



Administrative Policy

| Title: Identity Theft Prevention Program (Reso 2009-002) | | | | | |
|---|---------------------------|---------------|--------------------------|-----------------------|----------------|
| Administered By: Department of Water & Power | | | | | |
| New Policy No. | Issue Date (Last Revised) | Numbered Date | Department Head Approved | City Manager Approved | Mayor Approved |
| 03600.501 | 01-07-09 (N/A) | 01-03-17 | | | |

This Policy, originally adopted on 01-07-09 as Resolution No. 2009-002, will now be numbered Policy 03600.501 for reference purposes only. Effective on the Numbered Date noted above, this Policy is hereby numbered as the Policy Number noted above and shall be referenced as Policy 03600.501 (Reso 2009-002) (Identity Theft Prevention Program).

Resolution No. 2009-002 is attached hereto and incorporated herein by reference.

Attachment: Resolution No. 2009-002
 Issued: 01-07-09
 Revised: N/A

RESOLUTION NO. 2009-002

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CORONA, CALIFORNIA, ADOPTING AN IDENTITY THEFT
PREVENTION PROGRAM**

WHEREAS, the Fair and Accurate Credit Transaction Act of 2003 (“FACTA”), section 114, as implemented by the Red Flag Rules, 16 C.F.R. § 681.2, issued by the Federal Trade Commission along with other federal agencies, requires creditors of customer accounts to implement an Identity Theft Prevention Program; and

WHEREAS, the City of Corona is a creditor because it provides services to customers prior to receipt of payment through customer accounts, including utility service accounts, which are maintained primarily for personal, family or household purposes and involve multiple payments or transactions, and for which there is a reasonably foreseeable risk of identity theft; and

WHEREAS, the City of Corona is therefore required pursuant to FACTA to implement an Identity Theft Prevention Program; and

WHEREAS, the purpose of the Identify Theft Prevention Program is to detect, prevent and mitigate identity theft in connection with all customer accounts, taking into consideration the level of risk for identity theft given the City of Corona’s scope of services provided and the types of accounts; and

WHEREAS, the Identify Theft Prevention Program is created to identify patterns, practices and specific activities that indicate the possible existence of identity theft, referred to as “Red Flags,” and sets forth the procedures for detecting Red Flags and responding to Red Flags when discovered; and

WHEREAS, the City Council of the City of Corona desires to adopt and implement an Identity Theft Protection Program as required under federal law.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the City Council of the City of Corona, California, as follows:

SECTION 1. The “Identity Theft Prevention Program” attached hereto as Exhibit “A” is hereby adopted.

SECTION 2. The City Council hereby authorizes the Department of Water and Power General Manager to act on the City Council’s behalf to oversee the implementation and administration of the Identity Theft Prevention Program in accordance with federal law.

SECTION 3. The Identity Theft Prevention Program may be amended from time to time by Resolution of the City Council, or administratively by the person designated in Section 2 of this Resolution.

SECTION 4. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED this 7th day of January, 2009.



Mayor of the City of Corona, California

ATTEST:



City Clerk of the City of Corona, California

CERTIFICATION

I, Victoria J. Wasko, City Clerk of the City of Corona, California, do hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Corona, California, at a regular meeting thereof held on the 7th day of January, 2009, by the following vote:

AYES: MONTANEZ, SCOTT, SKIPWORTH, SPIEGEL

NOES: NONE

ABSENT: NOLAN

ABSTAINED: NONE

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Corona, California this 7th day of January, 2009.



City Clerk of the City of Corona, California

[SEAL]

Exhibit A

Identity Theft Prevention Policy

(The Identity Theft Prevention Policy is attached on the following pages.)

City of Corona Department of Water & Power

IDENTITY THEFT PREVENTION POLICY

Subject: New Identity Theft Prevention Policy for City of Corona Department of Water & Power

Purpose: The creation and implementation of an Identity Theft Prevention Policy for the City of Corona Department of Water & Power that will identify, detect, mitigate, and update Red Flags that signal the possibility of identity theft in connection with the opening of a covered account or any existing covered account.

