

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF GOLDEN RAIN FOUNDATION OF LAGUNA WOODS  
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

**October 5, 2010**

The Regular Meeting of the Golden Rain Foundation of Laguna Woods Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, October 5, 2010, at 9:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Jim Matson, Lloyd Foster, Don Tibbetts, Bea McArthur, Burns Nugent, Ruth May, Ray Gros, Bob Hatch, Ken Hammer, Larry Souza

Directors Absent: Bob Miller

Others Present: Jerry Storage, Patty Kurzet, Janet Price (9:47 A.M. – 9:51 A.M.)  
*Executive Session:* Jerry Storage, Cris Robinson, Patty Kurzet, Luis Rosas

Designated Representative  
from Mutual Fifty: None

**CALL TO ORDER**

President Jim Matson served as Chair of the meeting and stated that it was a regular meeting held pursuant to notice duly given and that a quorum was present. The meeting was called to order at 9:30 A.M.

A moment of silence and reflection was held to honor our US Troops who are serving our Country, and for those who are in harm's way.

**PLEDGE OF ALLEGIANCE TO THE FLAG**

Director Ruth May led the membership in the Pledge of Allegiance to the Flag.

**ACKNOWLEDGEMENT OF PRESS**

Ms. Claire Webb from the Laguna Woods Globe was not present at the time the meeting started, and the Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

**APPROVAL OF AGENDA**

Without objection, the agenda was approved as written.

**APPROVAL OF MINUTES**

The Board reviewed and approved without objection the Minutes of the Regular Board meeting of September 7, 2010 and the Special Meeting of September 24, 2010.

### **CHAIR'S REPORT**

President Matson commented on the Board's inquiry into Third Mutual's lawsuit against PCM, Inc. and commented on a resident who expressed his sentiments with living in the Community.

### **GENERAL MANAGER'S REPORT**

Mr. Storage updated the membership on the ongoing projects in the Community and the Plan-A-Ride Program and its projected savings to the community, and encouraged residents to sign up for the e-newsletter on the website for residents to receive by way of email which promotes more communication with GRF and the residents.

### **OLD BUSINESS**

The Secretary of the Corporation, Director Bea McArthur read the following proposed resolution approving the Percentage Chart relative to the Recreation Room Reservation Pricing Policy, which was postponed last month to conform to the thirty-day notification requirements:

#### **RESOLUTION 90-10**

**RESOLVED**, November 2, 2010, that the Board of Directors hereby approves the following percentage to be shared by the Community at large relative to the Recreation Division Resident Room Reservation Fees and Setup Fees: **90% for all rooms.**

**RESOLVED FURTHER**, that the charge for Clubhouse 3 Auditorium Event with Admission shall be \$345 per day; and

**RESOLVED FURTHER**, that such policy shall be effective January 1, 2011; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director McArthur moved to approve the resolution. Director Hatch seconded the motion.

Director McArthur made a motion to postpone the resolution to the November meeting to satisfy the 30-day notification requirements. Director Foster seconded the motion and the motion carried unanimously.

Without objection, the Board waived the reading of the following proposed resolution adopting a policy prohibiting the cultivation of medical marijuana on the Community's common areas, which was postponed last month to conform to the thirty-day notification requirements:

**RESOLUTION 90-10-**

**PROHIBITION OF THE CULTIVATION OF MEDICAL  
MARIJUANA ON GRF (COMMON AREA) PROPERTY**

**WHEREAS**, in the fall of 2009, there was a trespass and a theft of marijuana plants from the Garden Center, soon after it was publicized within the community that medical marijuana was being grown at the Garden Center.

**WHEREAS**, the Garden Center plot at Laguna Woods Village is an example of common areas that are owned and managed by GRF (although individual Members may rent certain plots in the Garden Center), and accordingly, the Garden Center is a common area for which the Board must take reasonable actions to protect the community from foreseeable criminal activity.

**WHEREAS**, in the Laguna Woods Village community, the crimes of breaking and entering, along with theft of marijuana plants, have occurred at the Garden Center. Hence, in view of the access to the medical marijuana plants growing on these common areas, as well as the foreseeability that, not only may subsequent thefts be attempted, but such crimes might be accompanied by violence, HK&C has provided a comprehensive legal analysis and advised GRF's Board that it would be prudent to enact a policy reasonably designed to protect its Members and the staff of its managing agent, and further that such a policy would prohibit growing medical marijuana on common areas.

