

**HAYNEVILLE TELEPHONE COMPANY, INC. AND
HAYNEVILLE FIBER TRANSPORT COMPANY, INC.**

“RED FLAG” RULES COMPLIANCE POLICY

Effective November 1, 2008, legislation for Section 114 of the Fair and Accurate Credit Transactions Act of 2003 (“FACTA”), also known as the “Red Flag Rules,” requires every creditor, including Hayneville Telephone Company, Inc., and Hayneville Fiber Transport Company, Inc., (collectively “Hayneville”), to develop and implement a written Identity Theft Prevention Program (“Program”) to detect, prevent and mitigate identity theft in connection with certain existing accounts or the opening of certain accounts. Section 114 also requires card issuers to develop reasonable policies and procedures regarding changes of address, and Section 315 requires users of consumer reports to implement policies and procedures needed to respond to address discrepancies.

Accounts Covered

The rules are applicable to certain new and existing accounts where an ongoing relationship exists between a subscriber and Hayneville, including personal accounts that involve or are designed to permit multiple payments or transactions, such as cell phone and wireline service accounts, for which there is a reasonably foreseeable risk to subscribers or Hayneville from identity theft. Single, non-continuing transactions, where no ongoing relationship exists between the subscriber and Hayneville, are not covered by the rules.

Program Provisions

Hayneville’s Program identifies relevant patterns, practices and specific forms of activity that are “red flags” signaling possible identity theft. The final rules and guidelines do not require the use of any specific technology, systems, processes or methodology, nor is Hayneville required to develop duplicate policies and procedures when its existing processes control reasonably foreseeable risks to subscribers or Hayneville from identity theft.

Hayneville has instituted the following procedures in response to “red flags” from the following categories, including, as applicable, “red flags” derived from incidents of identity theft that Hayneville has experienced; methods of identity theft identified by Hayneville that reflect changes in identity theft risks; and supervisory guidance.

Recordkeeping

Although the FTC’s rules do not provide guidelines regarding documentation of activities that implicate or trigger “red flags,” Hayneville will follow standard procedures for documentation of any such activities and company responses, as directed by supervisory personnel, and maintain such records in accordance with Hayneville’s record retention policies.

Alerts, Notifications or Warnings from a Consumer Reporting Agency

Hayneville requests reports from consumer reporting agencies

- on new applicants for service and
- for existing subscribers seeking to include additional, ancillary services, such as DSL, who have a recent history of late or partial payments to Hayneville.

Hayneville will take the following action upon receipt of alerts, notifications or warnings from any consumer reporting agency that may indicate that a subscriber's identity could have been stolen or compromised:

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

Not applicable. Fraud or active duty alerts are not included with the consumer reports utilized by Hayneville.

Hayneville will follow established procedures for verifying the identity of new service applicants by verifying

- the applicant's identity by means of photo ID (preferably, driver's license), and
- that the social security number issued for the new install order matches the social security number listed in the credit report.

In the case of an existing account,

- the subscriber's identity must be verified by requiring him/her to give their PIN and/or password, if a request is made by telephone, or requiring the subscriber to present a government issued photo ID, if the request is made in person.

Hayneville will refuse to open a new account or make any changes to an existing account until the customer's or subscriber's identity has been verified.

2. A consumer reporting agency provides a notice of credit freeze in response to a request for a consumer report.

Alabama is one of the few states that does not have a law requiring the availability of the security freeze or credit freeze. However, as of November 1, 2007, Equifax, Experian, and TransUnion are all making the freeze available voluntarily to Alabama residents.

When a security freeze is in place at all three major credit reporting agencies, an applicant's credit report and credit score cannot be shared with Hayneville unless the applicant decides to unlock the file by contacting a consumer reporting agency and providing a PIN or password. *Security freezes do not apply to any person or entity with whom the consumer has an existing account, nor to a limited number of other parties who may access the files for purposes not related to new accounts, such as law enforcement agencies and certain governmental agencies that need them for investigations and other statutory responsibilities.*

If a consumer reporting agency provides notice of a credit freeze to Hayneville, Hayneville must contact the applicant and ask him/her to remove the freeze temporarily so that the service application may be processed.

3. A consumer reporting agency provides a notice of address discrepancy.

The validity of the change of address must be verified by Hayneville.

