

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
MAY 12, 2009 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
Identity Theft Prevention Program	✓ Resolution Ordinance Motion Discussion Only	Judy Buttny Finance Director

SYNOPSIS

A resolution has been prepared to adopt an Identity Theft Prevention Program for the Village's water utility.

STRATEGIC PLAN ALIGNMENT

The Five Year plan and Goals for 2008-2013 identified *Exceptional Municipal Organization*. A supporting objective of this goal is *Financially Sound and Sustainable Village Government*.

FISCAL IMPACT

N/A.

RECOMMENDATION

Approval on the May 5, 2009 consent agenda.

BACKGROUND

The Federal Trade Commission requires every municipal utility to formally implement an Identity Theft Prevention Program (ITPP) in order to identify, detect, and respond to any activities which may be associated with identity theft. While many of the ITPP practices have been utilized within the Village's water utility billing division for many years, formalization of written procedures would serve to strengthen the Village's capability to safely and securely maintain confidential customer information. At present, staff is unaware of any cases of identity theft occurring in connection with the Village's water utility.

In order to continue to prevent the likelihood of identity theft occurring with respect to water billing, the proposed ITPP would require Village staff to adhere to the following:

- All personal information, identification, and account information collected and maintained by the Village will be confidential and will not be disseminated
- Access to utility account information shall be limited to employees that provide customer service and technical support for the Village's utilities
- All internet or telephone credit card payments shall only be processed through a third party vendor which maintains its own ITPP
- Village staff will monitor the ITPP and will report on the effectiveness of the program on an annual basis

ATTACHMENTS

Resolution
Policy

RESOLUTION NO. _____

**A RESOLUTION ADOPTING
AN IDENTITY THEFT PREVENTION PROGRAM**

WHEREAS, the Village of Downers Grove provides utility service to its citizens;
and

WHEREAS, The Fair and Accurate Credit Transactions Act of 2003, 16 CFR 681.2 (FACT) requires certain financial institutions and creditors with “covered accounts” to prepare, adopt, and implement an identity theft prevention program to identify, detect, respond to and mitigate patterns, practices or specific activities which could indicate identity theft; and

WHEREAS, the Village of Downers Grove maintains certain continuing accounts with utility service customers which involve payments or transactions at a later date, and such accounts are “covered accounts” within the meaning of the FACT; and

WHEREAS, to be compliant with the FACT, the Village has prepared an identity theft prevention program in the form of a Village Council Policy.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

Section 1. That the Council Policy attached hereto and incorporated herein by reference as Exhibit A is hereby adopted by the Village Council as the Identity Theft Prevention Program.

Section 2. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

Section 3. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Ronald L. Sandack, Mayor

Passed: _____

Attest: _____
April K. Holden, Village Clerk



Village of Downers Grove

Official Village Policy Approved by Village Council

Description:	Identity Theft Prevention Program	
Res. or Ord. #:	Res. _____	Effective Date: _____
Category:	Legislative and General Management	
	<input checked="" type="checkbox"/>	New Council Policy
	_____	Amends Previous Policy Dated: _____
	Description of Previous Policy (if different from above): _____	

IDENTITY THEFT PREVENTION PROGRAM

I. Purpose/ Definitions

Pursuant to the Fair and Accurate Credit Transaction Act of 2003, 16 C.F.R. 681.2 (FACT), municipalities that provide a service to customers and collect payment at a later date must adopt an identity theft program (ITPP) to identify, detect, and respond to patterns, practices, or specific activities that could indicate identity theft. In drafting its ITTP, the Village has considered: (1) the methods it provides to open its accounts; (2) the methods it provides for accessing its accounts; and (3) its previous experiences with identity theft. Based on these considerations, the governing authority of the Village hereby determines that the Village is a low risk entity and as a result develops and implements the streamlined ITTP set forth in this Section. For purposes of this policy, "Identity theft" shall mean fraud committed using the identifying information of another person and a "Red Flag" is defined as a pattern, practice, or specific activity that indicates the possible existence of identity theft.