**WHEREAS**, the Board has considered the advice of counsel, and in furtherance of fulfilling its fiduciary duties to protect its Members and the managing agent's staff from foreseeable criminal activity, the Board has determined that it is in the best interests of the community to prohibit growing medical marijuana on common areas, which are under GRF's exclusive control. The GRF Board is taking no action with respect to the growing of medical marijuana on private property.

**NOW, THEREFORE, BE IT RESOLVED THAT**, November 2, 2010, that the Board hereby adopts a policy prohibiting the cultivation of medical marijuana on the community's common areas (including, without limitation, in the Garden Centers), in view of the foreseeable risk of criminal activity attendant to such activities that could bring harm to the community's Members, and/or staff of the managing agent.

**RESOLVED FURTHER**, that the Board has been advised regarding and recognizes the legality in California of the growing of marijuana on private property for medical purposes. Accordingly, the Board is not adopting any policy with respect to the private cultivation of medical marijuana.

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director McArthur moved to approve the resolution. Director Foster seconded the motion.

Director McArthur made a motion to postpone the resolution to the November meeting to satisfy the 30-day notification requirements. Director Foster seconded the motion and the motion carried unanimously.

## **NEW BUSINESS**

No new business came before the Board.

## **CONSENT CALENDAR**

Director May made a motion to approve the Consent Calendar as submitted. Director McArthur seconded the motion.

Director Tibbetts made a motion to move agenda item 10 (c) *Approval to Endorse New Resident Reception Hosted by the Saddleback Kiwanis and Co-Sponsor Event with Saddleback Kiwanis by Providing Information for Distribution to New Residents at the Cost of Postage for Approximately 200 New Residents* from the Consent Calendar and place under the Government and Public Relations Committee Report for discussion and action. Director Nugent seconded the motion and the motion carried by a vote of 7-2-0 (Directors McArthur and May opposed).

Without objection, the Consent Calendar was approved as amended and the Board took the following actions:

### Government and Public Relations Committee

#### **RESOLUTION 90-10-79**

**WHEREAS**, since 2003, the Social Services Department has coordinated an annual flu shot clinic in the Community; and

**WHEREAS**, since 2006, GRF has authorized a formal agreement with Maxim Health Care to provide flu and pneumonia shots to the Community and Maxim Health Care is again requesting to enter into a formal contract with GRF to provide flu vaccines and the use of Clubhouse One for four hours on October 21, 2010; and

**NOW THEREFORE BE IT RESOLVED**, October 5, 2010, that the Board of Directors of this Corporation hereby single sources the flu shot clinic to Maxim Health Systems and authorizes the use of Clubhouse One to provide services to the Community at no cost to GRF; and

**RESOLVED FURTHER**, that the officers and agents of this corporation on behalf of the corporation are hereby authorized to carry out the purpose of this resolution.

**RESOLUTION 90-10-80**

**WHEREAS**, Fifth District Supervisor Bates of the Orange County Board of Supervisors requested the use of Clubhouse Three on April 1, 2011 to hold the Fourth Annual South County Senior Summit which offers an inspirational and informative array of speakers and subjects to enhance the quality of life of older adults and their caregivers residing in South County;

**NOW THEREFORE BE IT RESOLVED**, October 5, 2010, that the Board of Directors of this Corporation hereby approves the request for use of Clubhouse Three on April 1, 2011 to hold the Fourth Annual South County Senior Summit; and

**RESOLVED FURTHER**, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

Community Activities Committee:

**RESOLUTION 90-10-81**

**WHEREAS**, the General Election is scheduled for November 2, 2010 and the Orange County Registrar of Voters are requesting the use of Clubhouse Three for 4 days to train the poll workers, and that GRF waives the outside rental fee;

**NOW THEREFORE BE IT RESOLVED**, October 5, 2010, that the Board of Directors of this Corporation hereby approves the request from the Orange County Registrar of Voters that GRF waives the outside rental fee for the use of Clubhouse Three for the following 4 days: October 14<sup>th</sup>-15<sup>th</sup> and 29<sup>th</sup>-30<sup>th</sup> to train poll workers for the General Election on November 2, 2010; and

