

TALENT MARKETPLACE

Legal and Security Review

A GDPR-first, employment-risk, AI-governance, and light-SOC-2 review of what must be true before Talent Marketplace is offered as an independent B2B beta.

REVIEW DATE	August 13, 2026
CODE SNAPSHOT	d1dabf08f38b
STAGE	Beta readiness
DECISION	No-go for real candidate data

CURRENTLY PERMITTED

Internal or closely supervised demonstration using synthetic candidates, fictional employers, and no employment action.

EXECUTIVE DECISION

Do not release an external beta that exposes real candidates or influences hiring decisions

Release posture: The prototype displays names, locations, portfolios, evidence, match percentages, capability levels, recommendations, shortlists, and 'not a fit' decisions. The model, candidate source and permission framework, backend authorization, and production controls are outside this repository. Recruiter bearer tokens and hiring decisions are stored in browser localStorage. A real-data beta remains no-go until all twelve launch gates are evidenced.

Permitted now	Excluded until gates close
- Internal or closely supervised design demonstration - Synthetic candidate and employer data only - No outreach, rejection, selection, or other employment action - No claim that scoring is validated, unbiased, or production ready	- Real profiles, portfolios, assessments, or rankings - Automated filtering, rejection, ordering, or decisive recommendations - Protected, biometric, health, background, or student data - Regulated geography without current jurisdiction review

Why the bar is higher than ordinary SaaS

- A suitability score is personal data and likely profiling under GDPR.
- Hiring tools can create disparate-impact and disability-discrimination risk even when a human clicks the final button.
- NYC can require an independent bias audit, public summary, and advance notice.
- If the matching system falls within the EU AI Act, recruitment and candidate selection are an Annex III high-risk use.
- A contract can allocate customer duties, but it cannot erase the product's own privacy, security, accuracy, or discrimination responsibilities.

SOC 2 is not a launch license. The beta needs functioning controls and evidence habits. It does not need an immediate SOC 2 examination, and the product must not be described as 'SOC 2 compliant' or 'certified.'

01 / SCOPE AND EVIDENCE

What was reviewed and what remains unknown

Findings use the Talent Marketplace frontend at commit d1dabf08f38bab54b78132c2adbb22772060fe. The platform backend, matching implementation, production runtime, contracts, and operating evidence were not available in this repository.

Status	Observed product evidence
Strength	Invite-only signup, password rules, authenticated routes, shared auth/HTTP packages, typed API contracts, Cloudflare deployment.
Strength	Point-in-time production dependency audit reported zero known vulnerabilities on August 13, 2026.
Blocker	Bearer access token and expiration are configured in JavaScript-readable localStorage, including a two-week remember-me path.
Blocker	Saved and dismissed candidate IDs persist in localStorage without user or tenant namespacing.
Blocker	Company, recruiter title, industry, state, target roles, preferred skills, and onboarding state persist in localStorage.
Blocker	Invite tokens appear in /signup/:token and a client query-cache key before verification and resend.
Blocker	Candidate API data includes name, location, score, recommendation, risk items, skills, evidence, portfolio and capability levels.
Gap	No repository-level CSP/security header policy is visible; Vue devtools is in the plugin list for all builds.
Gap	LaunchDarkly user context and Cloudflare observability exist; PR E2E remains disabled and CI does not visibly gate on unit/lint/E2E.

Evidence boundary: Frontend route guards are not proof of server authorization. API tenant enforcement, data sourcing, matching behavior, retention, encryption, logging, rate limits, deletion, and incident practice remain unverified until the backend and deployed service are reviewed.

02 / PRODUCT FLOW

The marketplace consumes validated evidence and creates a consequential hiring layer

Intended product boundary

- Skills Validation owns canonical skills, verification status, proficiency evidence, dates, recency, gaps, and reassessment.
- Talent Marketplace owns candidate discovery, search, matching and ranking, profile presentation, shortlists, dismissals, employer workflow, and hiring transaction support.
- A source-evidence error is corrected in Skills Validation and propagated. A display, search, ranking, cache, or employer-workflow error remains Marketplace's responsibility.
- Course completion by itself is not credible professional capability evidence. Matching should use validated, current evidence and show its date and limits.

