

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee**Red Flag Rules – Informational UpdateBackground:

In November 2007, the Federal Trade Commission (FTC) issued Red Flag Rules, requiring financial institutions and creditors to develop and implement written identity theft prevention programs.

In July 2009, the Finance, Audit & Facilities Committee of the Board approved the University of Washington's policies regarding identity theft in compliance with the FTC's Red Flag Rules. That legislation requires annual reporting to the University's governing board. Since approval of the policy, Congress delayed enforcement until December 31, 2010 to reconsider the scope of the Red Flag Rules. This is the fourth such delay in enforcement. It is possible that higher education will be exempt when the rule is finalized.

Privacy Activities:

While we monitor the status of legislation surrounding Red Flag Rules, we are actively managing privacy issues. Both central offices and UW Medicine have completed the bulk of their implementation work for Red Flag Rules including developing policies and developing guidance for staff managing personally identifiable financial information. The university is subject to a number of privacy rules and has efforts underway to organize and clarify where those rules might overlap or otherwise need descriptive roles and responsibilities. In addition, UW Information Technology (UW-IT) is recruiting a Privacy Officer for campus who will be responsible for overseeing the various privacy compliance activities.

Future Actions:

Annual reporting on Red Flag Rules to the Board will commence when final rules, including the scope of entities covered, is announced. If institutions of higher education are exempt, the Board will be asked for approval to rescind the policy on Red Flag Rules they approved in July 2009. Components of the Red Flag rules will nonetheless be considered, where appropriate, for incorporation into existing privacy guidance for the Gramm-Leach-Bliley Act (GLBA) and other privacy related guidance.