

04 NCAC 25 .0109 DISCIPLINARY GUIDELINES

- (a) Sandbox participants may be subject to disciplinary actions for any of the following:
- (1) Failure to respond to consumer complaints according to the waiver agreement;
 - (2) Failure to resolve consumer complaints according to the waiver agreement;
 - (3) Failure to submit required reports;
 - (4) Security breaches impacting consumer data;
 - (5) Potential harm for the consumer or public has been identified;
 - (6) Changes in the product or service delivery not approved by the applicable State agency;
 - (7) Sandbox participant or designee attempt to conceal a violation or mislead the applicable State agency; or
 - (8) Other relevant circumstances, including fraud or any violation of criminal or consumer protection laws.
- (b) Applicable State agencies shall notify the Executive Director in writing when they have identified cause for exercising their authority to limit or change a Sandbox participant's waiver or the innovative product or service operation, including enforcement activities pursuant to G.S. 169-4(a)(4) c., d. and G.S.169-7(a). The applicable State agencies must provide this notice prior to exercising their authority. The Executive Director or designee shall deliver this finding to the Chair or Co-Chair of the Council within five business days of receipt.
- (c) Within 15 business days of notifying the Council to exercise their authority, the applicable State agency shall provide a written statement of disciplinary actions to the Executive Director specifying the reasons for imposing limitations or changes to the waiver or innovative product or service, and what actions are to be imposed, along with the timeline for the Sandbox participant to implement the actions. The Executive Director or designee shall deliver this finding to the Chair or Co-Chair of the Council within five business days of receipt.
- (d) The Chair or Co-Chair may call a meeting with the applicable State agency as needed to review the disciplinary actions.
- (e) The Executive Director, at the direction of the Chair or Co-Chair, will deliver the statement of disciplinary actions to the Sandbox applicant.

*History Note: Authority G.S. 169-4; 169-7;
Eff. March 1, 2025.*