Stage	Information and decision
Employer input	Company, industry, state, target roles, preferred skills, searches and team context
Candidate evidence	Identity, role, location, portfolio, projects, certifications, assessments, skills and dates
Marketplace inference	Match score, recommendation, capability level, rank and risk items
Employer action	View, shortlist, not a fit, notes, export, contact and eventual selection
Feedback loop	Correction, appeal, outcome monitoring, disparity analysis and model change

Current implementation concern

The frontend takes the first three available candidates after role filtering and calls them the 'Top 3 recommended.' It also renders match percentages and strong, moderate, or limited capability labels. Whatever the underlying logic, this presentation can materially influence recruiters and must be governed as a decision-support system.

Unknown model means no-go: A real-data release requires the actual model or rule implementation, data lineage, validation, limitations, change history, and employer instructions to be reviewed. A polished interface is not evidence that the score is job related or fair.

03 / GDPR

Candidate scores, rankings, and employer actions are personal data

The system combines observed and inferred professional information with employer preferences to evaluate suitability. That processing can affect access to work and should be treated as high risk.

Data group	Examples	Required treatment
Recruiter/account	Name, email, credentials/session, company, title, invites, login and security records	Account notice, security, retention, access and deletion
Hiring context	Roles, preferred skills, searches, shortlists, dismissals, notes and team activity	Purpose, tenant scope, audit, retention and customer instructions
Candidate profile	Name, role, location, portfolio, projects, assessments, certifications, skills and dates	Source, lawful basis, notice, visibility, accuracy, expiry and correction
Inference/decision	Score, recommendation, capability level, risk, rank, shortlist and not a fit	Profiling safeguards, explanation, objection, correction, appeal and human review
Telemetry/security	Feature context, IP/device, events, errors, logs, source maps and request metadata	Minimize, pseudonymize, redact, retain briefly and govern vendors/transfers

Role and lawful-basis model

Legal role is assigned per purpose. Talent Marketplace is likely controller for account security, product analytics, discoverability design, and any matching system whose essential means it determines. An employer is controller for its hiring decision. Marketplace may be processor for employer-only shortlists, notes, and workflow processed solely under employer instructions. The relationship with Skills Validation must be documented rather than inferred from architecture.

No blanket lawful basis: Contract may cover recruiter accounts. Legitimate interests may support limited adult professional discovery only after a balancing test. Consent can support voluntary discoverability but is not a reliable blanket basis in an employment setting. Special-category data is excluded from beta.

03 / GDPR CONTINUED

Minimum privacy operating model for real candidates

- Complete the system/data map, Article 30 record, role matrix, lawful-basis analysis, and legitimate-interest assessment.
- Deliver Article 13 notice for directly collected data and Article 14 notice when data comes from Skills Validation, an employer, or another source.
- Complete a DPIA before real candidate profiling. Employment impact, systematic scoring, data combination, and scale make high risk a prudent assumption.
- Support access, correction, deletion, restriction, portability where applicable, objection, and automated-decision rights.
- Avoid solely automated legal or similarly significant decisions. Human review must have information, authority, and time to change the result.
- Document subprocessors, international transfers, SCCs and transfer-risk measures where required.

Controller and processor obligations

Role	Core responsibility
Marketplace controller	Own privacy notice, lawful basis, DPIA, security, rights, model governance, vendor/transfer controls and breach decisions for its purposes.
Employer controller	Own hiring purpose, candidate notice where applicable, lawful use, accommodation, human decision, record retention and discrimination compliance.
Marketplace processor	Process employer-only workflow data on documented instructions under DPA; support rights, deletion, security and breach response.
Skills Validation boundary	Maintain source evidence accuracy, dates and correction; document the transfer purpose and propagate changes to Marketplace.

Article 22 design rule

Do not ship automatic rejection, automatic ordering that determines who is seen, or a score treated as decisive. Where an employer reviews recommendations, the interface should expose source evidence, dates, score limits, and alternatives. The reviewer should record independent reasoning and be able to include an unranked candidate.

Correction must follow lineage: Source-evidence disputes go to Skills Validation, while Marketplace corrects presentation, caches, matching, and employer copies. Both layers need a linked case record and completion evidence.