For existing customers with a discrepancy in address, Hayneville may verify the new address by

- using the E-911 database,
- asking for additional proof of address change, including, but not limited to, presentation of other utility bills bearing the new address, newly issued driver's license or other government issued ID, paycheck stub or employer's verification of new address, and/or
- mailing notice of the account change to the subscriber's address of record.

Hayneville will also follow established customer authentication procedures,

- requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- request additional proof of identity,
- ask for the account password,
- refuse to make changes to the account until the discrepancy is resolved,
- check account records for additional authorized persons, and/or
- monitor the existing account for evidence of identity theft.

For new applicants for service who have recently moved to the Hayneville service area, Hayneville may verify the new address by

- asking for additional proof of address change, including, but not limited to, presentation of other utility bills bearing the new address, newly issued driver's license or other government issued ID, paycheck stub or employer's verification of new address.

In addition, Hayneville will follow established customer authentication procedures,

- requiring presentation of a government issued photo ID (preferably, driver's license) and social security number,
- request additional proof of identity, and/or
- refuse to open an account until the discrepancy is resolved.

4. A consumer report indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant or subscriber, such as:

a. A recent and significant increase in the volume of inquiries;

- Hayneville will monitor the existing account for evidence of identity theft and
- will not make any changes to an existing account without the express authorization of the subscriber or a properly authorized person of record on the account and the proper password.

b. An unusual number of recently established credit relationships; or

- Hayneville will rely on its existing requirements for verifying the identity of new applicants before providing service,
- monitor the existing account for evidence of identity theft and
- will not make any changes to an existing account without the express authorization of the subscriber or a properly authorized person of record on the account and the proper password.

c. An account that was closed for cause or identified for abuse of account privileges by a financial institution or creditor.

- Hayneville will follow the applicable rules and regulations of the Alabama Public Service Commission regarding collection of deposits from applicants with poor credit histories or from existing subscribers who are seeking to include additional, ancillary services, such as DSL, and who have a recent history of late or partial payments to Hayneville.

Suspicious Documents

5. Documents provided for identification appear to have been altered or forged.

For applicants for new service,

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) and social security number,
- make a copy of the suspicious ID,
- request additional proof of identity and/or compare signatures among documents presented, and/or
- refuse to open an account until the discrepancy is resolved.
- **Under these circumstances, no new accounts will be opened without requiring the customer to come into the company's office and verifying his/her identity in person.**

For existing subscribers,

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- make a copy of the suspicious ID,
- request additional proof of identity and/or compare signatures among documents presented,
- ask for the account password,
- refuse to make changes to the account until the discrepancy is resolved,
- check account records for additional authorized persons, and/or
- monitor the existing account for evidence of identity theft.

6. The photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification.

For applicants for new service,

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license),
- make a copy of the suspicious ID,
- request additional proof of identity that includes a photograph and/or physical description that matches the appearance of the applicant, and/or
- refuse to open an account until the discrepancy is resolved.

For existing subscriber accounts,

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- make a copy of the suspicious ID,
- request additional proof of identity that includes a photograph and/or physical description that matches the appearance of the applicant,
- ask for the account password,
- refuse to make changes to the account until the discrepancy is resolved,
- check account records for additional authorized persons,
- mail notice of the attempted changes to the account to the subscriber's address of record, and/or
- monitor the existing account for evidence of identity theft.

7. Other information on the identification is not consistent with information provided by the person opening a new covered account or customer presenting the identification.

For applicants for new service,

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) and social security number,
- make a copy of the suspicious ID,
- request additional proof of identity that contains the same information found to be inconsistent in the identification presented, and/or
- refuse to open an account until the discrepancy is resolved..

For existing subscriber accounts,

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- make a copy of the suspicious ID,
- request additional proof of identity that contains the same information found to be inconsistent in the identification presented,
- ask for the account password,
- refuse to make changes to the account until the discrepancy is resolved,
- check account records for additional authorized persons,

- mail notice of the attempted changes to the account to the subscriber's address of record, and/or
- monitor the existing account for evidence of identity theft.

8. Other information on the identification is not consistent with readily accessible information that is on file with Hayneville, such as a signature card or a recent check.

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- make a copy of the suspicious ID,
- request additional proof of identity that contains the same information found to be inconsistent in the identification presented,
- ask for the account password,
- refuse to make changes to the account until the discrepancy is resolved,
- *follow CPNI rules regarding access to customer proprietary information,*
- check account records for additional authorized persons,
- mail notice of the attempted changes to the account to the subscriber's address of record, and/or
- monitor the existing account for evidence of identity theft.

