

RESOLUTION NO. 1957

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLDEN APPROVING AN IDENTITY THEFT PREVENTION PROGRAM POLICY**

WHEREAS, pursuant to federal law, the Federal Trade Commission (the "FTC") adopted new regulations called the "Red Flag Rules" (16 CFR Part 681), which require creditors to create identity theft prevention program policies relating to the use of consumer reports, address discrepancy, and the detection, prevention and mitigation of identity theft; and

WHEREAS, the City of Golden (the "City") is a creditor with respect to 16 CFR § 681.2 by virtue of providing utility services or by otherwise accepting payment for municipal services in arrears; and

WHEREAS, the FTC regulations require each creditor to adopt an Identity Theft Prevention Program that will use "red flags" to detect, prevent, and mitigate identity theft related to information used in covered accounts; and

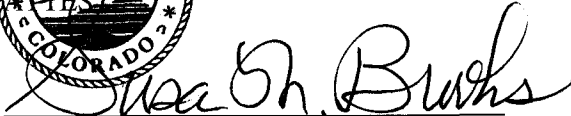
WHEREAS, the City Council of the City of Golden desires to adopt an Identity Theft Prevention Program Policy in order to comply with the Red Flag Rules, as required by federal law.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GOLDEN, COLORADO:

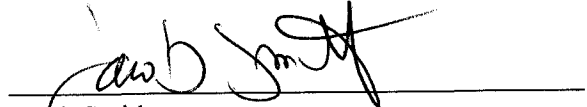
The Identity Theft Prevention Program Policy is hereby adopted and approved in substantially the same form as set forth in Exhibit A, which is attached hereto and made a part of this resolution.

Adopted this 9th day of April, 2009.



  
Susan M. Brooks, MMC

City Clerk

  
Jacob Smith  
Mayor

APPROVED AS TO FORM:

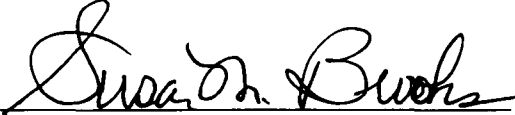


David S. Williamson  
City Attorney

I, Susan M. Brooks, City Clerk of the City of Golden, Colorado, do hereby certify that the foregoing is a true copy of a certain Resolution adopted by the City Council of the City of Golden, Colorado at a rescheduled regular business meeting thereof held on the 9th day of April, A.D., 2009.



ATTEST:

  
Susan M. Brooks, City Clerk of the City of  
Golden, Colorado

## Exhibit A

City of Golden Identity Theft Prevention Program Policy  
Approved by City of Golden City Council on April 9, 2009

### IDENTITY THEFT PREVENTION PROGRAM

#### 1.0 PURPOSE

To establish an Identity Theft Prevention Program designed to detect, prevent and mitigate identity theft in connection with the opening of a covered account or an existing covered account and to provide for continued administration of the Program in compliance 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 (FACT Act) of 2003.

#### 2.0 DEFINITIONS

- 2.1 **Identify theft** means fraud committed or attempted using the identifying information of another person without authority.
- 2.2 A **covered account** means:
- a. 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. Covered accounts include credit card accounts, mortgage loans, automobile loans, margin accounts, cell phone accounts, utility accounts, checking accounts and savings accounts; and
  - b. 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.
- 2.3 **Credit** means the right granted by a creditor to a debtor to defer payment of debt or to incur debts and defer its payment or to purchase property or services and defer payment therefor.
- 2.4 **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
- 2.5 **Customer** means a person that has a covered account with a creditor
- 2.6 **Finance Department** means the Finance Department of the City of Golden.
- 2.7 **Finance Director** means the Finance Director of the City of Golden or the Director's designee.
- 2.8 A **red flag** means a pattern, practice or specific activity that indicates the possible existence of identity theft.

### **3.0 THE PROGRAM**

- 3.1.** The Finance Department shall establish an Identity Theft Prevention Program to detect, prevent and mitigate identity theft. The Program shall include reasonable policies and procedures to:
- a. Identify relevant red flags for covered accounts it offers or maintains and incorporate those red flags into the program;
  - b. Detect red flags that have been incorporated into the Program;
  - c. Respond appropriately to any red flags that are detected to prevent and mitigate identity theft; and
  - d. Ensure the Program is updated periodically to reflect changes in risks to customers and to the safety and soundness of the creditor from identity theft.
- 3.2** The program shall, as appropriate, incorporate existing policies and procedures that control reasonably foreseeable risks.