04 / EMPLOYMENT AND AI LAW

Hiring technology creates obligations beyond ordinary SaaS privacy

Regime	Product implication
EU AI Act	If the system qualifies as AI, recruitment and candidate-selection use is Annex III high risk; profiling is especially hard to exempt. Current stand-alone high-risk application date is December 2, 2027 after the 2026 AI Omnibus.
GDPR Article 22	Solely automated decisions with legal or similarly significant effects are restricted. Transparency, fairness, lawful basis, DPIA, accuracy and objection apply even when Article 22 is not triggered.
US civil rights	Title VII, ADA, ADEA and selection rules apply when software makes or informs hiring. Validate job relevance, test adverse impact, provide accommodations and consider less discriminatory alternatives.
NYC Local Law 144	Covered AEDT use can require an independent annual bias audit, public results summary, candidate/employee notice and information about criteria.
Colorado and other overlays	Colorado repealed and reenacted its framework in 2026 and is rulemaking. Maintain a current state/local matrix before enabling employers.

Matching and fairness controls

- Define intended job, population, outcome, inputs, score meaning, thresholds, ordering logic and prohibited use.
- Prove that each signal is job related and supported by current validated evidence.
- Exclude protected traits and obvious proxies from ranking. Segregate any lawfully collected fairness-test data.
- Measure selection-rate and error disparities across relevant groups and intersections before launch and after material changes.
- Provide accessible alternatives and reasonable accommodations; do not infer disability, health, emotion, personality or protected status.
- Give candidates plain-language notice, correction, objection, appeal and meaningful human review.

04 / EMPLOYMENT AND AI LAW CONTINUED

Required matching-system file before launch

File section	Required evidence
Intended purpose	Jobs, candidate population, employer user, workflow stage, decision supported, prohibited use
Data lineage	Source fields, verification state, date/recency, missing-data handling, excluded data and proxies
Method	Rule/model code, version, training/reference data, objective, feature transformations, thresholds and ranking
Validation	Job-related criterion, population, metrics, calibration, robustness, comparison with alternatives and limitations
Fairness	Group and intersection tests, sample sizes, selection/error metrics, thresholds, investigation and remediation
Human oversight	What the recruiter sees, training, override, independent reasoning, explanation and candidate appeal
Change control	Owner, peer review, test gates, version approval, customer notice, rollback and post-deployment monitoring
Incidents	Quality/fairness thresholds, alert owner, disable switch, impacted-person analysis, correction and communication

Four-fifths is not a safe harbor: Selection-rate comparison is a useful screen, but smaller statistically and practically meaningful differences can still matter. Model validity, job relevance, disability access, error distribution, intersectionality and less discriminatory alternatives must also be assessed.

Candidate explanation standard

Provide the principal data and criteria in concise, intelligible language: which verified skills and evidence were used, their dates, what employer criteria mattered, what a score does and does not mean, and how to challenge incorrect data. A complex formula alone is not an adequate explanation.

05 / LAUNCH GATES

Twelve gates for an invitation-only real-candidate beta

Gate	Decision	Pass evidence
01	Scope and geography	Named employers, adult candidates, allowed roles, human-decision boundary, prohibited data/uses, approved jurisdictions
02	System and data map	Frontend, backend, Skills Validation, portfolio, identity, matching, storage, vendors, regions and legal roles
03	Candidate source and notice	Source, permission/visibility, lawful basis, notice, content rights, expiry, withdrawal and correction
04	DPIA and legal assessment	GDPR DPIA, Article 22, EU AI Act classification, US jurisdiction matrix and residual-risk approval
05	Matching validation	Implementation, lineage, job relevance, metrics, limitations, drift, versioning and employer instructions
06	Fairness and accessibility	Adverse-impact/error tests, alternatives, accommodation, ongoing monitoring and required independent audit

Default geography containment: Exclude NYC and Colorado employers from the first real-data pilot unless counsel confirms coverage and every required audit, impact assessment, public statement, notice, correction and appeal step is complete.

Release interpretation

Every gate is a product requirement, not a document-only exercise. A signed policy without functioning application controls, a bias report without a versioned model, or a DPA without an accurate system map does not close a gate.

