THE CITY OF
PORT ANGELES
WASHINGTON, U.S.

# IDENTITY THEFT PREVENTION PROGRAM

## Purpose

This Identity Theft Prevention Program is designed to aid in the detection, prevention and mitigation of identity theft in connection with the opening of a Covered Account or an existing Covered Account and to provide for continued administration of the Program in compliance with Part 681 of Title 16 of the Code of Federal Regulations implementing Sections 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA) of 2003.

## Definitions

1. For purposes of this Program, the term "*Identity Theft*" means a fraud committed or attempted using the identifying information of another person without authority.

2. For purposes of this Program, the term "*Covered Account*" means (1) an account that a financial institution or creditor offers or maintains, primarily for personal, family, or household purposes that involves or is designed to permit multiple payments or transactions, such as a credit card account, mortgage loan, automobile loan, margin account, cell phone account, utility account, checking account, or savings account; and (2) any other account that the financial institution or creditor offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the financial institution or creditor from identity theft, including financial, operational, compliance, reputation or litigation risks

3. For purposes of this Program, the term "*Red Flag*" means a pattern, practice, or specific activity that indicates the possible existence of identity theft.

4. For purposes of this Program, the term "*Identifying Information*" means any name or number that may be used alone or with any other information to identify a specific person; this includes name, social security number, date of birth, official state or government issued driver's license or identification number, alien registration number, government passport, and employer or tax identification number.

## The Program

This Program includes policies and procedures to:
1. Identify relevant red flags for covered accounts;
2. Detect red flags;
3. Respond appropriately to any red flags that are detected to prevent and mitigate identity theft;
4. Ensure the Program is updated periodically to reflect changes in risks to customers and to the safety and soundness of the creditor from identity theft. The program shall, as appropriate, incorporate existing policies and procedures that control reasonably foreseeable risks; and
5. Provide for continued administration of the Program.

## Identification of Relevant Red Flags

The following events/occurrences reasonably indicate the potential for identity theft and are considered "Red Flags" for purposes of this program:

1. **Alerts, notifications, or other warnings received from consumer reporting agencies or service providers, such as fraud detection services:**
    a. A fraud or active duty alert is included with a consumer report.
    b. A consumer reporting agency provides a notice of credit freeze in response to a request for a consumer report.
    c. A consumer reporting agency provides a notice of address discrepancy.
    d. A consumer report indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant or customer, such as:
        i. A recent and significant increase in the volume of inquiries;
        ii. An unusual number of recently established credit relationships;
        iii. A material change in the use of credit, especially with respect to recently established credit relationships; or
        iv. An account that was closed for cause or identified for abuse of account privileges by a financial institution or creditor.
2. **The presentation of suspicious documents, such as:**
    a. Documents provided for identification appear to have been altered or forged.
    b. The photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification.
    c. Other information on the identification is not consistent with information provided by the person opening a new covered account or customer presenting the identification.
    d. Other information on the identification is not consistent with readily accessible information that is on file.
    e. An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.
3. **The presentation of suspicious personal identifying information, such as:**
    a. Personal identifying information provided is inconsistent when compared against external information sources used by the City of Port Angeles.
        i. The address does not match any address in the consumer report; or
        ii. The Social Security Number (SSN) has not been issued, or is listed on the Social Security Administration's Death Master File.

b. Personal identifying information provided by the customer is not consistent with other personal identifying information provided by the customer. For example, there is a lack of correlation between the SSN range and date of birth.
c. Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources used by the City of Port Angeles For example:
    i. The address on an application is the same as the address provided on a fraudulent application; or
    ii. The phone number on an application is the same as the number provided on a fraudulent application.
d. Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated by internal or third-party sources used by the City of Port Angeles. For example:
    i. The address on an application is fictitious, a mail drop, or a prison; or
    ii. Phone number is invalid, or is associated with a pager or answering service.
e. The SSN provided is the same as that submitted by other persons opening an account or other customers.
f. 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.
g. The person opening the covered account or the customer fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete.
h. Personal identifying information provided is not consistent with personal identifying information that is on file with the City of Port Angeles.
i. If the City of Port Angeles uses challenge questions, the person opening the covered account or the customer cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report.

