

**CITY OF NEW BERN
ADMINISTRATIVE ORDERS
OF THE CITY MANAGER**

ADMISTRATIVE ORDER 4.4
IDENTITY THEFT DETECTION AND PREVENTION
To: All City Employees
From: Mark Stephens, City Manager
Maintained By: Finance
Approved by: Board of Aldermen
Subject: IDENTITY THEFT
Date: January 2017
Update to October 28, 2008 Policy

Purpose

The City of New Bern has developed an Identity Theft Prevention Program (the "Program") designed to detect, prevent and mitigate identity theft in connection with the opening of new customer accounts and the maintenance of existing customer accounts. The City of New Bern recognizes the responsibility to safeguard customer's personal information during its collection, recording and handling within the workplace. The purpose of this Program is to create an Identity Theft Prevention Program that complies with the Fair and Accurate Credit Transactions Act of 2003 ("FACTAct") and the Identity Theft Rules adopted by the Federal Trade Commission (FTC) under the FACTAct, 16 C.F.R Part 681 (the "Identity Theft Rules") and 16 C.F.R Part 681.2 (the Red Flags Rule"). Under the Red Flag Rule, all utility providers including municipalities that provide utility services and defer payment for those services until after the service has been rendered are required to adopt and maintain an Identity Theft Prevention Program by November 1, 2008 that is tailored to its size, complexity and the nature of its operation. Each program must contain reasonable policies and procedures to:

1. Identify relevant Red Flags for new and existing accounts and incorporate those Red Flags into the program;
2. Detect Red Flags that have been incorporated into the program;
3. Respond appropriately to any Red Flags that are detected to prevent and mitigate identity theft; and
4. Ensure the program is updated periodically, to reflect changes in risks to customers or to ensure the safety and soundness of the creditor from identity theft

Scope

This Program applies to all employees who have access to customer data. The City of New Bern maintains and executes business practices regarding confidentiality of customer records and employs an identity theft detection and prevention program.

Responsibility

The City of New Bern must protect customer data and has implemented policies and procedures that met the original Federal Trade Commission deadline of November 1, 2008. The City will continually monitor the program's integrity, completeness, and deficiencies. Any oversight or patches to perfect the program will be reviewed and amended as necessary.

Definitions

Approved Photo ID. One of the following forms of valid identification that has not been altered or tampered with:

- Driver's license issued by any state or country, or US state-issued photo ID
- Passport
- US military ID
- Temporary work authorization ID, or US residency ID

Credit Reporting Agency. A consumer credit reporting agency

Identifying Information. Any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including any name, social security number, date of birth, official state or government-issued driver's license or identification number, alien registration number, government passport number, employer or taxpayer identification number, savings or checking account numbers, internet address or identification name, or any other confirmation information that can be used to access an individual's financial resources and/or establish identity.

Identity Theft. Financial identity theft occurs when someone uses another consumer's personal information (name, social security number, etc) with the intent of conducting multiple transactions to commit fraud that results in substantial harm or inconvenience to the victim or the City of New Bern. This fraudulent activity may include opening deposit accounts with counterfeit checks, establishing credit card accounts, establishing a line of credit, or gaining access to the victim's accounts with the intent of depleting the balances or avoiding payments for services delivered by the City of New Bern.

Notice of Address Discrepancy. A notice sent to the City of New Bern by a Credit Reporting Agency that informs the City of New Bern of a substantial difference between the address for the consumer that was provided by the City of New Bern to request a consumer report, and the address in the Credit Reporting Agency's file for the consumer

Red Flag. A pattern, practice or specific activity that indicates the possible existence of identity theft.

Identity Theft Prevention Program Privacy Committee. The City of New Bern's Privacy Committee is established to create, drive and monitor the program. A Privacy Officer investigates incidences in which a pattern, practice or specific activity that indicate the possible existence of identity theft and works with fellow administrators/committee members of the program. The administrators/committee members report to the Program Coordinator, a member of Senior Management, regarding the outcomes and needs of the Identity Theft Detection and Prevention Program.