05 / LAUNCH GATES CONTINUED

Security, operations, and signed accountability

Gate	Decision	Pass evidence
07	Human review and appeal	Evidence view, independent reasoning, no auto-reject, explanation, correction, pause and trained human appeal
08	Sessions and invites	No JS-readable bearer token, MFA, rotation/revocation, CSRF/XSS controls, single-use invite and URL/log redaction
09	Tenant decision records	Server-side employer context/shortlist/dismissal, user and tenant scope, audit, retention and negative tests
10	Privacy and legal package	Approved terms, DPA, notices, AUP, subprocessors/transfers, retention, rights, deletion and breach workflows
11	Production security and SDLC	Headers, encryption, secrets, scanning, least privilege, logs, alerts, rate limits, restore, incidents and CI tests
12	Release and monitoring	Legal/privacy/security/product/model sign-off, limitations, thresholds, rollback, disable plan and residual risks

Manual is acceptable only when it is real: Rights, notice, appeal, bias review, deletion and incident coordination may begin as documented human workflows for a small beta if they are named, rehearsed, logged and capable of meeting required timelines.

One-page go record

The release owner links each gate to current evidence, names customer and candidate restrictions, records residual risk and approving owner, and confirms monitoring and rollback. Any open blocker keeps the decision at no-go.

06 / LEGAL PACKAGE

Documents required before an employer sees real candidates

Document	Minimum content
Beta terms/order form	Named users, beta limits, permitted hiring purpose, support, suspension, IP, confidentiality, liability, exit and shared duties
DPA	Article 28 schedule, TOMs, subprocessors, transfers, rights/breach help, return/delete and audit information
Recruiter notice	Account, security, product, flags, support and telemetry purposes, bases, recipients, retention, transfers and rights
Candidate privacy/AI notice	Source, visibility, employers, matching purpose/criteria, limits, retention, correction, objection, appeal and human review
Employer AUP and anti-discrimination schedule	No sole reliance, unlawful targeting/screening, scraping, re-identification, resale or non-hiring use; accommodation and notice
Matching factsheet/instructions	Purpose, inputs, outputs, validation population, metrics, limits, prohibited uses, oversight, version and monitoring
Candidate/portfolio terms	Visibility, display license, evidence accuracy, employer access, withdrawal, correction, IP/takedown and deletion effect
Subprocessor/transfer list	Vendor, purpose, data, region, retention, transfer mechanism, safeguards and change notice
Security overview/TOMs	Actual system boundary, access, tenancy, encryption, SDLC, vendors, monitoring, backups, incidents and customer duties
Jurisdiction disclosures	NYC audit summary/notices and current Colorado or other state/local assessments, notices and appeals

Excluded features: Do not add background or consumer reports, criminal/credit data, health/disability questions, biometrics, video/emotion analysis, protected-trait inference, children or candidate-contact automation without a separate legal and product review.

Minimum technical controls for beta

Identity and sessions • HttpOnly, Secure, SameSite sessions or equivalent reviewed design • Short access lifetime, rotation, revocation and session view • MFA for staff and employer admins • Single-use expiring invites, URL cleanup and generic errors • Clear tenant caches on logout and account switch	Authorization and tenancy • Server enforcement on every candidate and employer action • User, employer, purpose and role scopes • Negative tests across API, cache, links, logs, exports and search • Immutable events for view, shortlist, dismiss, export and admin • Periodic access review and immediate offboarding
Application and data • CSP, HSTS, frame, MIME, referrer and permissions headers • Encryption in transit/at rest and managed secrets • Validation, encoding, rate limits, abuse and CSRF controls • No candidate content, secrets or tokens in telemetry • Production devtools removed; SBOM and scanning	Operations and resilience • Restricted logs, alert owners and defined retention • Patch/vulnerability deadlines by severity • Backups, recovery objectives and restore test • Security and harmful-model incident playbooks • Disable/rollback path for faulty or unfair model

Highest priority: Replace JavaScript-readable bearer-token storage before an external customer beta. An XSS issue should not automatically expose a reusable account token.

