

CITY OF NEPTUNE BEACH

**Identity Theft Detection and Prevention
Program Manual**

in compliance with the Federal FACT Act (2003)

Identity Theft Red Flag Ruling

April 2009

Statement of Policy

Policy:

It is policy of the City of Neptune Beach to:

- Respond to fraud and activity duty alerts
- Properly dispose of consumer report information
- Provide information to victims of identity theft
- Properly handle notice of identity theft
- Respond to any notification received from identity theft, to prevent refurbishing blocked information
- Comply with the rules regarding sharing information with affiliates
- For the purpose of extending credit for any services provided by the City, the City does not obtain information from any Consumer Credit Agency. In the event information is obtained from a Consumer Credit Agency, the City will provide an oral, written, or electronic notice to those who receive less favorable terms.
- Take appropriate action when the utility receives a notice of discrepancy in the consumer's address.
- Comply with red flag guidelines.
- Protect medical information in the utility system.

The Finance Officer is responsible for developing appropriate written polices and procedures and the internal controls to assure compliance with the act.

The Department Director of each department is responsible for implementing and complying with these policies and procedures and the internal controls.

CITY OF NEPTUNE BEACH

Identity Theft Detection and Prevention Program

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Purpose

The goal of this policy is to prevent identity theft. The City of Neptune Beach recognizes the responsibility to safeguard customer's personal information during its collection, recording and handling within all departments and workplace. The purpose of this policy is to create an Identity Theft Detection and Prevention Program utilizing guides set forth in the FACT Act (2003).

Scope

This policy applies to management and all personnel of The City of Neptune Beach. The following represents a policy for the development of the identity theft detection and prevention program. Any part or the whole of policies and procedures written and developed will be incorporated into the program where appropriate. This does not replace, but rather supplements, any of The City of Neptune Beach's standing policies.

Responsibility

The City of Neptune Beach must protect its customer data and implement policies and procedures that meet standards established by the Federal Trade Commission by November 1, 2008. Thereafter, The City of Neptune Beach will continually report and monitor the program's integrity, completeness, and deficiencies. Any oversight or patches to perfect the program will be reviewed and amended semi-annually.

Definitions

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 Neptune Beach. This fraudulent activity may include opening deposit accounts with counterfeit checks, establishing credit card accounts, establishing line of credit, or gaining access to the victim's accounts with the intent of depleting the balances or avoid payments to services delivered by The City of Neptune Beach.

Red Flag - A pattern, particular specific activity that indicates the possible risk of identity theft.

Departmental Responsibility

Department	Staff Position	Role
Department Heads	Various	Supplying resources to establish proactive identity theft program
Human Resources	Personnel Director	Personnel Information Identity Theft Training
Utility Billing	Customer Service Supervisor Information Services Supervisor	Day to day processes in opening and closing accounts and monitoring changes in accounts Data and Network Security and Expert in network administration
Legal	City Attorney	Provide legal insights on legal issues
Finance	Finance Officer	Coordinates audit studies and reviews pattern of incidents.

The City of Neptune Beach Red Flag Committee is established to create, drive and monitor the program. The Finance Officer functions as the head of the committee assisted by the Customer Services Supervisor, the Information Services Supervisor, and the Collections Representative. The Finance Officer reports to the City Manager, regarding the outcomes and needs of The Identity Theft Detection and Prevention Program.

Policies & Procedures

A. Red Flags Identification and Mitigation Policies

RED FLAGS IDENTIFICATION AND MITIGATION POLICIES

Flag	Next Step	Mitigation (Steps to Control)
Alerts		
Consumer report indicates fraud or active duty alert.* <i>*Neptune Beach does not access consumer reports from a credit reporting agency</i>	Tell the customer about the alert and ask them to contact the Credit Reporting Agency to resolve the issue	Do not open the account
Credit freeze* <i>*Neptune Beach does not access consumer reports from a credit reporting agency</i>	Tell the customer about the alert and ask the customer to contact the Credit Reporting Agency to resolve the issue	Do not open the account
Notice of address discrepancy.	Ask the customer to verify their previous and current addresses, phone number, and last 4 of Social Security or other supporting documentation if necessary	If customer is able to verify addresses and provide requested identification information, change the address. If customer is not able to provide identification, contact customer by phone or mail to validate request.
Customer request payment arrangements on utility account	Ask the customer to verify name on account, address, phone number, and last 4 of Social Security number or other supporting documents	If customer is able to verify name, address, phone number, or last 4 of Social Security number, grant payment arrangement according to office policy

