

CLEMSON UNIVERSITY

Red Flags Rule Program

INTRODUCTION

In response to the growing threats of identity theft in the United States, Congress passed the Fair and Accurate Credit Transactions Act of 2003, which amended a previous law, the Fair Credit Reporting Act. This amendment to the Fair Credit Reporting Act charged the Federal Trade Commission and several other federal agencies with promulgating rules regarding identity theft. The Federal Trade Commission, in conjunction with several other federal agencies, promulgated a set of final regulations known as the “Red Flags Rule”.

Under the Federal Trade Commission’s Red Flags Regulations, it is mandatory that the initial written policy be subject to approval by the Governing Board, (or an appropriate committee of the board). Once the initial written policy is approved, the board can delegate its responsibility to a senior staff member to oversee, implement, administer and make revisions to the policy and related programs.

RED FLAG RULE POLICY

The purpose of this Program is to identify, detect, and appropriately respond to Red Flags which may indicate suspected or real incidents of identity theft upon the University, its employees, its students, its constituents and its customers and to ensure the compliance with the Federal Trade Commission's Red Flags Rule regulations. The requirements of this Program apply to Clemson University, to the employees and the third parties with whom Clemson contracts to perform certain functions on its behalf for covered accounts, such as student payment plans, federal loan programs and background checks for employment.

DEFINITION

"Identity theft" is defined as "a fraud committed or attempted using the identifying information of another person without authority". Identifying information is any name or number that may be used, alone or in conjunction with any other information, to identify a specific person.

A "Red Flag" is a pattern, practice, or specific activity that indicates the possible existence of identity theft.

RESPONDING TO RED FLAGS

If a Red Flag is identified, Clemson University shall act quickly, as a rapid appropriate response can protect customers, employees, students and the institution from damages and loss. The Chief Financial Officer, the Program Coordinator and the Red Flag Committee shall be responsible for developing policies and procedures to ensure that when a Red Flag, or a situation resembling a Red Flag is apparent, it is investigated and an appropriate response is implemented.

PROGRAM ADMINISTRATION

As part of the University's Compliance Monitoring Plan, a Red Flag Committee for the University will be established and consist of appropriate departmental representatives. A Program Coordinator in collaboration with the Red Flag Committee members, will be identified and will be responsible for reviewing staff reports regarding detection of Red Flags, monitoring the response procedures to prevent and mitigate identity theft, and interpreting regulatory correspondence from the Federal Trade Commission and federal agencies. The Red Flag Committee will identify and define Red Flags and periodically review procedures and actions required for the detection of Red Flag issues. The Red Flag Committee and Program Coordinator will meet at least annually to review and discuss any changes, updates or compliance issues that may arise.

The Board of Trustees hereby delegates responsibility to oversee, implement and administer this Red Flag Program to the Clemson University Chief Financial Officer including the creation of appropriate policies and procedures.