



POLICY No.: I-6
DATE ADOPTED: MAY 20, 2009

TOWN OF WEST BOYLSTON BOARD OF SELECTMEN'S POLICY

Identity Theft Prevention Program

Purpose:

This Identity Theft Prevention Program (the "Program") was created in order to comply with regulations issued by the Federal Trade Commission (FTC) as part of the implementation of the Fair and Accurate Credit Transaction (FACT) Act of 2003. The FACT Act requires that financial institutions and creditors implement written programs which provide for detection of and response to specific activities ("red flags") that could be related to identity theft. Likewise, users of consumer reports who receive a notice of an address discrepancy from a Credit Reporting Agency ("CRA") must have procedures in place in order to form a reasonable belief of the consumer's identity.

The FTC regulations require that the program must:

1. Identify relevant red flags and incorporate them into the program
2. Identify ways to detect red flags
3. Include appropriate responses to red flags
4. Address new and changing risks through periodic program updates
5. Include a process for administration and oversight of the program and staff training
6. Include appropriate and effective oversight of service provider arrangements
7. Effectively respond to "notices of address discrepancy"

Background: This program is in response to and in compliance with the Fair and Accurate Credit Transaction (FACT) Act of 2003 and the final rules and guidelines for the FACT Act issued by the Federal Trade Commission and federal bank regulatory agencies in November 2007

Program Details:

Relevant Red Flags

Red flags are warning signs or activities that alert a creditor to potential identity theft. The guidelines published by the FTC include 26 examples of red flags that fall into the five categories below:

- Alerts, notifications, or other warnings received from consumer reporting agencies or service providers
- Presentation of suspicious documents
- Presentation of suspicious personal identifying information
- Unusual use of, or other suspicious activity related to, a covered account
- Notice from customers, victims of identity theft, or law enforcement authorities

After reviewing the FTC guidelines and examples, the Finance Department determined that the following red flags are applicable to sewer utility accounts. These red flags, and the appropriate responses, are the focus of this program.

- A consumer credit reporting agency reports the following in response to a credit check request:
 - Fraud or active duty alert
 - Credit freeze
 - The Social Security Number (SSN) is invalid or belongs to a deceased person
 - The age or gender on the credit report is clearly inconsistent with information provided by the customer
- Suspicious Documents and Activities
 - Documents provided for identification appear to have been altered or forged.
 - The photograph on the identification is not consistent with the physical appearance of the customer.
 - Other information on the identification is not consistent with information provided by the customer.
 - The SSN provided by the customer belongs to another customer in the Customer Information System (UTILITY BILLING SOFTWARE APPLICATION).
 - The customer does not provide required identification documents when attempting to establish a utility account or make a payment.
 - A customer refuses to provide proof of identity when discussing an established utility account.
 - A person other than the account holder or co-applicant requests information or asks to make changes to an established utility account.
 - An employee requests access to the billing system or information about a utility account, and the request is inconsistent with the Privacy of Utility Account Information Rules.
- A customer notifies the Sewer Division of any of the following activities:
 - Utility statements are not being received
 - Unauthorized changes to a utility account
 - Unauthorized charges on a utility account
 - Fraudulent activity on the customer's bank account or credit card that is used to pay utility charges
- The Sewer Division is notified by a customer, a victim of identity theft or a member of law enforcement that a utilities account has been opened for a person engaged in identity theft.

Detecting and Responding to Red Flags

Red flags will be detected as Sewer Division and Department of Finance employees interact with customers and the town's credit reporting agency. An employee will be alerted to these red flags during the following processes:

- Establishing a new utility account: When establishing a new account, a customer is asked to provide a SSN so that the town can run a credit check. Reports from the credit reporting agency may contain red flags.

Response: Do not establish the utility account. Ask the customer to appear in person and provide a government-issued photo identification. A deposit may also be required in order to establish service.

- Reviewing customer identification in order to establish an account or process a payment: The town employees may be presented with documents that appear altered or inconsistent with the information provided by the customer.

Response: Do not establish the utility account or accept payment until the customer's identity has been confirmed.

- Answering customer inquiries on the phone, via email, and at the counter: Someone other than the account holder or co-applicant may ask for information about a utility account or may ask to make changes to the information on an account. A customer may also refuse to verify their identity when asking about an account.

Response: Inform the customer that the account holder or the co-applicant must give permission for them to receive information about the utility account. Do not make changes to or provide any information about

the account, with one exception: if the service on the account has been interrupted for non-payment, the town employee may provide the payment amount needed for reconnection of service.

- Processing requests from Town of West Boylston employees: Employees may submit requests for information in the UTILITY BILLING SOFTWARE APPLICATION billing system that are inconsistent with the rules regarding: Privacy of Utility Account Information.

