

VALLEY ELECTRIC ASSOCIATION, INC.

Corporate Policy #116

IDENTITY THEFT PREVENTION PROGRAM

Dated: October 2, 2009
Supersedes Date: October 1, 2008
Formerly: Policy 124

I. OBJECTIVE

- A. To protect the identity and confidential financial information of VEA's members and customers, and to minimize the possibility of identity theft of member and customer information.
- B. To comply with the requirements of the Federal Trade Commission ("FTC") and the FTC's "Red Flags" Identity Theft Rules (16 CFR Part 681).
- C. To establish a program to identify, detect, prevent, and mitigate identity theft.

II. POLICY:

- A. An internal system, which shall be hereinafter called the "Identity Theft Prevention Program", shall be created to detect and identify relevant "Red Flags" for all of the existing and potential member and customer accounts of VEA. A Procedure Manual for the Identity Theft Prevention Program shall be created and reviewed at least annually, which will instruct each employee of VEA as to how to detect and identify "Red Flags" and how to respond appropriately to any "Red Flags" that are detected. The Procedure Manual shall be consistent with the FTC's Interagency Guidelines on Identity Theft Detection, Prevention, and Mitigation and shall incorporate all relevant and applicable "Red Flags" specifically identified as such by the FTC.
- B. The Manager of Finance and the Manager of Administration will be responsible for ongoing involvement in oversight, development, implementation, and administration of the Identity Theft Prevention Program. The Manager of Finance and the Manager of Administration will periodically review staff reports with respect to VEA's compliance with this policy and will also provide ongoing oversight of third party software providers and service providers that utilize consumer information to assure that consumer identity information is secure and utilized properly.
- C. An internal investigation shall be conducted when any "Red Flags" are discovered. Management shall respond appropriately to prevent and mitigate future potential identity theft once identity theft is detected.

- D. Training for all employees shall be provided as necessary to effectively implement the Identity Theft Prevention Program.
- E. An annual report will be presented to the Board of Directors with respect to compliance with the Identity Theft Prevention Program. The report will include:
 - 1. The effectiveness of the policies and procedures in addressing the risk of identity theft;
 - 2. Service provider arrangements and respective compliance with the Identity Theft Prevention Program;
 - 3. Significant incidents that have occurred and managements' response; and
 - 4. Any recommendations for changing the Identity Theft Prevention Program.
- F. The Identity Theft Prevention Program should be updated periodically to reflect changes in the risk to customers and members or changes to the safety and soundness of VEA and its members and customers with regard to identity theft. Additionally, as risk factors are discovered, the policy shall be revised to address any future risks.

III. RESPONSIBILITY:

The Board and CEO are ultimately responsible for the administration of this policy.