Representation from key areas include:

Program Coordinator – Director of Finance

Program Administrator – Information Technology Manager
 Program Administrator – Utility Business Office Manager
 Program Administrator – Billing Services Supervisor
 Privacy Officer – Field Services and Metering Supervisor

Red Flag and Responses. The City of New Bern complies with the FACTAct and the Identity Theft Rules by providing appropriate responses to prevent and mitigate identity theft for each of the Red Flags as it relates to the opening of new accounts and the maintenance of existing accounts. The following table refers to approved responses to red flags:

Red Flags	City of New Bern Response
Alerts, Notifications or Warnings from Consumer Reporting Agency	
1 A fraud or active duty alert is included with a consumer report	Account is not opened until the customer has presented an approved photo ID in person or customer has been identified according to the instructions in the alert.
2 Credit reporting agency provides a credit freeze on the consumer report	Account is not opened until the customer has presented an approved photo ID in person or until the credit freeze has been lifted.
3 Consumer reporting agency provides a notice of address discrepancy	Upon receipt of a Notice of Address Discrepancy, the City of New Bern will furnish to the credit reporting agency an address for the City of New Bern's customer that the City of New Bern has reasonably confirmed is accurate when: a. The City of New Bern can form a reasonable belief the consumer report relates to the consumer about whom the City of New Bern requested the report. b. The City of New Bern establishes a continuing relationship with the consumer
4 Credit report indicates a pattern inconsistent with the person's history (unusual number of recently established credit relationships; closed account due to abuse of account privileges)	Additional measures to authenticate identity may be taken.
Suspicious Documents	
5 Documents provided for ID are expired, appear altered or forged.	Service is denied.

6	The photo or physical description is not consistent with the appearance of the applicant.	Service is denied.
7	Other information on the ID differs from what the customer is saying, or doesn't match a signature card or recent check	If customer cannot provide acceptable supporting documentation, service is denied.
8	An application looks like it has been altered, forged, or torn up and reassembled	Service is denied.
Personal Identifying Information		
9	Personal ID is inconsistent with external information sources: addresses do not match consumer credit report or SSN had not been issued or is listed on the Federal Social Security Death Index Master File	Account is not opened until the customer has presented an approved photo ID in person. Valid Social Security number needs to be presented and verified.
10	Personal ID given by customer is not consistent with other personal ID information.	Account is not opened until the customer has presented an approved photo ID in person.
11	An address, phone number, or other personal information has already been used on an account identified as fraudulent	Service is denied
12	Customer provides a fictitious address, an address for a mail drop or prison, a phone number that is invalid, or one that's associated with an answering service	Account is not opened until the customer provides valid address and phone number
13	The SSN presented is the same as one given by another customer.	Account is not opened until the customer has presented an approved photo ID in person. Valid Social Security needs needs to be presented and verified.

14	Customer provides an address or telephone number used by other accounts	Account is not opened until discrepancy is resolved.
15	Customer omits required information on an application and doesn't respond to notices that the application is incomplete	If customer cannot provide acceptable supporting documentation, service is denied.
16	Customer can't provide authenticating information beyond what is generally available from a wallet or credit report (i.e. can't answer a challenge question)	If customer cannot provide acceptable information, service is denied.
Account Activity		
17	Shortly after being notified of a change of address, customer requests adding users to the account	Confirm changes with original customer
18	Payments are made in a manner associated with fraud. For example, deposit or initial payment is made and no payments are made thereafter	Customers fall within the normal credit cycle and are disconnected in accordance with delinquency procedures.
19	Account is used outside of established patterns. For example, nonpayment with no history of missed payments.	Account is researched with customer of record.
20	Mail sent to the customer is returned repeatedly as undeliverable although transactions continue to be conducted on the account	Account is researched upon notification and appropriate action is taken.
21	Customer notifies utility that they are not receiving their bill or bills are returned by post office.	Account is researched upon notification and appropriate action is taken.