Effective Date: January 7, 2009

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PART 1 DEFINITIONS

1. For purposes of this Policy, the term "Covered Account" means an account that the City of Corona Department of Water & Power offers or maintains, primarily for personal, family or household purposes, that involves or is designed to permit multiple payments or transactions **and any other account that the City of Corona Department of Water & Power offers or maintains for which there is a reasonably foreseeable risk to customers or the safety and soundness of the City of Corona Department of Water & Power from identity theft, including financial, operational, compliance, reputation, or litigation risks.**
2. For purposes of this Policy, the term "Identity Theft" means a fraud committed or attempted using the identifying information of another person without authority.
3. For purposes of this Policy, the term "Red Flag" means a pattern, practice, or specific activity that indicates the possible existence of identity theft. Part 3 provides a specific description of which Red Flags are applicable to this Policy.
4. For purposes of this Policy, the term "FACTA" means the Fair and Accurate Credit Transaction Act of 2003.
5. For purposes of this Policy, the term "General Manager" means the General Manager of the City of Corona Department of Water and Power.

PART 2
INCORPORATION OF EXISTING POLICY AND PROCEDURE

The following policies and procedures already in effect at the City of Corona Department of Water & Power are specifically incorporated herein (see attached) and will continue to operate in conjunction with the Identity Theft Prevention Policy to achieve its stated purpose:

PART 3

IDENTIFICATION OF RELEVANT RED FLAGS

After careful examination of our accounts, including the methods by which we open, access and past experience with identity theft, the following events/occurrences reasonably indicate the potential for identity theft and should be considered "Red Flags" for purposes of this Policy:

A. Alerts, notifications, or other warnings received from consumer reporting agencies or service providers, such as fraud detections services. For the purposes of this Policy the City of Corona Department of Water & Power will be utilizing the ONLINE Utility Exchange as its service provider to identify the "Red Flags" listed below:

1. A fraud or active duty alert is included with a consumer report.
2. A consumer reporting agency provides a notice of credit freeze in response to a request for a consumer report.
3. A consumer reporting agency provides a notice of address discrepancy.
4. 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:
 - a. A recent and significant increase in the volume of inquiries;
 - b. An unusual number of recently established credit relationships;
 - c. A material change in the use of credit, especially with respect to recently established credit relationships; or
 - d. An account that was closed for cause or identified for abuse of account privileges by a financial institution or creditor.

B. The presentation of suspicious documents, such as:

5. Documents provided for identification appear to have been altered or forged.
6. The photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification.
7. Other information on the identification is not consistent with information provided by the person opening a new covered account or customer presenting the identification.
8. Other information on the identification is not consistent with readily accessible information that is on file with the financial institution or creditor, such as a signature card or a recent check.

9. An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.

C. The presentation of suspicious personal identifying information, such as a suspicious address changes:

10. Personal identifying information provided is inconsistent when compared against external information sources used by the City of Corona Department of Water & Power. For example: a. The address does not match any address in the consumer report; or b. The Social Security Number (SSN) has not been issued, or is listed on the Social Security Administration's Death Master File.
11. 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.
12. Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources used by the City of Corona Department of Water & Power. For example:
 - a. The address on an application is the same as the address provided on a fraudulent application; or
 - b. The phone number on an application is the same as the number provided on a fraudulent application.
13. Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated by internal or third-party sources used by the financial institution or creditor. For example:
 - a. The address on an application is fictitious, a mail drop, or a prison; or
 - b. The phone number is invalid, or is associated with a pager or answering service.
14. The SSN provided is the same as that submitted by other persons opening an account or other customers.
15. 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.
16. 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.
17. Personal identifying information provided is not consistent with personal identifying information that is on file with the City of Corona Department of Water & Power.

18. If the City of Corona Department of Water & Power 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.

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

19. Shortly following the notice of a change of address for a covered account, the City of Corona Department of Water & Power receives a request for a new, additional, or replacement card or a cell phone, or for the addition of authorized users on the account.

20. A new revolving credit account is used in a manner commonly associated with known patterns of fraud patterns. For example:

- a. The majority of available credit is used for cash advances or merchandise that is easily convertible to cash (e.g., electronics equipment or jewelry); or
- b. The customer fails to make the first payment or makes an initial payment but no subsequent payments.

21. A covered account is used in a manner that is not consistent with established patterns of activity on the account. There is, for example:

- a. Nonpayment when there is no history of late or missed payments;
- b. A material increase in the use of available credit;
- c. A material change in purchasing or spending patterns;
- d. A material change in electronic fund transfer patterns in connection with a deposit account; or
- e. A material change in telephone call patterns in connection with a cellular phone account.

22. 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).

23. Mail sent to the customer is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the customer's covered account.

24. City of Corona Department of Water & Power is notified that the customer is not receiving paper account statements.

25. City of Corona Department of Water & Power is notified of unauthorized charges or transactions in connection with a customer's covered account.

