



Staff Report

RESOLUTION ADOPTING AN IDENTITY THEFT PREVENTION PROGRAM

Honorable Mayor and Council Members:

Summary

Approval of the attached resolution will authorize implementation and administration of an Identity Theft Prevention Program required by the Federal Trade Commission.

Background

Pursuant to the Fair and Accurate Credit Transactions Act (“FACTA”), the Federal Trade Commission (“FTC”) adopted regulations concerning various “red flags” that might indicate the possibility of identity theft. Every creditor who defers payment for goods or services already delivered is required by the FTC Red Flag Rules to adopt an Identity Theft Prevention Program (“Program”), using the guidelines promulgated by the FTC. Under the FTC guidelines, the collection of the sewer charges on the County tax roll constitutes the deferral of payment for services.

Discussion

In accordance with FTC guidelines and regulations, the City’s Program is broken up into four parts and provides “reasonable policies and procedures” to do the following:

- 1) Identify “red flags” applicable to the types of financial or service accounts maintained by the City and incorporate those “red flags” into the Program;
- 2) Detect those “red flags” that have been incorporated into the Program as they occur;
- 3) Ensure that City staff respond appropriately to detected “red flags” so as to prevent and mitigate identity theft;
- 4) Ensure that the Program itself is updated periodically to reflect changes in identity theft risk to City customers or the City.

The City places the highest priority on protecting any confidential financial and personal information submitted to it in the course of providing City services. The Program listed herein satisfies all FACTA requirements. Once adopted, the Identify Theft Prevention Program will be incorporated into our Financial Policies and regularly updated, as needed.

General Plan/Vision Statement

No impact.

Fiscal Impact

No financial impact.

Public Contact

Posting of City Council agenda.

Recommendation

Staff recommends that Council review the Identity Theft Prevention Program and approve the attached resolution authorizing implementation and administration of the Program.

Alternatives

1. Direct staff to return for further discussion and direction.

Attachments

- A. Resolution Adopting an Identify Theft Prevention Program
- B. Identity Theft Prevention Program

Respectfully submitted,

Brooke Lazzari
Deputy Finance Director

Thomas Fil
Finance Director

Jack Crist
City Manager

Staff Contact:

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RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT
ADOPTING AN IDENTITY THEFT PREVENTION PROGRAM**

WHEREAS, the Fair and Accurate Credit Transactions Act of 2003 (“FACTA”) requires that rules regarding identity theft protection be promulgated; and,

WHEREAS, the Federal Trade Commission (“FTC”) has adopted regulations for implementation of FACTA which require that certain creditors establish a written program for the detection of and response to “red flags” indicating the possibility of identity theft; and,

WHEREAS, the City of Belmont maintains credit accounts for sanitary sewer services and is subject to the FTC Red Flag Regulations with respect to these accounts; and,

WHEREAS, a proposed Identity Theft Prevention Program (“Program”) has been presented to the City Council for consideration, a true copy of which is attached hereto as Exhibit “A” and incorporated herein by reference; and,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Belmont as follows:

1. The Identity Theft Prevention Program is hereby approved and adopted.
2. In accordance with the provisions of the Identity Theft Prevention Program, the City Manager of the City of Belmont is designated as the City official responsible for the Program’s implementation and administration.

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on August 11, 2009, by the following vote:

AYES, COUNCILMEMBERS: _____

NOES, COUNCILMEMBERS: _____

ABSTAIN, COUNCILMEMBERS: _____

ABSENT, COUNCILMEMBERS: _____

CLERK of the City of Belmont

APPROVED:

MAYOR of the City of Belmont

Identify Theft Prevention Program

Background

Pursuant to the Fair and Accurate Credit Transactions Act (“FACTA”) of 2003, the Federal Trade Commission (“FTC”) adopted regulations concerning various red flags indicating the possibility of identity theft. Every creditor who defers payment for goods or services already delivered is required by the FTC Red Flag Rules to adopt an Identity Theft Prevention Program (“Program”), using the guidelines promulgated by the FTC.

Policy

The City of Belmont has developed the following procedures as part of its Identity Theft Prevention Program. In accordance with the FTC guidelines, the Program is broken into four basic elements:

1. Identify Relevant Red Flags:
 - Documents provided for identification appear to have been altered or forged;
 - The photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification;
 - Other information on the identification is not consistent with information provided by customer.
2. Detect Red Flags:
 - Require certain identifying information such as name, date of birth, SSN, residential or business address, telephone number, email address, driver’s license, etc.
 - Verify the customer’s identify (e.g. review driver’s license or other identification).
3. Prevent and Mitigate Identify Theft:
 - Ensure that office computers are password protected and the computer screens lock after a set period of time.
 - Ensure computer virus protection is up to date.
 - Require and keep only the kinds of customer information that is necessary for City business purposes.
 - Ensure complete and secure destruction of paper documents and computer files containing customer information where no longer needed in accordance with the City’s Records Retention Policy.
 - Keep desks and work areas clear of papers containing customer information.
 - If a customer requests information about their account, verify the identification of the customer.
4. Update the Program:
 - This Policy shall be reviewed annually and updated as necessary to reflect changes in risks.

Adoption Date:
August 11, 2009

Policy Level:
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