07-08 / SECURITY AND PRIVACY OPERATIONS

Repository-specific actions and candidate challenge workflow

Engineering actions

- Replace _tmp.auth._token.local and expiration storage with the approved hardened session architecture.
- Move saved-candidates, dismissed-candidates and authoritative company-context-state to user- and tenant-scoped APIs.
- Exchange invite tokens immediately, remove them from browser URL/history, apply no-referrer on invite flows, and redact all telemetry.
- Verify LaunchDarkly contexts are private or pseudonymous and Cloudflare logs exclude candidate data, scores, tokens and request bodies.
- Remove Vue devtools from production; prove edge security headers in staging and production.
- Enable unit, lint, dependency/secret and a small auth/tenant/candidate smoke suite on pull requests.

Candidate challenge workflow

Step	Action
1	Log identity, employer/search, disputed fact or score, date and whether an employment decision is pending
2	Verify proportionately and pause affected recommendation or show the dispute where appropriate
3	Classify as source evidence, presentation, matching logic, employer action or combined issue
4	Correct source in Skills Validation and Marketplace display, caches, ranking and employer copies
5	Explain principal data and criteria in intelligible language, including dates and limitations
6	Provide trained human review with authority to change the result; record and notify

Incident scope includes harmful outputs: Treat a confidentiality breach and a faulty or discriminatory ranking with the same ownership, containment, evidence preservation, affected-person analysis, rollback and corrective-action discipline.

09 / LIGHT SOC 2

Build evidence habits now; do not buy an audit for beta

Family	Light beta practice	Evidence
CC1-CC2	Name security, privacy, product, model and employment-risk owners; approve concise policies and training	Approvals, responsibilities, training and customer instructions
CC3	One risk register for privacy, discrimination, model, security, vendors and jurisdiction	Risks, DPIA/AI assessments, owners, dates and acceptance
CC6	MFA, least privilege, tenancy, session hardening, approval, offboarding and review	Settings, approvals, negative tests, review exports and session evidence
CC7	Monitor alerts, vulnerabilities, model quality and fairness; run both incident exercises	Scans, dashboards, incidents, tabletop results and remediation
CC8	Peer review, automated tests, controlled deploy/model approval, rollback and emergency change	PR, CI, deploy, registry, approval and rollback records
CC9	Tier identity, Cloudflare, LaunchDarkly, Skills Validation, portfolio, support and other vendors	Register, DPAs, transfers, reviews and exit decisions
PI design	Define score semantics, lineage, validation, completeness, correction and limits	Factsheet, tests, reconciliation, correction and appeal logs

Later path: Type 1 when system boundary and control design are stable. Type 2 only after controls have operated consistently for a meaningful period. Security is required; add availability, confidentiality, processing integrity or privacy only when customer commitments justify them.

Point-in-time dependency result

npm audit --package-lock-only --omit=dev reported zero known production vulnerabilities on August 13, 2026. This is not a clean bill of health: it does not prove private-package safety, application security, correct configuration, absence of secrets, or future advisory status. Retain ongoing scan evidence and remediation deadlines.

10 / DELIVERY PLAN

30/60/90-day path to a controlled beta

Window	Outcome	Work
Days 0-30	Contain and define	Keep candidates synthetic. Name owners. Map system/data/model. Decide source and discoverability. Classify roles/jurisdictions. Start DPIA, Article 22, AI Act and US assessments. Inventory vendors/telemetry. Draft prohibitions and risk register.
Days 31-60	Implement and prove	Harden sessions/invites. Move employer context and decisions server-side. Prove tenancy. Implement notices, rights, retention and audit. Validate matching and adverse impact. Approve terms/DPA/notices/factsheet. Enable CI, restore and incident tests.
Days 61-90	Named-employer pilot	Close jurisdiction requirements and independent audit where required. Sign documents. Activate approved people only. Rehearse correction, appeal and deletion. Monitor quality, disparity, access, incidents and complaints. Review every model change.

Release ownership

- Product owner: beta scope, prohibited uses, workflow and customer containment.
- Privacy/legal owner: roles, lawful bases, DPIA, notices, contracts, jurisdiction and rights.
- Security owner: sessions, tenant isolation, SDLC, monitoring, incident and evidence.
- Model owner: source lineage, validation, fairness, documentation, drift, changes and rollback.
- Support/operations owner: candidate correction, appeal, employer support, deletion and complaints.