E. 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 Corona Department of Water & Power:

26. The City of Corona Department of Water & Power 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.

PART 4

DETECTION, PREVENTION AND MITIGATION

A. 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:

1. Full Name;
2. Date of birth (individual);
3. 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;
4. Identification number, which shall be: (i) For a U.S. person, a taxpayer identification number; 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 Corona Department of Water & Power, the customer will be contacted within a reasonable period of time after discovering the missing information to obtain the necessary information.

To assist with detection of Red Flags, the City of Corona Department of Water & Power will implement the appropriate computer programs tailored to the City of Corona Department of Water & Power business needs to help authenticate customers, monitor transactions, and change of address requests. The following programs are being used and the City of Corona Department of Water & Power continued use thereof is incorporated and made part of this Policy:

B. Preventing and Mitigating Identity Theft

In the event a Red Flag is detected, the City of Corona Department of Water & Power is committed to preventing the occurrence of identity theft and taking the appropriate steps to mitigate any harm caused thereby. In order to respond appropriately to the detection of a Red Flag, the City of Corona Department of Water & Power shall consider any aggravating

circumstance(s) that may heighten the risk of identity theft. After assessing the degree of risk posed, the City of Corona Department of Water & Power will respond to the Red Flag in an appropriate manner, which may include:

1. Monitoring a covered account for evidence of identity theft;
2. Contacting the customer;
3. Changing any passwords, security codes, or other security devices that permit access to a covered account;
4. Reopening a covered account with a new account number;
5. Not opening a new covered account;
6. Closing an existing covered account;
7. Not attempting to collect on a covered account or not selling a covered account to a debt collector;
8. Notifying law enforcement; or
9. Determining that no response is warranted under the particular circumstances.

In an effort to mitigate the damage caused by identity theft, the following programs/software are being used, and City of Corona Department of Water & Power's continued use thereof is incorporated and made part of this Policy: ONLINE UTILITY EXCHANGE.

For the protection of our customers, all service providers hired by City of Corona Department of Water & Power to perform any activity in connection with any covered account must also take appropriate steps to prevent identity theft. To this end, City of Corona Department of Water & Power will only contract with service providers that have implemented and follow a similar identity theft prevention policy.

PART 5 POLICY UPDATES

The City of Corona Department of Water & Power is committed to maintaining an Identity Theft Prevention Policy that is current with the ever-changing crime of identity theft. To that end, the City of Corona Department of Water & Power will reassess this Policy on a periodic basis. In reassessing this Policy, the City of Corona Department of Water & Power will add/delete Red Flags in Part 3, as necessary, to reflect changes in risks to customers or to the safety and soundness of the City of Corona Department of Water & Power from identity theft. The determination to make changes to this Policy will be within the discretion of the responsible parties, identified in Part 7 of this Policy, but after careful consideration of the following:

1. The City of Corona Department of Water & Power's past experience(s) 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 Corona Department of Water & Power offers or maintains; and
5. Changes in the business arrangements of the City of Corona Department of Water & Power, including mergers, acquisitions, alliances, joint ventures, and service provider arrangements.

The General Manager or his or her designee, will designate the City of Corona Department of Water & Power's staff involved with the implementation of the Policy to prepare reports regarding the City of Corona Department of Water & Power's compliance with FACTA and the Red Flag rules requiring the implementation of an Identity Theft Prevention Policy. The reports should address material matters related to the Policy, such as the following:

1. The effectiveness of the City of Corona Department of Water & Power's policies and procedures to address the risk of identity theft in connection with opening customer accounts, as well as with existing accounts. This includes identifying any issues related to identifying, detecting and responding to Red Flags;
2. Third-party service provider arrangements;
3. Significant incidents of identity theft or Red Flag detection, and the City of Corona Department of Water & Power's responses to those incidents;

4. Recommendations for material changes to the Policy to ensure that customer accounts are adequately protected from the risk of identity theft.

The reports should be prepared at least annually for review by the General Manager or his or her designee.

PART 6

THIRD PARTY SERVICE PROVIDERS

A. Oversight of Third Party-Service Providers Involved with Customer Accounts

If the City of Corona Department of Water & Power employs a third-party service provider to perform any activity in connection with a customer account, the General Manager or his or her designee is responsible for ensuring that the activity is conducted in compliance with reasonable polices and procedures to detect, prevent and mitigate the risk of identity theft. This may be achieved by requiring that a third-party service provider has policies and procedures to detect the Red Flags identified by City of Corona Department of Water & Power, and also requiring the third-party service provider to review the City of Corona Department of Water & Power's Policy and agree to report any Red Flags to the General Manager or his or her designee.