Response: All requests for direct access to the UTILITY BILLING SOFTWARE APPLICATION system are approved by the DPW Director, so the Information Technology Department should reject requests that have not received appropriate approval. All other requests for information from the UTILITY BILLING SOFTWARE APPLICATION system should be reviewed to ensure that they do not violate any part of the Privacy Policy. Requests that are inconsistent with the policy will be denied.

- Receiving notification that there is unauthorized activity associated with a utility account: Customers may call to alert the Town about fraudulent activity related to their utility account and/or the bank account or credit card used to make payments on the account.

Response: Verify the customer's identity, and notify the DPW Director immediately. Take the appropriate actions to correct the errors on the account, which may include:

- Issuing a service order to connect or disconnect services
 - Assisting the customer with deactivation of their payment method
 - Updating personal information on the utility account
 - Updating the mailing address on the utility account
 - Updating account notes to document the fraudulent activity
 - Adding a password to the account
 - Notifying and working with law enforcement officials
- Receiving notification that a utilities account has been established for a person engaged in identity theft.
Response: These issues should be escalated to the DPW Director immediately. The claim will be investigated and appropriate action will be taken to resolve the issue as quickly as possible.

Additional procedures that help to protect against identity theft include:

- UTILITY BILLING SOFTWARE APPLICATION system access is based on the role of the user. Only certain job classifications have access to the entire system.
- Customers may not access information about their utility account online.
- The Finance Department will investigate ways to reduce the number of paper receipts generated during payment processing.
- The Finance Department will ensure that service providers that receive and process utility billing information have programs in place to detect and prevent identity theft.

ADDRESS DISCREPANCIES.

- In the event that a notice of address discrepancy is received, the employee responsible for verifying consumer addresses for the purpose of providing the municipal service or account sought by the consumer shall perform one or more of the following activities, as determined to be appropriate by such employee:
 - Compare the information in the consumer report with:
 - a. Information the employee obtains and uses to verify a consumer's identity;
 - b. Information the Sewer Division maintains in its own records, such as applications for service, change of address notices, other customer account records or tax records; or
 - c. Information the Sewer Division obtains from third-party sources that are deemed reliable by the relevant employee; or
 - Verify the information in the consumer report with the consumer.
- Furnishing Consumer's Address to Consumer Reporting Agency.
 - In the event that the Sewer Division reasonably confirms that an address provided by a consumer to the Sewer Division is accurate, the Sewer Division shall provide such address to the consumer reporting agency from which the Sewer Division received a notice of address discrepancy regarding such consumer. This information shall be provided to the consumer reporting agency when:
 - a. The Sewer Division is able to form a reasonable belief that the consumer report relates to the consumer about whom the Sewer Division requested the report;
 - b. The Sewer Division establishes a continuing relation with the consumer; and
 - c. The Sewer Division regularly and in the ordinary course of business provides information to the consumer reporting agency from which it received the notice of address discrepancy.
 - Such information shall be provided to the consumer reporting agency as part of the information regularly provided by the Sewer Division to such agency for the reporting period in which the Sewer Division establishes a relationship with the customer.
- Methods of Confirming Consumer Addresses.
 - The Sewer Division employee charged with confirming consumer addresses may, in his or her discretion, confirm the accuracy of an address through one or more of the following methods:
 - (1) Verifying the address with the consumer;
 - (2) Reviewing the Sewer Division's records to verify the consumer's address;
 - (3) Verifying the address through third party sources; or
 - (4) Using other reasonable processes.

Administration and Oversight of the Program

The Town Administrator is responsible for oversight of this program and for program implementation. The Town Administrator is responsible for reviewing reports prepared by staff regarding compliance with this program and with recommending material changes to the program, as necessary in the opinion of the Town Administrator, to address changing identity theft risks. Any recommended material changes to this program shall be submitted to the Town Administrator.

Finance Department staff is required to prepare an annual report which addresses the effectiveness of the program, documents significant incidents involving identity theft and related responses, provides updates related to external service providers, and includes recommendations for material changes to the program.

The program will be reviewed at least annually and updated as needed based on the following events:

- Experience with identity theft
- Changes to the types of accounts and/or programs offered
- Implementation of new systems and/or new vendor contracts

Specific roles are as follows:

The DPW Director will submit an annual report to the Finance Director and the Town Administrator. The DPW Director and Town Collector will also oversee the daily activities related to identity theft detection and prevention and ensure that all members of the Sewer Division and Town Collector's staff are trained to detect and respond to red flags.

The Finance Director will provide ongoing oversight to ensure that the program is effective.

The Finance Director will review the annual report with the Town Administrator and together with the DPW Director they will present recommended changes to the program, both annually and on an as-needed basis.

The Board of Selectmen must approve the initial program and all future changes.