### **4.0 ADMINISTRATION OF PROGRAM**

- 4.1.** The Finance Director shall be responsible for the development, implementation, oversight and continued administration of the Program.
- 4.2.** The Finance Director shall train staff, as necessary, to effectively implement the Program.

### **5.0 IDENTIFICATION OF RELEVANT RED FLAGS**

- 5.1.** The Program shall include relevant red flags from the following categories as appropriate:
- a. Alerts, notifications, or other warnings received from consumer reporting agencies or service providers, such as fraud detection services;
  - b. The presentation of suspicious documents;
  - c. The presentation of suspicious personal identifying information;
  - d. The unusual use of, or other suspicious activity related to, a covered account; and
  - e. Notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with covered accounts.
- 5.2.** The Program shall consider the following risk factors in identifying relevant red flags for covered accounts as appropriate:
- a. The types of covered accounts offered or maintained;
  - b. The methods provided to open covered accounts;
  - c. The methods provided to access covered accounts; and
  - d. Previous experience with identity theft.

5.3. The Program shall incorporate relevant red flags from sources such as:

- a. Incidents of identity theft previously experienced;
- b. Methods of identity theft that reflect changes in risk; and
- c. Applicable supervisory guidance.

## 6.0 DETECTION OF RED FLAGS

6.1 The Program shall address the detection of red flags in connection with the opening of covered accounts and existing covered accounts, such as by:

- a. Obtaining identifying information about, and verifying the identity of, a person opening a covered account; and
- b. Authenticating customers, monitoring transactions, and verifying the validity of change of address requests in the case of existing covered accounts.

## 7.0 RESPONSE

7.1 **Appropriate Responses:** The Program shall provide for appropriate responses to detected red flags to prevent and mitigate identity theft. The response shall be commensurate with the degree of risk posed. Appropriate responses may include the following:

- a. Monitoring a covered account for evidence of identity theft;
- b. Contacting the customer;
- c. Changing any passwords, security codes or other security devices that permit access to a covered account;
- d. Reopening a covered account with a new account number;
- e. Not opening a new covered account;
- f. Closing an existing covered account;
- g. Notifying law enforcement; or
- h. Determine no response is warranted under the particular circumstances.

7.2 **Duties Regarding Address Discrepancies:** The Finance Department shall develop policies and procedures designed to enable the Finance Department to form a reasonable belief that a credit report relates to the consumer for whom it was requested if the Finance Department receives a notice of address discrepancy from a nationwide consumer reporting agency indicating the address given by the consumer differs from the address contained in the consumer report. The Finance Department may reasonably confirm that an address is accurate by any of the following means:

- a. Verification of the address with the consumer;
- b. Review of the utility's records;
- c. Verification of the address through third-party sources; or
- d. Other reasonable means.

## 7.3 REQUIREMENT TO FURNISH CUSTOMER ADDRESS TO CONSUMER REPORTING AGENCY

If an accurate address is confirmed, the Finance Department shall furnish the customer's address to the nationwide consumer reporting agency from which it received the notice of address discrepancy if:

- a. The Finance Department establishes a continuing relationship with the consumer, such that the consumer becomes a customer; and
- b. The Finance Department, regularly and in the ordinary course of business, furnishes information to the consumer reporting agency from which the notice of address discrepancy relating to the customer was obtained.

## **8.0 UPDATING THE PROGRAM**

**8.1** The Program shall be updated periodically to reflect changes in risks to customers or to the safety and soundness of the Finance Department from identity theft based on factors such as:

- a. The experiences of the Finance Department with identity theft;
- b. Changes in methods of identity theft;
- c. Changes in methods to detect, prevent and mitigate identity theft;
- d. Changes in the types of accounts that the Finance Department offers or maintains;
- e. Changes in the business arrangements of the Finance Department, including mergers, acquisitions, alliances, joint ventures and service provider arrangements.

## **9.0 OVERSIGHT OF THE PROGRAM**

**9.1. Oversight of the Program shall include:**

- a. Assignment of specific responsibility for implementation of the Program;
- b. Review of reports prepared by staff regarding compliance; and
- c. Approval of material changes to the Program as necessary to address changing risks of identity theft.

**9.2. Reports shall be prepared as follows:**

- a. Staff responsible for development, implementation and administration of the Program shall report to the Finance Director at least annually on compliance by the Finance Department with the Program.
- b. The report shall address material matters related to the Program and evaluate issues such as:
  - i. The effectiveness of the policies and procedures in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts;
  - ii. Significant incidents involving identity theft and staff's response; and
  - iii. Recommendations for material changes to the Program.