22	The utility is notified of unauthorized transactions in connection with a customer's account.	Account is researched upon notification and appropriate action is taken.
23	Multiple write off accounts at a single location or prior customer was disconnected for nonpayment	If customer cannot provide acceptable supporting lease agreement, service is denied. Notify Privacy Officer if fraud is suspected. If customer cannot provide acceptable supporting lease agreement, service is denied
24	Multiple turn-on attempts at same location.	Identify locations where multiple attempts by different individuals to initiate service were made before move in was actually completed. Notify Privacy Officer if fraud is suspected
25	Utility is notified by law officials or others that it has opened a fraudulent account for a person engaged in identity theft	Account is researched upon notification and appropriate action taken, which may include interruption of service until the customer has presented an approved photo ID in person.

Security Breach Mitigation

To protect the integrity of the City of New Bern employee staff and thwart identity theft that is initiated internally, the City adheres to a "need-to-know" policy and limits exposure of all confidential information. In order to protect sensitive and confidential information, the City will only release sensitive information to the account holder or individual(s) who own the information upon confirmation of personal identifying information or a valid picture ID. The confirmed account holder or individual may authorize business to be done on behalf of or the release of sensitive information to a third party. Confidential information will only be released in accordance with North Carolina General Statutes. All system administrators, IT professionals, utility software users and other designated employees (including City management, New Bern Board of Aldermen, City Clerk, etc) shall sign agreements to not disclose private information, to not purposefully omit relevant data, to alter data or other information only within the scope of job duties, and to access information needed only to carry out assignments.

Record Disposal

The City of New Bern retains confidential documents at least for the time frames mandated by the North Carolina General Statutes. Documents ready for disposal are either shredded on site or sent to a FACTAct compliant third-party vendor for shredding. Electronic data ready for disposal is deleted. Cabinets, desks, work stations, including computer terminals which may reveal or contain confidential documents and/or information, are kept from public sight and locked when the employee leaves the work area. Notes, printouts, and any other paper information used or created in the course of handling administrative tasks deemed confidential are to be shredded when no longer needed. Refer to the City of New Bern Administrative Policy 1.2 – Public Records for more information on record retention.

Handling Reports of Suspected Identity Theft

When a customer suspects identity theft, the customer must notify the City of New Bern in writing. The letter, a copy of the customer's approved photo ID, along with a police report must be submitted to the privacy officer to determine the proper course of action, which may include interruption of service.

Victim Record Request

Under the FACTAct, identity-theft victims are entitled to a copy of the application or other business transaction records relating to their identity theft free of charge. The City of New Bern must provide these records within 30 days of receipt of the victim's request. The City of New Bern must also provide these records to any law enforcement agency that the victim authorizes.

Before providing the records to the victim, the City of New Bern must ask victims for.

1. Proof of identity, which may be approved photo ID, or the same type of information the identity thief used to open or access the account, and additional information typically requested when establishing service.
2. A police report and a completed affidavit, which may be either the Federal Trade Commission's Identity Theft Affidavit or the City of New Bern's own affidavit.

Training

The City of New Bern complies with the FACTAct and the Identity Theft Rules by providing designated employees with annual Identity Theft Prevention training. Employees, including new hires in the following classifications will be trained on a need-to-know basis according to job responsibilities.

1. All employees who work in the Utility Business Office Division, their supervisors and managers.
2. All employees in the Information Technology group, their supervisors and managers.
3. All employees in other groups who are users of the CIS utility billing system and any other employees deemed applicable, such as Public Works, Development Services and the New Bern Police Department

Reporting Tools

The Identity Theft Prevention Program Incident Report forms on the subsequent page will be used to report Identity Theft Incidents. Reports of incidents will be tracked and maintained according to public records policy.



Mark A. Stephens
City Manager

01/26/12

Date

Identity Theft Prevention Program Incident Report

Date: _____

Prepared by: _____

Committee Members: _____

It is the policy of the City of New Bern to provide an Identity Theft Prevention Program for customers and employees. The purpose of this report is to promote continued evaluation of effectiveness of current policies and procedures in compliance with the FACTAct (2003). This document will be used to drive recommendations for changes to the program due to evolving risk and methods of theft.

Date	Employee	Incident/"Significant Event"	Management Response	Mitigation