**RESOLVED FURTHER**, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

**RESOLUTION 90-10-82**

**WHEREAS**, the Board of Directors of this Corporation adopted Resolution 90-07-81 which approved the new Recreation Division Policy, Section II Use of Clubhouses and Community Center Rooms; and

**WHEREAS**, Section XIII(j) *Clubhouse Bulletin Boards, Posting Flyers, Announcements, etc.*, only allows the Clubhouse Five bulletin board to be used to advertise events held at Clubhouse Five; and

**WHEREAS**, the Community Concerts Club requested an exception to the Policy to display a poster at Clubhouse 5 for one month advertising their series concert event at Clubhouse 3;

**NOW THEREFORE BE IT RESOLVED**, October 5, 2010, that the Board of Directors of this Corporation hereby makes an exception to its Policy and approves the request of the Community Concerts Club to display a poster at Clubhouse 5 for one month advertising their series concert event at Clubhouse 3; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this Resolution.

**RESOLUTION 90-10-83**

**RESOLVED**, October 5, 2010 that the Board of Directors of this Corporation hereby approves the request of AARP to hold its Driver Safety Program at Clubhouse Five in 2011; and

**RESOLVED FURTHER**, that the room rental fee shall be waived; and

**RESOLVED FURTHER**, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

**RESOLUTION 90-10-84**

**RESOLVED**, October 5, 2010, that the Board of Directors of this Corporation hereby approves the use of Clubhouse Seven on Saturday, January 22, 2011 by the 110 Club to hold their annual gala event; and

**RESOLVED FURTHER**, that the international folk dance group shall be relocated for one night; and

**RESOLVED FURTHER**, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

**RESOLUTION 90-10-85**

**WHEREAS**, the 18-Hole Men's Golf Club will be hosting a golf series event with the Men's Club of the Navy Golf Course at Seal Beach in mid-October and requests that GRF approve the resident golf cart rental rate of \$10.00 per cart for their non-resident players;

**NOW THEREFORE BE IT RESOLVED**, October 5, 2010, that the Board of Directors of this Corporation hereby approves the request from the 18-Hole Men's Golf Club for the use of the resident golf cart rental rate of \$10.00 for the non-resident players in a golf series event they are hosting with the Men's Club of the Navy Golf Course at Seal Beach; and

**RESOLVED FURTHER**, that the 18-Hole Men's Golf Club will pay for all costs of the rentals; and

**RESOLVED FURTHER**, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

#### **RESOLUTION 90-10-86**

**WHEREAS**, PCs that are more than 5 years old are not adequate for the PC Facility since they won't accommodate the latest software applications, but as long as they are functional, they are adequate for certain functions;

**NOW THEREFORE BE IT RESOLVED**, October 5, 2010, that the Board of Directors of this Corporation hereby approves the transfer of five (5) additional obsolete PCs from the PC Learning Center to the Camera Club Facility at Clubhouse Four to complete outfitting their new classroom; and

**RESOLVED FURTHER**, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

#### **RESOLUTION 90-10-87**

**WHEREAS**, PCs that are more than 5 years old are not adequate for the PC Facility since they won't accommodate the latest software applications, but as long as they are functional, they are adequate for certain functions;

**NOW THEREFORE BE IT RESOLVED**, October 5, 2010, that the Board of Directors of this Corporation hereby approves the transfer of one (1) obsolete PC from the PC Learning Center to the Radio Room in order for the Radio Club to upgrade their existing computer for use in their training program for emergency preparedness; and

**RESOLVED FURTHER**, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

**Maintenance and Construction Committee:**

- Approve Dedication of Two Small Dining Rooms and the Shuffleboard Courts at CH2 for Golf Operations for the Duration of the New Golf Building Construction

**COMMITTEE REPORTS**

In Director Bob Miller's absence, Director Lloyd Foster gave the Treasurer's and Finance Committee reports.

Ms. Janet Price entered the meeting at 9:47 A.M.

The Secretary of the Corporation read a proposed resolution adopting a Red Flags Rule policy to help detect and respond to actual or potential identity theft situations. Director McArthur moved to approve the resolution. Director Foster seconded the motion and discussion ensued.

By a vote of 9-0-0, the motion carried and the Board of Directors adopted the following resolution.

