



IDENTITY THEFT PREVENTION PROGRAM

This program is launched in response to the Federal Trade Commission Red Flag Rules and Address Discrepancy Rules in conjunction with the Fair and Accurate Credit Transaction (FACT) Act of 2003.

Launch Date – May 1, 2009

Purpose:

WCU is launching this ITPP because we are committed to protecting our students and associates from identity theft. We have long safeguarded our student records pursuant to FERPA and both student and associate records pursuant to the Gramm Leach Bliley Act (GLBA), as well as our student and associate health information pursuant to HIPAA. Now the Federal Trade Commission has mandated that we implement a new program intended to detect and respond to activities that could be “red flags” for identity theft.

This program is adopted to establish and implement policies and procedures to identify patterns, practices or specific activities that indicate the possible existence of identity theft (“red flags”) and to detect and respond to these “red flags” to prevent and mitigate the risks of identity theft at our campuses and corporate office.

How is WCU covered by this new regulation?

The Red Flags Rule is actually three different but related rules, two of which apply to WCU:

(1) Users of consumer reports (for background checks in hiring or admissions) must develop reasonable policies and procedures to apply when they receive notice of an address discrepancy from a consumer reporting agency.

(2) Financial institutions and creditors holding "covered accounts" must develop and implement a written identity theft prevention program for both new and existing accounts. The “Red Flags Rule” defines the terms "creditor" and "covered accounts" broadly. A "creditor" under the rule includes any person who defers payment for services rendered, such as an organization that bills at the end of the month for services rendered the previous month. So, since WCU allows students to enter a payment plan in conjunction with signing their enrollment agreement, we are potentially creating a “covered account” with each enrollment. (Even if the student doesn’t enter into a payment plan, we will still use the same process to identify red flags.)

Because WCU falls into both of these categories, we are covered by the FTC Red Flag Rules.

Responsibilities:

Our ITPP program has been developed with the input of the IT department, the HR department, the FA department and General Counsel/Vice President of Compliance. The program will be monitored and maintained under the guidance of General Counsel. After assessing the company’s risk, we believe that Human

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1. A fraud or active duty alert is included with a consumer report.

11. Personal identifying information provided by the customer is not consistent with other personal identifying information provided by the customer. For example, there is a lack of correlation between

7. Notify your supervisor, or the GC.
8. Notify the customer.
9. Notify law enforcement.
10. Notify any creditor to whom the account has been assigned.
11. Suspend any further activity.
12. Stop collection action, if such action has proceeded.
13. Notify other potentially affected departments.

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14. Take all appropriate steps to confirm the customer's identity and confirm that the application is not the result of identity theft (using the general response techniques outlined in numbers 1 – 6 in this section.)
 15. In the event of a notification that requires you to contact the customer, be sure to use the phone number or other contact information provided in the alert to obtain authorization to proceed.

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16. Follow the general response techniques outlined in numbers 1 – 6 in this section.
 17. Do not proceed with the planned transaction.
 18. Proceed only when you have received notification that the freeze has been lifted and credit report has been obtained.

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19. Follow the general response techniques outlined in numbers 1 – 6 in this section.
 20. Do not proceed until you have verified the address and you have a reasonable belief that you are dealing with the consumer whose report was requested.

For any situation where a Red Flag is detected and follow up is required, be sure to maintain a file for that individual, showing the steps taken and containing any documentation gathered in an effort to clear up the flag. If the FTC ever audited us on this program, we would want to have solid record keeping practices to show that we are complying with our policy, and this law.