9. An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.

For an application for a new customer account,

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- refuse to open an account at that time, and
- require a new application and/or require the new application to be made in person..

For an application to add or change services to an existing account,

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- ask for the account password,
- check account records for additional authorized persons,
- mail notice of the attempted changes to the account to the subscriber's address of record, and/or
- monitor the existing account for evidence of identity theft.

Suspicious Personal Identifying Information

10. Personal identifying information provided is inconsistent when compared against external information sources used by Hayneville. For example:

a. The address does not match any address in the consumer report; or

The address must be verified by Hayneville.

For existing customers with a discrepancy in address, Hayneville may verify the new address by

- using the E-911 database,
- asking for additional proof of address change, including, but not limited to, presentation of other utility bills bearing the new address, newly issued driver's license or other government issued ID, paycheck stub or employer's verification of new address, and/or
- mailing notice of the account change to the subscriber's address of record.

For new applicants for service who have recently moved to the Hayneville service area, Hayneville may verify the new address by

- asking for additional proof of address change, including, but not limited to, presentation of other utility bills bearing the new address, newly issued driver's license or other government issued ID, paycheck stub or employer's verification of new address.

Hayneville will also follow established customer authentication procedures and refuse to open a new account or make any changes to an existing account until the customer's or subscriber's identity has been verified.

b. The Social Security Number (SSN) has not been issued, or is listed on the Social Security Administration's Death Master File.

Hayneville will require the applicant to present his/her social security card and/or any letters from the Social Security Administration regarding these numbers. Hayneville will deny service until the customer's identity has been established.

In addition,

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- ask for the account password,
- check account records for additional authorized persons,
- mail notice of the attempted changes to the account to the subscriber's address of record, and/or
- monitor the existing account for evidence of identity theft.

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

Hayneville does not correlate SSNs with a customer's date of birth.

However, for an application for a new customer account,

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) and social security number,
- make a copy of any suspicious documentation presented,
- request additional proof of identity that contains the same information found to be inconsistent in the identification presented, and/or
- refuse to open an account until the discrepancy is resolved.
- **Under these circumstances, no new accounts will be opened without requiring the customer to come into the company's office and verifying his/her identity in person.**

For an application to add or change services to an existing account,

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- make a copy of the suspicious documentation,
- ask for the account password,
- request additional proof of identity that contains the same information found to be inconsistent in the identification presented,
- check account records for additional authorized persons,
- refuse to make changes to the account until the discrepancy is resolved,
- *follow CPNI rules regarding access to customer proprietary information,*
- mail notice of the attempted changes to the account to the subscriber's address of record, and/or
- monitor the existing account for evidence of identity theft.

12. Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources used by Hayneville. For example:

a. The address on an application is the same as the address provided on a fraudulent application; or

The address must be verified by Hayneville.

For existing customers with a discrepancy in address, Hayneville may verify the new address by

- using the E-911 database,
- asking for additional proof of address change, including, but not limited to, presentation of other utility bills bearing the new address, newly issued driver's license or other government issued ID, paycheck stub or employer's verification of new address, and/or
- mailing notice of the account change to the subscriber's address of record.

- **Under these circumstances, no new accounts will be opened without requiring the customer to come into the company's office and verifying his/her identity in person.**

For new applicants for service who have recently moved to the Hayneville service area, Hayneville may verify the new address by

- asking for additional proof of address change, including, but not limited to, presentation of other utility bills bearing the new address, newly issued driver's license or other government issued ID, paycheck stub or employer's verification of new address.

b. The phone number on an application is the same as the number provided on a fraudulent application.

Not applicable – telephone number is assigned by Hayneville itself.

Hayneville will follow its internal rules of customer authentication, especially if a specific phone number is requested.

In addition, for an application for a new customer account,

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) and social security number,
- make a copy of the suspicious ID,
- request additional proof of identity, and/or
- refuse to open an account until the discrepancy is resolved.

For an application to add or change services to an existing account,

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- ask for the account password,
- check account records for additional authorized persons,
- mail notice of the attempted changes to the account to the subscriber's address of record, and/or
- monitor the existing account for evidence of identity theft.

13. Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated by internal or third-party sources used by Hayneville. For example:

Hayneville will refuse to open or change an account until the issue is resolved.

a. The address on an application is fictitious, a mail drop, or prison; or

In addition, the address must be verified by Hayneville.

For existing customers with a discrepancy in address, Hayneville must first verify the identity of the subscriber by asking for the account password, if the request is made by telephone, and/or a photo ID, for subscribers presenting in person, and Hayneville may verify the new address by

- using the E-911 database,
- asking for additional proof of address change, including, but not limited to, presentation of other utility bills bearing the new address, newly issued driver's license or other government issued ID, paycheck stub or employer's verification of new address,
- check records for additional authorized persons on the account, and/or
- mailing notice of the account change to the subscriber's address of record.

For new applicants for service who have recently moved to the Hayneville service area, Hayneville may verify the new address by

- asking for additional proof of address change, including, but not limited to, presentation of other utility bills bearing the new address, newly issued driver's license or other government issued ID, paycheck stub or employer's verification of new address.

b. The phone number is invalid, or is associated with a pager or answering service.

Not applicable – telephone number is assigned by Hayneville itself.
Hayneville will follow its internal rules of customer authentication.

14. The SSN provided is the same as that submitted by other persons opening an account or other customers.

Hayneville will require the customer to present his/her social security card and/or any letters from the Social Security Administration regarding these numbers. Hayneville will deny service until the customer's identity has been established and/or the discrepancy has been resolved.

In addition,

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- ask for the account password,
- check account records for additional authorized persons,
- mail notice to the subscriber's address of record, and/or
- monitor the existing account for evidence of identity theft.

15. The address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of other persons opening accounts or other customers.

The address must be verified by Hayneville.

For existing customers with a discrepancy in address, Hayneville must first verify the identity of the subscriber by asking for the account password, if a request is made by telephone, or a photo ID, for subscribers presenting in person, and may verify the new address by

- using the E-911 database,

- asking for additional proof of address change, including, but not limited to, presentation of other utility bills bearing the new address, newly issued driver's license or other government issued ID, paycheck stub or employer's verification of new address,
- change passwords or PINS on existing account(s) affected,
- check records for additional authorized persons on the account, and/or
- mailing notice of the account change to the subscriber's address of record.

For new applicants for service who have recently moved to the Hayneville service area, Hayneville may verify the new address by

- asking for additional proof of address change, including, but not limited to, presentation of other utility bills bearing the new address, newly issued driver's license or other government issued ID, paycheck stub or employer's verification of new address.

16. The person opening the covered account or the subscriber fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete.

- Hayneville will refuse to open or change an account until information is provided and verified,
- ask for the account password from existing subscribers,
- change passwords or PINS on existing account(s) affected,
- check records for additional authorized persons on the account, and/or
- mail notice of the account change to the subscriber's address of record.

17. Personal identifying information provided is not consistent with personal identifying information that is on file with Hayneville.

- Hayneville will follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- make a copy of the suspicious ID,
- request additional proof of identity that contains the same information found to be inconsistent in the identification presented,
- ask for the account password,
- refuse to make changes to the account until the discrepancy is resolved,
- *follow CPNI rules regarding access to customer proprietary information,*
- check account records for additional authorized persons,
- mail notice of the attempted changes to the account to the subscriber's address of record, and/or
- monitor the existing account for evidence of identity theft.

18. For creditors that use challenge questions, the person opening the covered account or the subscriber cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report.

Not applicable. Hayneville does not use challenge questions, but will follow its internal rules of customer authentication, which require a password and a backup “secret question” known only to the subscriber or authorized persons on the account.

Unusual Use of, or Suspicious Activity Related to, the Covered Account

19. Shortly following the notice of a change of address for a covered account, Hayneville receives a request for new, additional, or replacement cards or a cell phone, or for the addition of authorized users on the account.

Hayneville may not issue additional or replacement cards until it verifies the validity of the change of address, notifies the cardholder of the request and provides the cardholder with a reasonable means of promptly reporting incorrect address changes.

Hayneville will not provide a new, additional or replacement cell phone without first requiring the customer to come in to the business office. Hayneville will then follow its internal rules of customer authentication and verify the validity of the change of address before providing the requested services.