**RESOLUTION 90-10-88**

**WHEREAS**, recently passed federal legislation initiated by the Federal Trade Commission and commonly known as the "Red Flags Rule" requires financial organizations to "put in place procedures for addressing any 'red flags' related to a consumer account when there are indications that the security of a consumer's identity has been compromised;" and

**WHEREAS**, GRF's chargeable services billing process qualifies as an organization subject to this legislation, and in order to comply, the Corporation must have formal written policy and procedures to help detect and respond to actual or potential identity theft situations;

**NOW THEREFORE BE IT RESOLVED**, October 5, 2010, that the Board of Directors of this Corporation hereby adopts the attached Red Flags Rule policy; and

**RESOLVED FURTHER**, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

Ms. Price left the meeting at 9:51 A.M.

On behalf of Director Ruth, Director Nugent reported from the Government and Public Relations Committee.

Without objection, the Board approved the New Resident Reception on November 5, 2010 hosted by the Saddleback Kiwanis and agreed to co-sponsor the event with Saddleback Kiwanis by providing information for distribution to new residents at the cost of postage for approximately 200 new residents.

Member Maxine McIntosh (68-C) addressed the Board on the event.

Ms. Wendy Bucknum, Public Affairs Manager, provided an overview of new legislation SB 1128, signed by the Governor, which applies to the 3 Golden Rain Foundations in California allowing them to charge a membership fee to assist in offsetting assessments.

Director Ken Hammer reported from the Bus Services Committee.

On behalf of Director Bob Hatch, Director May reported from the Community Activities Committee.

Director Larry Souza reported from the Landscape Committee.

Director Jim Matson reported from the Golf Building Ad Hoc Committee.

Director Bob Hatch reported from the Land Use Ad Hoc Committee.

Director Lloyd Foster reported from the Maintenance and Construction Committee.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation in the amount of \$20,000 for Miscellaneous Projects of less than \$10,000 each. Director McArthur moved to approve the resolution. Director Foster seconded the motion.

By a vote of 9-0-0, the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 90-10-89**

**WHEREAS**, GRF's 2010 Capital Plan Item P10034 appropriated a contingency of \$40,000 for Miscellaneous Projects costing less than \$10,000 each, and \$37,000 of which has been committed to date; and

**WHEREAS**, maintaining a contingency for small projects will allow Staff to respond quickly and appropriately to unforeseen capital needs arising during the year;

**NOW THEREFORE BE IT RESOLVED**, October 5, 2010, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$20,000 for Miscellaneous Projects of less than \$10,000 each, to be funded from the Facilities Fund; and

**WHEREAS**, the funds are to be expended after approval by the General Manager, with the stipulation that each item not exceed \$10,000 and must be a cost effective and/or prudent business decision; and

**RESOLVED FURTHER**, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation in the amount of \$60,700 to replace the existing swing gates at RV Lot B with an automated card access rolling gate. Director McArthur moved to approve the resolution. Director Foster seconded the motion.

By a vote of 9-0-0, the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 90-10-90**

**WHEREAS**, the existing gates at RV Lot B are manually operated swinging gates, requiring the user to unlock the gate padlock, turn and lift the locking bar, then swing the gates open; and

**WHEREAS**, residents who use the RV Lot B to store their recreational vehicles have complained about the gates' manual operation;

**NOW THEREFORE BE IT RESOLVED**, October 5, 2010, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$60,700 to be funded from the Facilities Fund to replace the existing swing gates at RV Lot B with an automated card access rolling gate; and

**RESOLVED FURTHER**, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation in the amount of \$14,300 to hire a landscape architect to provide conceptual designs for the former globe site. Director McArthur moved to approve the resolution. Director Gros seconded the motion and discussion ensued.

By a vote of 9-0-0, the motion carried and the Board of Directors adopted the following resolution:

### **RESOLUTION 90-10-91**

**WHEREAS**, in 2007, the former globe, used as a symbol to identify the Community, was removed from outside Clubhouse 7 after the Community changed its name; and

**WHEREAS**, the current site outside Clubhouse 7 remains minimally landscaped and the globe fitter still remains; and the Maintenance and Construction Committee suggested incorporating a gazebo into the area;

**NOW THEREFORE BE IT RESOLVED**, October 5, 2010, that the Board of Directors of this Corporation hereby agrees to hire a landscape architect to provide conceptual designs for the former globe site with a supplemental appropriation in the amount of \$14,300 to be funded from the Facilities Fund; and

**RESOLVED FURTHER**, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

Director Bea McArthur reported from the Broadband Services Committee.

