedures have been developed for all associates to report security incidents. The following are requirements for incident notification:

- All associates will report all incident notifications to the InfoSafe hotline
- All employees are required to report incidents or suspected incidents as they become aware of the incident or suspected incident
- Report all security incidents immediately under the following conditions:
  - When there is financial exposure or a loss
  - Incidents which are precipitated by the improper or negligent actions of a service provider employee, contract/temporary worker, or vendor services representative

The initial notification must provide the following information, at a minimum:

- A general description of what occurred – if appropriate
- Characterization of perpetrator(s) thought to be involved (i.e., insider, outsider) – if appropriate
- Corrective actions that have been taken, or that are planned
- Remediation recommendations

### Phased rollout and timeline

The overall timeline and key milestones for developing the claimant marketing and customer communications materials were developed based on weekly meetings between the EDD and Bank of America. The timeline was segregated into three key project phases:

- Pre-Card Issuance
- Card Issuance
- Ongoing Education and Support

#### Pre-Card Issuance Phase

The focus during the Pre-Card Issuance phase is notification. During this phase of the claimant marketing and communications materials development, we designed and implemented a communications plan to notify and educate claimants, agency employees, and outside stakeholders about the new payment process and card benefits.

The design, development, and implementation components of the Pre-Card Issuance phase are described below.

- **Design period** –During the design period, we worked collaboratively with the EDD to finalize the EBP Project requirements and specifics of the marketing and customer communications approach.
- **Development period** –During the development period, the bank developed and submitted for approval the EBP claimant marketing and customer communications materials.
- **Implementation period** –During the implementation period, the bank prepared the final approved materials for distribution and determined the claimant marketing and communications materials rollout plan. The EDD and the bank worked collaboratively to design the most effective rollout strategy to minimize questions and concerns from the EBP Project participants and provide the most benefit to the customers.

#### Card Issuance Phase

The focus during the Card Issuance phase was adoption. During this phase, we encouraged immediate activation and usage of the card, provided usage and fee avoidance education, and offered direct deposit transfers. The content and information contained in the collateral pieces developed during this phase explained the EBP Project, the use of the EBP card, schedule of fees and other helpful information as determined in concert with the EDD.

#### Ongoing Education and Support Phase

The focus during the Ongoing Education and Support phase is satisfaction. During this phase, the bank continues to provide ongoing education on usage, getting cash without fees, and building financial literacy in an effort to support the claimants and the program benefit continually. We will make any modifications necessary to comply with the upcoming CFPB rules, including any adjustments required to fee disclosures.

### Methods of marketing distribution

We used two primary methods to disseminate marketing and customer communications materials to claimants: hard copies and the website. Marketing distribution for employers and other stakeholders was primarily via electronic methods. This section addresses the various methods of distributing marketing materials.

# Attachment V1.1 Revenue Share

## Revenue Share

The EDD must adopt a service that will assist in offsetting program costs associated with managing the UI and SDI programs by sharing a portion of the Interchange Fees earned by the contractor and/or its subcontractors, and not fees paid by the claimants. The proposed revenue share must comply with requirements of any state, federal or financial industry regulation. A response to this section of the RFP is required. Failure to include a revenue share figure will be a material deviation and the bid will be rejected.

Bidders shall complete the Revenue Share Model below with their proposed amounts and submit with their proposal in Volume III Revenue Share Model in a separately sealed, marked envelope as instructed in Section VII PROPOSAL FORMAT.

**Bank of America carefully assessed external variables, consulting with both internal and external economists to better understand likely unemployment rates in the State of California and the anticipated Targeted Federal Funds Rate (TFFR) over the next contract term. Forecasts indicate a climbing TFFR that will exceed the floor proposed below, which will drive growing revenue share with the EDD. While we cannot guarantee specific rates, the best economic data available to Bank of America strongly indicates higher year-over-year increases. We are available to discuss this further.**

**Our economic proposal puts the claimant first. We have strived to maintain best-in-industry claimant pricing and servicing, while operating the industry's most robust data security, fraud mitigation, and processing capabilities. We have continuously sought to drive further operating efficiencies without sacrificing any level of service. This proposed floor rate enables Bank of America to sustain this program, while continuing to provide the EDD with fair and equitable revenue share.**

## Bidder's Proposed Revenue Share

Average Collected Daily Balance (ACDB) in the SDI and UI trust account times 50% of the Targeted Federal Funds Rate (TFFR) divided by 365 [or 366 in leap years]times the number of days in the month [ACDB x (TFFR x .50) ÷ by 365 [or 366 in leap years] x ## of days in the month].

**There will be a floor of 40 basis points if 50% of the TFFR is less than the floor basis points for that month's calculation. Revenue Share shall be paid to EDD monthly by the fifth business day of the calendar month for the previous month's revenue.**

During the contract term, the TFFR as set by the Federal Open Market Committee (FOMC) may be replaced with another published index if the EDD and Contractor mutually agree to this change.