Presentation of Suspicious Documents		
Identification documents, i.e.; driver's license, appear altered or forged.	Ask the customer to visit the issuing agency (DMV) and get an acceptable copy of the suspicious document	Do not open the account
Photo/physical description, i.e. driver's license does not match applicant.	Ask the customer to visit the issuing agency (DMV) and get an updated copy of the identification document	Do not open the account
Other information on identification is inconsistent with information given on the application. Example - last name is different.	Ask the customer to verify the inconsistent information with supporting documentation such as marriage certificate or social security card	If customer is able to verify information, no further action should be necessary
Information in utility files is inconsistent with information provided. Example - signatures do not match on signature card.	Inform the customer of the discrepancy and ask the customer to verify the inconsistent information with supporting documentation such as signature on driver's license	It may be appropriate to notify law enforcement if a customer who is able to verify his identity to you believes his signature card has previously been forged in connection with identity theft

Suspicious Personal Identifying Information

The social security number is the same as that submitted by other persons opening an account.	Ask the customer to verify the information with supporting documentation such as social security card and driver's license	If customer is able to verify information, no further action should be necessary
Applicant fails to provide all personal ID requested.	Inform the customer of the requirements to open an account and direct them to where they can obtain this documentation if they do not already have it.	Do not open the account unless you are able to verify the identity with other types of acceptable documentation
Personal ID is inconsistent with utility records	Ask the customer to verify name, address, phone number, and last (4) of Social Security Number or other verification of identity.	Do not add or make any changes to the account unless you are able to verify the identity with other types of acceptable documentation
Change of billing address	Ask the customer to verify name, address, phone number, and last (4) of Social Security Number or other verification of identity.	If you are able to verify the identity of the person making the request, then no further action should be necessary
Change of billing address is followed by request for adding additional properties to the account (or shortly following the notification of a change in address, the utility receives a request for the addition of authorized users on the account).	Ask the customer to verify name, address, phone number, and last (4) of Social Security Number or other verification of identity of all persons requesting address changes, adding properties, or changing authorized users.	If you are able to verify the identity of the person making the request, then no further action should be necessary
Payments are made in a manner associated with fraud. For example, deposit or initial payment is made and no payments are made thereafter.	Contact the customer	Close inactive accounts after a reasonable period of time

Suspicious Personal Identifying Information Continued

Mail sent to customer is repeatedly returned.	Contact the customer to verify the correct billing address	If you are able to verify the correct address and then change the address on file, no further action should be necessary
Customer notifies utility that they are not receiving their bill.	Ask the customer to verify name, address, phone number, and last (4) of Social Security Number or other verification of identity.	If you are able to verify the correct address and then change the address on file, no further action should be necessary
The utility is notified of unauthorized charges or transactions in connection with a customer's account.	Ask the customer to supply documentation regarding the possibility of identity theft such as an Affidavit or police report	Notify law enforcement

Notice of Theft

Utility is notified by law officials or others, that it has opened a fraudulent account for a person engaged in identity theft.	Follow the instructions of law officials	Depending on what law enforcement asks you to do, you may close or closely monitor the account
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B. Handling a Breach in Security

The City of Neptune Beach will use a risk-analysis approach to evaluate a breach in security on a case-by-case basis and make decisions on actions to take according to the assessment of risks and responsibilities in their particular circumstances. The City of Neptune Beach maintains a professional standard in limiting exposure of secured information. When responding to a breach in security:

- Contain the breach and do a preliminary assessment.
- Evaluate the risks associated with the breach.
- Notify proper authorities
- Prevent future breaches

To prevent a security breach the City of Neptune Beach has created policies to implement while handling customer's private information, to include:

- Staff Training - Training staff and managers in security and fraud awareness, practices, and procedures and codes of conduct.
- Protection - Any persons with access to personal information must take reasonable steps to protect the information from misuse and loss and from unauthorized access, modification, or disclosure.
- Technology - Policies enacted to secure personal information held by the City of Neptune Beach, including access control, copy protection, intrusion detection, and robust encryption.

C. Handling an Address Discrepancy

Occasionally, a person or agency requests customer information on one of our customers. If this report includes an address that substantially differs from the address in the consumer's file, and a response to the request is issued, the Company should notify the person making the request of this discrepancy.