Director Ray Gros reported from the Security and Community Access Committee.

### **MEMBER COMMENTS**

- Terri Sunshine (3232-D) announced a golf tournament held on October 18 hosted by the Saddleback Memorial Foundation.
- Anne Watts (4026-2G) commented on violations of the Tennis Courts rules and regulations.
- Susan Lackey (2321-D) commented on violations of the Tennis Courts rules and regulations and recommended that the Board implement more security measures.
- Charlotte Decker (4026-2G) commented on implementing security measures at the Tennis Court facility.
- Maxine McIntosh (68-C) commented on the reduced assessments for 2011 and commented on the golf building and its potential unnecessary expenses to maintain the building.
- Karel Brouwer (3189-C) commented on the policy to remove rodents around a manor.
- Marty Rhodes (5369-2A) commented on the microphones clear sound.
- Jodie Foster (2162-C) commented on the new golf building

### **DIRECTORS' RESPONSES TO MEMBER COMMENTS**

- Director Gros responded to Ms. Watts' comments for additional security around the Tennis Courts.
- Director Hatch responded to the issues at the Tennis facility and stated that the CAC is looking into the matter.

- Director McArthur commented on the issues at the Tennis facility.

### **DIRECTOR COMMENTS**

- Director Hammer encouraged residents to utilize the bus services.
- Director Hatch commented on maintaining low assessments.
- Director Tibbetts commented on the new golf building.
- Director Souza commented on the Community benefiting from the new golf building .

### **MEETING RECESS**

The regular open meeting recessed at 11:08 A.M. and reconvened into Executive Session at 11:14 A.M.

### **Summary of Previous Closed Session Meetings per Civil Code Section §1363.05**

During its Regular Executive Session meeting of September 7, 2010, the Board approved the minutes of the Regular Executive Session meeting of August 3, 2010, the Special Executive Session meeting of August 6, 2010, and the Special Executive Session meeting of August 24, 2010. The Board approved the Security and Community Access Committee recommendations for RV Lot violations; discussed contractual matters; and reviewed the litigation status report.

During its Special Executive Session meeting of September 10, 2010, the Board discussed litigation and contractual matters.

During its Special Executive Session meeting of September 14, 2010, the Board discussed litigation matters and contractual matters.

During its Special Executive Session meeting of September 21, 2010, the Board discussed litigation matters and contractual matters.

### **ADJOURNMENT**

There being no further business to come before the Board of Directors, the meeting adjourned at 3:20 P.M.

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Elizabeth McArthur, Secretary

## **Golden Rain Foundation of Laguna Woods Identity Theft Prevention Program Policy and Procedures**

### **POLICY**

The Golden Rain Foundation (GRF), its managing agent (PCM) and managing agent staff (Staff), collectively known as "Corporation", strives to comply with all federal and state laws and reporting requirements regarding identity theft, including the federal Red Flags Rule, which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003. This policy outlines the Corporation's Identity Theft Prevention Program ("Program"), which is mandated by the Red Flags Rule and governs how the Corporation will (1) identify, (2) detect and (3) respond to "red flags." A red flag is defined as a pattern, practice, or specific account or record activity that indicates possible identity theft.

The Program will be reviewed and updated at least once a year in order to ensure that the Program keeps current with identity theft risks. In doing so, the Corporation will consider the Corporation's experiences with identity theft situations and similar experiences for other entities in the community association industry, changes in identity theft methods, changes in identity theft detection and prevention methods, and changes in Corporation's business arrangements with other entities.

The MIS Department Manager is assigned the responsibility of developing, implementing, and overseeing the administration of the Program. The Corporation is committed to ensuring that this individual, designated as Corporation's privacy official, be provided with sufficient resources and authority to fulfill these duties.

The Corporation requires that its business associates be contractually bound to protect sensitive client information to the same degree as set forth in this policy. Business associates of the Corporation who violate their agreement will be dealt with first by an attempt to address the problem, and if that fails, by termination of the agreement and discontinuation of services by the business associate.