- Hayneville may verify the new address by using the E-911 database,
- ask for additional proof of address change, including, but not limited to, presentation of other utility bills bearing the new address, newly issued driver’s license or other government issued ID, paycheck stub or employer’s verification of new address,
- mail notice of the requested account changes to the subscriber’s address of record, which has been associated with the account for thirty (30) days, and/or
- monitor account for evidence of identity theft.

Hayneville will also require a written request for additional authorized users on the account, signed by the subscriber of record, and check records for additional authorized persons on the account.

20. A new revolving credit account is used in a manner commonly associated with known patterns of fraud. For example:

- a. The subscriber fails to make the first payment or makes an initial payment but no subsequent payments.

Hayneville will follow the Alabama Public Service Commission’s rules and its normal procedures for disconnection of service. Hayneville will ensure that the address of record for billing purposes is the same as that provided on the application for service.

21. A covered account is used in a manner that is not consistent with established patterns of activity on the account. There is, for example

- a. Nonpayment when there is no history of late or missed payments;

Hayneville will follow the Alabama Public Service Commission's rules and its normal procedures for disconnection of service. Hayneville will ensure that the address of record for billing purposes is the same as that provided on the application for service.

b. A material change in purchasing or spending patterns; or

- Hayneville will require the associated password before adding any new services by telephone,
- follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- *follow CPNI rules regarding access to customer proprietary information,*
- mail notice of account changes to the subscriber's address of record, which has been associated with the account for thirty (30) days,
- change passwords or PINS on existing account(s) affected,
- monitor accounts not subscribed to unlimited plans for spikes in long distance calling and contact the subscriber by telephone regarding the excessive usage, and/or
- monitor the account for evidence of identity theft.

c. A material change in telephone call patterns in connection with a cellular phone account.

- Hayneville will require the associated password before adding any new services by telephone or discussing new packages tailored to meet the customer's needs, in response to a call from the customer,
- follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- *follow CPNI rules regarding access to customer proprietary information,*
- mail notice of account changes to the subscriber's address of record, which has been associated with the account for thirty (30) days,
- change passwords or PINS on existing account(s) affected, and/or
- monitor the account for evidence of identity theft.

22. A covered account that has been inactive for a reasonably lengthy period of time is used (taking into consideration the type of account, the expected pattern of usage and other relevant factors).

Not applicable. Hayneville will follow the Alabama Public Service Commission's rules and its normal procedures for disconnection of service.

23. Mail sent to the subscriber is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the subscriber's covered account.

Hayneville will follow the Alabama Public Service Commission's rules and its normal procedures for disconnection of service.

In addition, Hayneville will

- require the established password before adding any new services by telephone,
- follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- mail notice of account changes to the subscriber's address of record, which has been associated with the account for thirty (30) days,
- change passwords or PINS on existing account(s) affected,
- close existing account and reopen with a new telephone number,
- follow address verification procedures for any new address provided by the subscriber and mail notice of that account change to the subscriber's address of record, which has been associated with the account for thirty (30) days, and/or
- monitor the account for evidence of identity theft.

24. Hayneville is notified that the subscriber is not receiving paper account statements.

- Hayneville will verify the address of record with the subscriber,
- follow address verification procedures for any new address provided by the subscriber, and/or
- monitor the account for evidence of identity theft.

Hayneville will follow the Alabama Public Service Commission's rules and its normal procedures for disconnection of service.

25. Hayneville is notified of unauthorized charges or transactions in connection with a subscriber's covered account.

- Hayneville will require the established password before adding any new services by telephone,
- follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- follow disputed charge procedures with the subscriber,
- check written requests for authorized users on the account, signed by the subscriber of record,
- mail notice of account changes to the subscriber's address of record, which has been associated with the account for thirty (30) days,
- change passwords or PINs on existing account(s) affected,
- close existing account and reopen with a new telephone number, and/or
- monitor the account for evidence of identity theft.

Notice from Subscribers, Victims of Identity Theft, Law Enforcement Authorities, or Other Persons Regarding Possible Identity Theft in Connection with Covered Accounts Held by Hayneville

26. Hayneville is notified by a subscriber, a victim of identity theft, a law enforcement authority, or any other person that it has opened a fraudulent account for a person engaged in identity theft.

