

POLK-BURNETT ELECTRIC COOPERATIVE

Policy No.: **BD-24**

Subject: **Identity Theft Prevention Program (Red Flags)**

Objective: To comply with the Federal Trade Commission Red Flag Rule which implements Sec. 114 of the Fair and Accurate Credit Transaction Act of 2003, 16 C.F.R. §681.2, which requires certain entities to establish policy and procedures that will help them identify, detect and prevent the theft of their customers' personal information.

A red flag is defined as patterns, practices or activities that indicate the possible existence of identity theft.

Pursuant to and as required by Federal regulations, this policy is adopted by the Board of Directors after due consideration of the size and complexity of the cooperative's operations and accounting systems, and the nature and scope of the cooperative's activities. This policy is determined to be appropriate to meet the current needs of the cooperative and its members as adopted on the date of execution as noted below.

- Policy:
1. The Board of Directors shall review this policy and shall be responsible for making changes necessary as may be recommended by management or as may be required by law or circumstances encountered in the administration and enforcement of this policy.
 2. The General Manager/CEO shall be responsible for the administration of this policy. The Manager shall develop and issue such further procedures and guidelines as may be required to effectively administer this policy, and shall be responsible for formulating any recommended changes in policy to assist the Board to meet its obligation to timely and effectively review and change the policy.
 3. It shall be the policy of the cooperative to establish, maintain and implement a program to detect, prevent and mitigate identity theft which shall include procedures and guidelines which enable employees and management to:
 - a. Identify relevant red flags and assess the associated risk of identity theft;
 - b. Detect red flag occurrences and respond accordingly;
 - c. Periodically update the program to reflect changes in risk of identity theft;
 - d. Train relevant staff as necessary to effectively implement the program;
 - e. Exercise appropriate and effective oversight of third-party service providers; and,
 - f. Incorporate other cooperative policies and administrative procedures into the program and modify those policies and procedures as required to support the program.
 4. The annual program report and recommendation shall address material matters related to the program and evaluate issues, when relevant, such as:
 - a. Effectiveness of program procedures;
 - b. How we monitor the practices of our third-party service providers;
 - c. Significant incidents involving identity theft and the cooperative's response; and,
 - d. Such other recommendations for changes to the program as are in the best interest of the members, the cooperative and the program.

Edward O. Gullickson, President
July 23, 2018