



## POLICY NO. 125

SUBJECT: RED FLAG PROGRAM FOR IDENTITY THEFT AND CREDIT REPORTING ACCURACY

### I. PURPOSE

Red flag program for preventing identify theft and ensuring credit report accuracy.

### II. POLICY CONTENT

- A. Identity theft under this policy is defined as an actual or attempted fraud using the identifying information (name, address, SSN, account number, etc.) of a Member or applicant.
- B. A “red flag” under this policy is defined as a pattern, practice or specific activity indicating a risk of identity theft. Such red flags may include:
1. incidents of identity theft experienced or detected in the past;
  2. alerts from consumer reporting agencies;
  3. the presence of suspicious documents or inconsistent data;
  4. suspicious name or address changes, or other personal identifying information;
  5. suspicious account activity;
  6. notices from Members, other electric utility systems, victims of identity theft, and/or law enforcement personnel, concerning the possibility or reasonable suspicion of fraudulent activity involving a Member account;
  7. material changes in the rates of usage of cooperative services;
  8. returned and undeliverable mail, despite continued usage of cooperative services; and/or
  9. data breaches in violation of the Cooperative’s policy for securing confidential member and employee data while retaining and destroying records.
- C. The relevance of red flags shall be evaluated based on principles of common-sense and sound business judgment, taking into account all relevant factors relating the Member or applicant, the account and other circumstances.

- D. The Cooperative shall implement reasonable procedures to prevent and detect identity theft of applicants, which shall include a requirement for reasonable proof of eligibility to establish service at the location. In the event of any instance of identity theft, the Cooperative shall review then-existing verification procedures and determine whether they remain adequate under the circumstances.
- E. The Cooperative shall implement reasonable procedures to verify the identity of persons for whom it obtains consumer reports, and reasonable procedures for reconciling the address of the consumer with the consumer reporting agency; and shall refrain from using a report where the consumer's identity cannot be so verified.
- F. In the event of genuine address discrepancies, the Cooperative shall use reasonable means to verify the consumer's correct address and then provide such confirmed addresses to the consumer reporting agency, within the reporting period. Verification steps may include verification with the applicant, reviewing the accuracy of the Cooperative's records, verifying the address through third-party sources or using other reasonable means.
- G. Management shall establish and implement reasonable training programs to ensure day-to-day application of this policy.
- H. Management shall continue to monitor the adequacy of this policy, and other policies and procedures that may already be in place, relating to the detection of red flags and other risks to the security of Member and applicant data. The Cooperative shall update its program from time to time based on experiences with identity theft, changes in methods of identity theft, changes in methods to detect, prevent and mitigate identity theft, changes in the types of accounts offered to Members and other changes in business arrangements and practices.

### III. RESPONSIBILITY

- A. The Board of Directors shall be responsible for approving the initial written policy.
- B. The General Manager and his designees among senior management shall be responsible for ensuring oversight of the development, implementation and administration of the Program, training relevant staff, periodically updating the program and overseeing service provider arrangements. The General Manager shall tailor the program to the size complexity and nature of the Cooperative's operations.

APPROVED BY THE BOARD OF DIRECTORS

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PRESIDENT

EFFECTIVE DATE: \_\_\_\_\_

REVISED DATE: \_\_\_\_\_