- Hayneville will contact the victim and require him/her to provide proof of identity for Hayneville's records,
- require the subscriber or victim to provide a written statement that he/she disputes the account,
- require the subscriber to provide proof of his/her identity, following established customer authentication procedures that require presentation of a government issued photo ID (preferably, driver's license) and social security number, and
- advise the subscriber or victim to notify law enforcement of the fraudulent activity,
- suspend the account if contact is not made with subscriber in a timely manner, and/or requested documentation is not provided in a timely manner, and/or
- close the account immediately if found to have been fraudulently established.

In addition, if the subscriber is the victim,

- change passwords or PINS on subscriber's existing account(s),
- close subscriber's existing account and reopen with a new telephone number, and/or
- monitor the account for evidence of identity theft.

27. Change of address request closely follows a request for new services or a material change in a customer's use of his/her service.

The address must be verified by Hayneville.

- Hayneville must first verify the identity of the subscriber by asking for the account password, if the request is made by telephone, or a photo ID, for subscribers presenting in person, and may verify the new address by using the E-911 database,
- ask for additional proof of address change, including, but not limited to, presentation of other utility bills bearing the new address, newly issued driver's license or other government issued ID, paycheck stub or employer's verification of new address,
- require the established password before adding any new services by telephone,
- follow established customer authentication procedures, requiring presentation of a government issued photo ID (preferably, driver's license) for subscribers making their requests in person,
- change passwords or PINS on existing account(s) affected,
- require a written request for additional authorized users on the account, signed by the subscriber of record and check records for additional authorized persons on the account,
- mail notice of the account changes to the subscriber's address of record, which has been associated with the account for thirty (30) days, and/or
- monitor account for evidence of identity theft.

28. Provide for periodic review and updates to Hayneville’s red flag policies and procedures.

Hayneville’s red flag policies and procedures will be reviewed once annually, with updates as required based on:

- a. Hayneville’s experiences with identity theft;
- b. changes in methods of identity theft;
- c. changes in methods to detect, prevent, and mitigate identity theft;
- d. changes in the types of accounts that Hayneville offers or maintains; and
- e. changes in Hayneville’s business arrangements, including mergers, acquisitions, alliances, joint ventures, and service provider arrangements.

29. The Program should have oversight by Hayneville’s Board of Trustees, an appropriate committee thereof, or in the absence of such a Board, a designated employee at the level of senior management.

_____ will have responsibility of regulatory supervision over the Program.

30. The Board of Directors or a committee thereof must approve the initial written Program, but the rules provide Hayneville with the discretion to determine whether the Board or management will approve changes to the Program and the extent of Board involvement in the oversight, development, implementation and administration of the Program through:

Hayneville’s initial program will be approved by the Board of Trustees; additional changes will require the approval of the Board of Trustees; provided, however, that _____ shall have responsibility for approving material changes to the Program as necessary to address changing identity theft risks until such time as the approval of the Board of Trustees can be obtained. The Board will have no involvement in the oversight, development, implementation and administration of the Program.

- a. Assigning specific responsibility for the Program’s implementation;

_____ will be the individual responsible for the Program’s implementation.

- b. Reviewing annual reports prepared by staff regarding compliance by Hayneville, specifically addressing material matters related to the Program and evaluating issues such as: the effectiveness of Hayneville’s policies and procedures in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts; service provider arrangements; significant incidents involving identity theft and management’s response; and recommendations for material changes to the Program;

_____ will be the individual responsible for reviewing compliance reports, evaluating the effectiveness of Hayneville’s program in addressing the risk of identity theft to Hayneville and its subscribers, evaluating service provider

arrangements and company responses to incidents of identity theft, and recommending Program changes.

c. Approving material changes to the Program as necessary to address changing identity theft risks;

_____ will be the individual responsible for approving material changes to the Program as necessary to address changing identity theft risks.

d. Training staff, as necessary, to effectively implement the Program; and

_____ will be the individual responsible for training staff on an annual basis regarding the Program, content and implementation.

- Hayneville will set up training schedule,
- require employees to sign off on their receipt of the written policies and procedures, and their review and understanding of them, and
- document employees' participation in training and keep a copy of that document in Hayneville's personnel files.

e. Exercising appropriate and effective oversight of service providers engaged to perform an activity in connection with one or more covered accounts.

- Hayneville will ensure that any contracts with outside service providers contain a provision that the services are conducted in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft, and
- include a requirement by contract that the service provider have policies and procedures to detect relevant red flags that may arise in the performance of its activities, and to report the red flags to Hayneville or take appropriate steps to prevent or mitigate identity theft.