Staff must be trained on the policies and procedures governing compliance with the Red Flags Rule, and new workforce members are required to receive training on these matters within a reasonable amount of time after they have been hired. Should any policy or procedure related to the Red Flags Rule materially change, further training shall be provided within a reasonable amount of time after the policy or procedure materially changes. All training sessions are to be documented, indicating participants, date, and subject matter.

### **PROCEDURES**

#### **I. Identify Red Flags.**

While providing community services to Laguna Woods Village mutual corporation members and property owners ("Owner/Member(s)"), Staff may encounter inconsistent or suspicious documents, information, or activity that suggests the possibility of identity theft. The following are identified as potential red flags:

1. Notice from an Owner/Member, a victim of identity theft, a law enforcement agency, or someone else that an account has been opened or used fraudulently.
2. A dispute of a bill or assessment by an Owner/Member who claims to be the victim of any type of identity theft.
3. Suspicious documents, such as paperwork that appears altered or forged, and information on the identification that is inconsistent with other information, like a signature card or recent check.
4. Suspicious personal identifying information, such as inconsistencies with what is already known and inconsistencies in the information the Owner/Member has already provided.
5. Suspicious account activity, such as an account that is used in a way inconsistent with established patterns, an account that has been inactive for a long time that is suddenly used again, and information that the Owner/Member is not receiving their account statements in the mail.

## II. Detect Red Flags.

Staff will be alert for discrepancies in documents and Owner/Members' information that suggest risk of identity theft or fraud. Staff will verify Owner/Members' identity and address before establishing an account where services are provided and billed. Specifically, the procedures for detecting red flags are as follows:

1. When notification is received that an account has been opened or used fraudulently, Staff is required to report such notifications to their immediate supervisor or the designated privacy official. If reported to a supervisor, that supervisor should relay the information to the privacy official.
2. When verifying the identity of a member who is establishing new ownership/membership, applying for a new ID card, or access to the Community, Staff is required to obtain a name, address, and identification number and, for in-person verification, to check a current government-issued identification documentation, such as a driver's license, or passport.
3. Regarding existing accounts, the Corporation is expected to verify the identification of Owner/Members if they request information, and verify the validity of change-of-address requests and changes in banking information given for billing purposes.
4. In general, Staff should be alert for the possibility of identity theft in the following situations:
  - The photo identification submitted by the Owner/Member does not resemble the Owner/Member.
  - Identifying information submitted by the Owner/Member appears to be altered or forged.
  - Information on one form of identification the Owner/Member has submitted is inconsistent with information on another form of identification or with information already in the records kept by Corporation.
  - An address or telephone number is discovered to be incorrect, non-existent, or fictitious.

- The Owner/Member fails to provide identifying information or documents.
- The Owner/Member's signature does not match a signature in the Corporation's records.

### III. Respond to Red Flags.

If any Staff detects fraudulent activity or if an Owner/Member claims to be a victim of identity theft, the Corporation will respond to and investigate the situation. If potentially fraudulent activity (a red flag) is detected by Staff:

1. Staff should gather all documentation and report the incident to his or her immediate supervisor or the designated privacy official. If reported to a supervisor, that supervisor should relay the information to the privacy official.
2. The privacy official or appointed designee will determine whether the activity is fraudulent or authentic.
3. If the activity is determined to be fraudulent, then Staff should take immediate action, which may include the following:
  - Canceling the transaction;
  - Placing constraints on an existing account;
  - Notifying appropriate law enforcement;
  - Notifying the affected Owner/Member;
  - Alerting other departments such as Security, Accounts Receivable, Property Services, Recreation, Membership, and others that may otherwise accept request for services, information, or provide access;
  - Disabling Owner/Member identification card access control rights;
  - Placing electronic flags or comments on the account to prompt others to be alert for future suspicious activity.

If an Owner/Member claims to be a victim of identity theft, the following procedures should be followed:

1. The Owner/Member should be encouraged to file a police report for identity theft if the member has not done so already.
2. The Owner/Member should be encouraged to complete the ID Theft Affidavit developed by the Federal Trade Commission, along with supporting documentation.
3. The Corporation will compare the Owner/Member's documentation with personal information in the Owner/Member's records.
4. If, following investigation, it appears that the Owner/Member has been a victim of identity theft, Staff will promptly consider what further remedial act/notifications may be needed under the circumstances.
5. If, following investigation, it does not appear that the Owner/Member has been a victim of identity theft, Staff will take whatever action it deems appropriate.