**4. The unusual use of, or other suspicious activity related to, a covered account:**

a. Shortly following the notice of a change of address for a covered account, the City of Port Angeles receives a request for the addition of authorized users on the account.
b. The customer fails to make the first payment or makes an initial payment but no subsequent payments.
c. A covered account is used in a manner that is not consistent with established patterns of activity on the account. There is, for example:
    i. Nonpayment when there is no history of late or missed payments;
    ii. A material increase in the use of available credit;
    iii. A material change in purchasing or spending patterns;
d. 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).
e. Mail sent to the customer is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the customer's covered account.
f. The City of Port Angeles is notified that the customer is not receiving paper account statements.
g. The City of Port Angeles is notified of unauthorized charges or transactions in connection with a customer's covered account.

5. **Notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with covered accounts held by the City of Port Angeles:**
    a. The City of Port Angeles is notified by a customer, 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.

## Detection, Prevention and Mitigation

1. **Detection:** In an effort to ensure proper detection of any Red Flags, all customers (consumers) must provide at least the following information/documentation before any new covered account will be opened:
    a. Full Name;
    b. Date of birth (individual);
    c. Address, (a residential or business street address for an individual; for an individual who does not have a residential or business street address, an Army Post Office (APO) or Fleet Post Office (FPO) box number, or the residential or business street address of next of kin or of another contact individual; or for a person other than an individual (such as a corporation, partnership, or trust), a principal place of business, local office, or other physical location; and;
    d. Identification number, which shall be: (i) For a U.S. person, a taxpayer identification number or government issued photo ID; or (ii) For a non-U.S. person, one or more of the following: a taxpayer identification number; passport number and country of issuance; alien identification card number; or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

    For any account holder of a covered account for which the above information is not already on file at the City of Port Angeles, the customer will be contacted within a reasonable period of time after discovering the missing information to obtain the necessary information.

2. **Preventing and Mitigating Identity Theft:** In the event a Red Flag is detected, the City of Port Angeles will take reasonable steps to prevent the occurrence of identity theft to mitigate any harm caused thereby. In order to respond appropriately to the detection of a Red Flag, the City of Port Angeles shall consider any aggravating circumstance(s) that may heighten the risk of identity theft. After assessing the degree of risk posed, the City of Port Angeles will respond to the Red Flag in an appropriate manner, which may include:
    a. Monitoring a covered account for evidence of identity theft;
    b. Contacting the customer;
    c. Changing any passwords, security codes, or other security devices that permit access to a covered account;
    d. Reopening a covered account with a new account number;
    e. Not opening a new covered account;
    f. Closing an existing covered account;

g. Not attempting to collect on a covered account or not selling a covered account to a debt collector;
h. Notifying law enforcement; or
i. Determining that no response is warranted under the particular circumstances.

Record retention areas containing documents with sensitive identifying information will be locked when not in use. Desks, work areas, printers and fax machines will be cleared of all documents containing sensitive identifying information when not in use. Records will be disposed of in accordance with state and federal law. All electronically stored identifying information will be stored in a secure environment. Access into the system containing identifying information requires a password. The system will automatically disable the password after the designated number of unsuccessful login attempts. Only the System Administrator can reissue another password. Upon termination, employee passwords are immediately disabled.

## Updating the Program

This Program shall be updated periodically to reflect changes in risks to customers of the City of Port Angeles from identity theft based on factors such as:
1. The experiences of the City of Port Angeles with identity theft;
2. Changes in methods of identity theft;
3. Changes in methods to detect, prevent, and mitigate identity theft;
4. Changes in the types of accounts that the City of Port Angeles offers or maintains; or
5. Changes in the business arrangements of the City of Port Angeles, including mergers, acquisitions, alliances, joint ventures and service provider arrangements.

## Administration of the Program

The City Treasurer is responsible for implementation and administration of the Program. The City Treasurer will report to Council at least annually on compliance by the City of Port Angeles with the Program. The report shall address material matters related to the Program and evaluate the effectiveness of the 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. The City Council will approve any material changes to the Program as necessary to address changing identity theft risks.

## Oversight of Service Provider Arrangements

The City of Port Angeles shall take steps to ensure that the activity of a service provider is conducted in accordance with reasonable policies and procedures designed to detect, prevent and mitigate the risk of identity theft whenever the City of Port Angeles engages a service provider to perform an activity in connection with one or more covered accounts.

## Duties Regarding Address Discrepancies

A notice of address discrepancy is a notice sent to the City by a consumer reporting agency that informs us of a substantial difference between the address for the consumer that we provided to request the consumer report and the address(es) in the agency's file for the consumer. The City of Port Angeles may use the following means to confirm that a credit report relates to the consumer for whom it was requested, if the City of Port Angeles receives a notice of address discrepancy from a nationwide consumer reporting agency:

1. Verification of the address with the consumer;
2. Review of the utility's records;
3. Verification of the address through third-party sources; or
4. Other reasonable means.