

Wake County Identity Theft Program - "Red Flag Rules" Ordinance

Section I. TITLE

This article shall be known and may be cited as the Wake County Identity Theft Red Flag Rules Ordinance of Wake County.

Section II. PURPOSE

The purpose of this ordinance is to provide an Identity Theft Prevention Program that complies with Federal Trade Regulations 16 CFR 168.2.

Section III ENACTMENT

An ordinance of the Wake County Board of Commissioners entitled "WAKE COUNTY IDENTITY THEFT RED FLAG RULES ORDINANCE."

Pursuant to authority conferred by Federal Trade Commissions 16 CFR 168.2, and for the purpose of complying with Federal Regulations requirement that a creditor establish an Identity Theft Prevention Program which will use red flags to detect, prevent and mitigate identity theft related information used in covered accounts, the Wake County Board of Commissioners hereby enacts the following sections, which shall be known as the Wake County Identity Theft Red Flags Rules Ordinance of Wake County, North Carolina

Section IV DEFINITIONS

In addition to the common meaning of words, the following definitions shall be used in interpreting this ordinance:

1. County: "County of Wake"
2. Account: A continuing relationship established by a person with a financial institution or creditor to obtain a product or service for personal, family, household or business purposes. Account includes:
 - a. An extension of credit, such as the purchase of property or services involving a deferred payment; and
 - b. A deposit account.
3. Covered account means: (i) 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 (ii) 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.

4. Credit means: the right granted by a creditor to a debtor to defer payment Debt or to incur debts and defer its payment or to purchase properly or services and payment therefore
5. Creditor means: any person who regularly extends, renews, or continues Credit; any person who regularly arranges for the extension, renewal, or continuation of credit; or any assignee of an original creditor who participates in the decision to extend, renew, or continue credit and includes utility companies and telecommunications companies
6. Customer means: a person that has a covered account with a financial institution or creditor
7. Identity theft means: a fraud committed or attempted using identifying information of another person without authority
8. Person means: a natural person, a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, or association
9. Personal identifying information means: a person's credit card account information, debit card information bank account information and drives' license information and for a natural person includes their social security number, mother's birth name, and date of birth
10. Red flag means: a pattern, practice, or specific activity that indicates the possible existence of identity theft
11. Service provider means: a person that provides a service directly to the county

Section V IDENTITY THEFT PREVENTION PROGRAM

The Federal Trade Commission ("FTC") requires creditors to implement an Identity Theft Program. The FTC requirement and regulation is necessary in order to comply 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.

Section V ESTABLISHING A COVERED ACCOUNT

1. To open an account a customer shall provide a valid government issued identification card with a valid photo id.

2. The customer will be issued a random account number to be associated with the covered account information.

Section VI ACCESS TO COVERED ACCOUNT INFORMATION

1. Access to customer accounts shall be password protected and shall be limited to authorized county personnel.
2. Password(s) shall be changed on a regular basis, and in accordance with the County's IT password security policy.
3. Any unauthorized access to or other breach of customer accounts is to be reported to the Information Services Security Officer and Internal Audit
4. Any requests for customer account information, other than from a properly identified customer, shall be reported to the Information Services Security Officer.

Section VI CREDIT CARD PAYMENTS

1. A Vendor that processes credit card payments over the Internet shall certify that it has an identity theft program prevention program which meets the requirements of the Federal Trade and Regulation requirements under 16 CFR 168.2.
2. Credit card payments made by telephone shall be entered immediately into the computer database for customer account information.
3. Account statements, receipts and invoices for covered accounts shall include four digits of the credit card or debit card or the bank account used for payment of the covered account.

Section VII IDENTIFYING RED FLAGS

1. All employees responsible for or involved in the process of opening a covered account, restoring a covered account or accepting payment for a covered account shall check for red flags as indicators of possible identity theft and such red flags may include:
 - A. Consumer Reporting agencies, fraud detection agencies or service providers.
For example:
 1. Notice of credit freeze
 2. Notice of Address discrepancy
 3. Pattern of activity in a consumer report that is inconsistent with the history and usual pattern of activity of an applicant or customer, such
 - a. increase in number of inquiries
 - b. increase in recent credit relationships
 - c. closed account due to abuse of account privileges
 - B. Suspicious Documents
 - a. Documents that appeared altered or forged
 - b. Identification that appears altered or information is inconsistent with information provided by customer
 - c. Applications that appear altered or forged

- C. Suspicious personal identification, such as suspicious address change.
 - a. personal identification information inconsistent with information reported from a financial institution
 - b. personal identification has been previously identified and flagged as fraudulent
 - c. Fictitious mailing address, phone numbers, etc.
 - d. Social security number does not match that of the customer or applicant
- D. Unusual use of or suspicious activity relating to a covered account.
 - a. an inactive account is used after a prolonged inactive period
 - b. noticeable change in pattern of account activity
 - c. customer notifies the Finance Director or her designee of unauthorized charges or transactions in connection with a customer's account
- E. Notice from customers, law enforcement, victims or other reliable sources regarding possible identity theft relating to covered accounts.

Section VIII PREVENTION AND MITIGATION OF IDENTITY THEFT

If a County employee suspects or confirms that a security breach has occurred, the employee shall:

1. Contact Information Security Services, Internal Audit and the Wake County Attorney's Office. Information Security Services and the Wake County Attorney's Office will assist the employee with notifying the customer and law enforcement agency.
2. Upon confirming an unauthorized use or access, the System Administrator shall contact change any account numbers, passwords, security codes, or other security devices that permit access to the account; or close the account
3. The County Department with the assistance of the IS Security Officer. shall determine date of the breach and collect charges for the account that are attributable to the customer.
4. Any other appropriate action to prevent or mitigate identity theft as proscribed by each Departments internal policies and procedures.

Section IX UPDATING THE PROGRAM

There shall be an annual review of this Ordinance, or as more often as required by either the Finance Director or the County Attorney to update the Identity Theft Program when the passage of new laws, statutes or discovered risks that may affect the County's compliance with the Federal Trade Regulation requirements.

Section X PROGRAM ADMINISTRATION

The County program shall be administered by the Finance director she is responsible for the oversight, implementation and administration of the Identity Theft Program. The County Attorney's Office is responsible for reviewing reports prepared by the Finance Director for the purpose of monitoring compliance and recommending material changes to the program. The Wake County Board of County Commissioners shall approve any changes.

1. The Finance Director will report at least annually, on compliance with the Federal Trade Regulations to the Wake County Board of County Commissioners, or its designee. The report shall address the effectiveness of current policies and procedures, service provider arrangements and recommendations for material changes to the program.
2. The Finance Director is responsible for training employees responsible for or involved in opening a new covered account, restoring existing accounts or accepting payment for a covered account.

Section XI VENDOR AND SERVICE PROVIDERS

In the event that the county engages a service provider to perform an activity in connection with one or more covered accounts the Finance Director shall exercise his or her discretions in reviewing such arrangements in order to ensure, to the best of his or her ability, that the service provider's activities are conducted in accordance with policies and procedures, agreed upon by contract, that are designed to detect any red flags that may arise in the performance of the service provider's activities and take appropriate steps to prevent or mitigate theft.

ADOPTED this the ____ 4th ____ day of ____ May _____, 2009.

The effective date of this Ordinance is _____, 2009.

ORDAINED by the Board of Commissioners of the County of _____ this the _____ day of _____, 2009.

ATTEST WAKE COUNTY BOARD OF COMMISSIONERS

CLERK TO THE BOARD

BY: _____
CHAIR

APPROVED AS TO FORM

COUNTY ATTORNEY