



The University of North Carolina

GENERAL ADMINISTRATION

POST OFFICE BOX 2688, CHAPEL HILL, NORTH CAROLINA 27515-2688

Office of Legal Affairs

Telephone: (919) 962-0533, Fax: (919) 962-0477, E-mail: kbender@northcarolina.edu

February 11, 2009

To: UNC Counsel
Re: Red Flag Rule Guidance

To the extent that the Federal Trade Commission's ("FTC") Red Flags Rule ("Rule") applies to educational institutions, we have developed a model program (Attachment A) as a guide for your university's Identity Theft Prevention Program ("Program"). The model program includes the basic requirements of the Rule for identifying, detecting, preventing and mitigating identity theft. According to the extended FTC deadline, institutions should implement this policy no later than May 1, 2009.

Individual institutions are responsible for tailoring the Program's terms to their individual situations, choosing who will administer the Program, incorporating by reference other policies or procedures the institution may have that pertain to identity theft, and developing specific procedures about which institutional employees responsible for implementing the Program should be trained.

The Board of Trustees of each institution must approve the initial policy by May 1, 2009, and may delegate further administration of the Program to an appointed administrator. This administrator may be a senior employee designated by the Board or a committee appointed by the Board. This administrator is charged with "ensuring appropriate training of University staff on the Program, for reviewing any staff reports regarding the detection of red flags and the steps for preventing and mitigating identity theft, determining which steps of prevention and mitigation should be taken in particular circumstances and considering periodic changes to the Program."

The following resources may assist you to better understand and implement the Program:

- Educause links to FTC information on the Rule and other guidance (http://connect.educause.edu/term_view/ID+Theft+Red+Flags)
- National Association of College and University Attorneys (http://www.nacua.org/documents/facta_generalsummary_091508.pdf)
- National Association of College and University Business Officers (<http://www.nacubo.org/x10848.xml>)
- Memorandum from the North Carolina Office of the State Controller (http://www.ncosc.net/news/RedFlagRulesAdvisory10_08_08.pdf)

Constituent Universities
Appalachian State
University

East Carolina
University

Elizabeth City
State University

Fayetteville State
University

North Carolina
Agricultural and
Technical State
University

North Carolina
Central University

North Carolina
School of
the Arts

North Carolina
State University
at Raleigh

University of
North Carolina
at Asheville

University of
North Carolina
at Chapel Hill

University of
North Carolina
at Charlotte

University of
North Carolina
at Greensboro

University of
North Carolina
at Pembroke

University of
North Carolina
at Wilmington

Western Carolina
University

Winston-Salem
State University

Constituent High School
North Carolina
School of Science
and Mathematics

An Equal Opportunity/
Affirmative Action
Employer

We were only able to identify a few sample policies from institutions of higher education:

- “Green” University, a research university located in the South (http://www.nacubo.org/documents/business_topics/RedFlagSample1.pdf)
- Kalamazoo College (<http://net.educause.edu/ir/library/pdf/csd5554.pdf>)

The following are sample policies from municipalities:

- Kentucky League of Cities (<http://net.educause.edu/ir/library/pdf/csd5553.pdf>)
- University of Tennessee Municipal Technical Advisory Service ([Model Identity Theft Policy and FACTA Compliance](#))

We hope that this information will aid you in developing an Identity Theft Prevention Program for your respective institutions. Please contact David Harrison at 919-962-0330 or Harrison@northcarolina.edu in the division of Legal Affairs, if you have additional questions or concerns.

Thank you.