II. Red Flag Identification

The Village identifies the following Red Flags:

- (a) Notifications, alerts or warnings from Consumer Reporting Agencies.
- (b) Suspicious documents, including, but not limited to:
 - i) documents appearing to be altered or forged;
 - ii) photographs or physical descriptions that are not consistent with the appearance of the applicant or customer;
 - iii) other documentation that is not consistent with the information provided when the account was opened or existing customer information;
 - iv) information that is not consistent with the account application; or
 - v) an application that appears to have been altered, forged, destroyed, or reassembled.
- (c) Suspicious personal identifying information, including, but not limited to:

- i) personal identifying information provided by the customer that is inconsistent with other personal identifying information provided by the customer or with the customer's account application;
- ii) personal identifying information associated with known fraudulent activity;
- iii) the social security number (if required or obtained) is the same as that submitted by another customer;
- iv) the telephone number or address is the same as that submitted by another customer;
- v) the applicant failed to provide all personal identifying information requested on the application; or
- vi) the applicant or customer cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report.

(d) Unusual use of or suspicious activity related to an account, including, but not limited to:

- i) a change of address for an account followed by a request to change the account holder's name;
- ii) a change of address for an account followed by a request to add new or additional authorized users or representatives;
- iii) an account is being used in a way that is inconsistent with prior use (such as late or no payments when the account has been timely in the past);
- iv) a new account is used in a manner commonly associated with known patterns of fraudulent activity (such as customer fails to make the first payment or makes the first payment but no subsequent payments);
- v) mail sent to the account holder is repeatedly returned as undeliverable;
- vi) the Village receives notice that a customer is not receiving his paper statements; or
- vii) the Village receives notice of unauthorized activity on the account.

(e) Notice regarding possible identity theft, including, but not limited to:

- i) notice from a customer, an identity theft victim, law enforcement personnel or other reliable sources regarding possible identity theft or phishing related to utility accounts.

III. Red Flag Detection/ Preventing and Mitigating Identity Theft

(a) In order to detect any Red Flags associated with the opening of a new account, Village personnel shall verify the identity of the person opening the account by requiring certain identifying information such as name, date of birth, residential or business address, driver's license, or other acceptable identification.

In the event Village staff shall detect any identified Red Flags, notice shall be given to the Finance Director for determination of appropriate steps to take, including but not limited to, notification of law enforcement.

(b) In order to prevent the likelihood of identity theft occurring with respect to Village water billing, Village staff shall adhere to the following:

- i) All personal information, personal identifying information, account applications and account information collected and maintained by the Village shall be a confidential record of the Village and shall not be subject to disclosure unless otherwise required by State or Federal Law.
- ii) Access to utility account information shall be limited to employees that provide customer service and technical support to the Village's utilities. Any computer that has access to utility customer account or personal identifying information shall be password protected and all computer screens shall lock after no more than fifteen (15) minutes of inactivity. All paper and non-electronic based utility account or customer personal identifying information shall be stored and maintained in a locked room or cabinet and access shall only be granted by the Finance Director or his/her designee.
- iii) All internet or telephone credit card payments shall only be processed through a third party service provider which certifies that it has an identity theft prevention program operating and in place. Credit card payments accepted in person shall require a reasonable connection between the person or entity billed for the utility services and the credit card owner.

IV. Compliance Officer and Training.

The Compliance Officer shall be the Finance Director or his/her designee. The Compliance Officer shall conduct training for Village employees that transact business with customers of the Village's utilities. The Compliance Officer shall periodically review this program and recommend any necessary updates to the Village Council.

V. Annual Report.

An annual report, as required by FTC regulations, shall be provided by the Compliance Officer to the Village Manager. The contents of the annual report shall address and/or evaluate at least the following:

- i) the effectiveness of the policies and procedures of the Village in addressing the risk of identity theft in connection with the opening of utility accounts and with respect to access to existing utility accounts;
- ii) service provider arrangements;
- iii) incidents involving identity theft with utility accounts and the Village's response;
- iv) changes in methods of identity theft and the prevention of identity theft; and
- v) recommendations for changes to the Village's ITTP.

Ronald L. Sandack, Mayor

Passed:

Attest:

April K. Holden, Village Clerk

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