Go rule: Any open blocker keeps the real-data decision at no-go. Medium residual risk requires a named accepting owner, deadline and beta-specific containment.

11 / EVIDENCE CHECKLIST

What the launch reviewer must be able to open

Evidence	Owner	Pass condition
Scope/geography/prohibited use	Product / Legal	Named employers and people; approved jurisdictions and decision boundary
System/data map, RoPA, roles, LIA, DPIA	Privacy / Engineering	Dated and matches production fields, vendors, regions and flows
Candidate source, visibility, notice and rights	Product / Privacy	Every profile has source, basis, notice, expiry and correction
Model factsheet, code/version and validation	Model / Product	Job relevance, metrics, failure modes, lineage and changes approved
Fairness, access and jurisdiction results	Legal / Model	No unresolved material disparity; required audit/notices complete
Human review, correction and appeal rehearsal	Support / Product	Reviewer can explain, pause and change a result within target
Terms, DPA, notices, AUP, factsheet, TOMs	Legal / Privacy	Approved versions and signed employer acceptance
Session, invite, MFA, tenant and audit logs	Engineering / Security	Hardened settings and passing cross-tenant/account-switch tests
Telemetry, headers and vulnerability evidence	Security / Engineering	No tokens/candidate PII; no critical/high findings; headers proven
Restore and incident/model tabletop	Platform / Security	Successful tests with gaps owned and dated
Release and monitoring record	All owners	Gates closed; limits, thresholds, rollback and residual risk signed

Reviewer standard: A hyperlink to current evidence is stronger than a statement that a control exists. Screenshots, configurations, tests, signed approvals, logs and completed rehearsals should all identify date, environment, owner and version.

12 / SOURCES

Primary legal and assurance references

- EU General Data Protection Regulation, official text: <https://eur-lex.europa.eu/eli/reg/2016/679/oj/eng>
- EDPB Guidelines on automated individual decision-making and profiling: https://www.edpb.europa.eu/documents/guideline/automated-decision-making-and-profiling_en
- EDPB endorsed guidance, including DPIA and transparency: https://www.edpb.europa.eu/endorsed-wp29-guidelines_en
- EU Artificial Intelligence Act, Regulation (EU) 2024/1689: <https://eur-lex.europa.eu/eli/reg/2024/1689/oj?locale=en>
- European Commission, 2026 AI Omnibus timeline: <https://digital-strategy.ec.europa.eu/en/news/ai-omnibus-enters-force>
- EEOC, Employment Tests and Selection Procedures: <https://www.eeoc.gov/laws/guidance/employment-tests-and-selection-procedures>
- EEOC Strategic Enforcement Plan 2024-2028: <https://www.eeoc.gov/sites/default/files/2023-09/SEP%20FY%2020242028%20FINAL%20APPROVED.pdf>
- EEOC and DOJ, disability discrimination and algorithmic hiring: <https://www.eeoc.gov/newsroom/us-eeoc-and-us-department-justice-warn-against-disability-discrimination>
- NYC DCWP, Automated Employment Decision Tools and Local Law 144: <https://www.nyc.gov/site/dca/about/automated-employment-decision-tools.page>
- Colorado Attorney General, Anti-Discrimination in AI Law rulemaking: <https://coag.gov/ai/>
- AICPA Trust Services Criteria: <https://www.aicpa-cima.com/resources/download/2017-trust-services-criteria-with-revised-points-of-focus-2022>

Repository evidence

src/main.ts; router; auth service and signup/login; company context and saved-candidate composables; candidate services, types, cards, details and dashboard; onboarding and hiring context; architecture.md; Vite and HTML configuration; Wrangler, Terraform and Cloudflare workflows; E2E workflow and Playwright strategy; dependency manifests; and the production dependency audit.

Important: This report is product, privacy and engineering guidance. It is not legal advice, a bias audit, a DPIA, a penetration test, a SOC 2 examination or an audit opinion. Qualified privacy and employment counsel should approve the legal model and jurisdictions. Qualified security and model-risk professionals should validate the deployed system before launch.