B. Use of Third Party-Service Provider to Assist in the Implementation of the Policy Involved with Customer Accounts

The City of Corona Department of Water & Power may hire a third-party service provider in order to implement this Policy. The third-party service provider may provide services such as the implementation and administration of computer software programs that detect Red Flags. If a third-party service provider is used to assist in the detection of Red Flags, the third-party service provider is required to immediately notify the General Manager or his or her designee if any Red Flags are discovered.

The General Manager or his or her designee is responsible for overseeing any third-party service provider in an appropriate and effective manner. The General Manager or his or her designee's oversight shall include periodic meetings and/or receipt and review of periodic reports from the third-party service provider regarding what services are being provided, any Red Flags that have been detected, and any possible modifications to the services provided to increase their effectiveness.

PART 7

ADDITIONAL REQUIREMENTS

A. Address Confirmation

The City of Corona Department of Water & Power shall furnish the consumer's address (if the address has been reasonably confirmed as accurate) to consumer reporting agencies as part of the information that the City of Corona Department of Water & Power regularly furnishes for the reporting period in which the City of Corona Department of Water & Power establishes a relationship with the consumer. In an effort to ensure that the City of Corona Department of Water & Power maintains accurate address information for its consumers and to ensure the City of Corona Department of Water & Power provides accurate address information of our consumers to reporting agencies, at least one of the following steps must be taken prior to providing the consumer's address to the consumer reporting agency:

- a) Verify the address on file with the consumer;
- b) Confirm the address being sent to the consumer reporting agency matches the address the City of Corona Department of Water & Power has on file for that particular consumer;
- c) Compare the address with information received from any third-party source; or
- d) Verify by other means that are reasonably available at the time.

B. Address Discrepancies

Because the City of Corona Department of Water & Power is a user of consumer reports, at least one of the following steps must be taken when the City of Corona Department of Water & Power receives notice from any consumer reporting agency that a substantial difference exists between the address for the consumer that the City of Corona Department of Water & Power provided and the address(es) in the consumer reporting agency's file for that particular consumer:

- a) Compare the differing address with the City of Corona Department of Water & Power's file, by either (1) confirming that the address information provided by the City of Corona Department of Water & Power to the consumer reporting agency is the same information the City of Corona Department of Water & Power obtains and uses to verify the consumer's identity in accordance with the requirements of the Customer Information Program (CIP) rules (31 USC 5318(1) (31 CFR 103.121); or (2) comparing the differing addresses with the City of Corona Department of Water & Power records and files, including applications, change of address notifications, other customer account records, or retained CIP documentation; or (3) comparing the differing addresses with information the City of Corona Department of Water & Power may have received from a third-party source; or

- b) **Verify the information in the consumer report provided by the consumer reporting agency with the consumer.**

**PART 8
ADMINISTRATION**

The City Council of the City of Corona has designated the authority to develop, oversee, implement and administer the Policy to the General Manager or his or her designee. As part of the General Manager or his or her designee's oversight responsibilities for the Policy, the General Manager or his or her designee is required to review and approve all material changes to the Policy as necessary to address changing identity theft risks. The General Manager or his or her designee is also responsible for reviewing reports prepared by the City of Corona Department of Water & Power's staff regarding compliance with FACTA and the Red Flag Rules requiring the implementation of an Identity Theft Prevention Policy.

The City of Corona Department of Water & Power staff that will be directly involved with opening customers' account or servicing customer accounts in a manner that would place them in a position to detect Red Flags, or allow them access to customers' private information shall be trained to detect Red Flags and appropriately respond when Red Flags are discovered. The City of Corona Department of Water & Power's staff participation is crucial to the effective implementation of this Policy.

By signing below, I, the General Manager of the City of Corona Department of Water and Power acknowledge that I or my designee will be responsible for overseeing the implementation, management, and updating of this new Policy and shall have the following responsibilities:

1. Assign specific responsibility for the Policy's implementation, including appropriate training for staff;
 - At least annually, the assigned person/staff must report to the *individual(s)/committee/board* and provide an update on the Policy's effectiveness, any service provider arrangements, significant incidents involving identity theft and City of Corona Department of Water & Power's response, and recommendations for ways to improve the Policy.
2. Review reports prepared by staff to ensure that City of Corona Department of Water & Power remains compliant with its legal responsibility to maintain an Identity Theft Prevention Policy; and
3. Approve material changes to this Policy as necessary to address changing identity theft risks.

Name(s)

Title

Authorized Signature(s)

Date

**PART 9
POLICY APPROVAL**

This Identity Theft Prevention Policy is hereby made a Policy of City of Corona Department of Water & Power effective on January 7, 2009, as authorized by the Corona City Council.

Name(s)

Title

Authorized Signature(s)

Date