D. Records Management

The City of Neptune Beach follows Florida's records management program which promotes the efficient, effective, and economical management of public records. The City of Neptune Beach has procedures outlining the maintenance of documents, retention periods and destruction of data.

- Collection - Documents with personal information are placed into customer records.

- Compliance - Documents requiring a retention period are placed in a locked vault room. Hand written notes with personal information are destroyed.
- Training - Document handling training is provided to all customer service representatives and any other employees who at times might receive personal information from customers.
- Record Destruction - Destruction of data is in accordance with the Florida's record management program.

E. Training and Screening

- Employee hiring includes running background checks, credit checks, and thorough screening, and asking specific scenario questions at hiring.
- All employees will be trained to identify Red Flags.
- The City of Neptune Beach follows the "need to know" rule; employees will be authorized access only to information that relates to their specific job.
- Supervisory training will involve additional information including managerial responsibilities in identity theft prevention.
- Additional job aids are available to employees who work with customers face to face or by phone.

F. Handling Reports of Suspected Identity Theft

When the customer suspects Identity Theft, they must notify the City of Neptune Beach in writing, filling out the appropriate form. Make copy of customer's photo ID and attach it to the police report along with the completed form and send all to the privacy officer.

- Close or block breached account and open new account.
- Place an alert on Central File and send information to the Hold Transactions Excel Sheet to notify Customer Service of the situation.
- **IT IS CRITICAL THAT NO INFORMATION BE GIVEN DIRECTLY TO THE CUSTOMER UNTIL THE INVESTIGATION IS COMPLETE.** The privacy officer will determine the course of action at this point.

G. Victim Record Request

Under the FACT Act, 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 Neptune Beach must provide these records within 30 days or sooner of receipt of the victim's request. The City of Neptune Beach will provide these records to any law enforcement agency which the victim authorizes.

Before providing the records to the victim, The City of Neptune Beach will ask the victim of identity theft for:

- a. Proof of identity, which may be a government-issued ID card, the same type of information the identity thief used to open or access the account, or the type of information the business is currently requesting from applicants or customers and
- b. A police report and a completed affidavit (provided).

H. Information Technology Security

The network administrator and IT management will conduct audits on an annual timely basis using the Identity Theft Prevention Program Checklist for Information Technology. All system administrators and IT professionals shall sign agreements to not disclose private information.

I. Medical Confidentiality

The City of Neptune Beach shall not obtain or use medical information pertaining to a customer in connection with any determination of the customer's eligibility, or continued eligibility, for services. All medical information will be treated as confidential and rules of protection against identity theft apply as to all other private information.

J. Reports, Reviews and Updates for Policy Enforcement

Periodically, internal staff and auditors who report to the board, external auditors and accountants, and government regulators will review practices to ensure compliance with corporate policy. The reports will be used to evaluate effectiveness of and amend the Identity Theft Prevention Program.

An annual report reviewing all incidents, program revisions and goals will be submitted to the City Manger.

Reporting Tools

The following forms will be used to report Identity Theft Incidents:

Identity Theft Prevention Program Incident Report

THE CITY OF NEPTUNE BEACH

Date: _____

Prepared by: _____
(Employee designated to track and record information)

Red Flag Committee Members:

Finance Officer

Customer Service Supervisor

Records Supervisor

It is the policy of The City of Neptune Beach 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 FACT Act (2003). This document will be used to drive recommendations for changes to the program due to evolving risk and methods of theft.

Confidentiality Agreement for Third Party

Agreement outlining personal responsibility concerning security and confidential information relating to the City of Neptune Beach.

During the course of your time working with the City of Neptune Beach, you may acquire or have access to confidential information which must not be disclosed to any other person unless in pursuit of your duties to the City of Neptune Beach. This condition applies during your time with the City of Neptune Beach and after that ceases.

Confidential information includes all information relating to the business of the City of Neptune Beach and its employees and customers.

If you are found to have used any information you have seen or heard while working for the City of Neptune Beach you and your employer may face legal action.

I understand that I am bound by this confidentiality agreement and will adhere to the conditions within the City of Neptune Beach's Identity Theft Prevention Program.

Name of Business: _____

Address of Business: _____

Print Name: _____

Signature: _____

Date: _____