

# **City of New Haven Water, Sewer and Natural Gas Utilities Identity Theft Prevention Program**



Adopted by Resolution of the Mayor and Board of Aldermen  
October 13, 2008

## INTRODUCTION

The City of New Haven Water, Sewer and Natural Gas Utilities (the "Utility") has developed this Identity Theft Prevention Program ("Program") pursuant to the Federal Trade Commission's ("FTC") Red Flag Rule, which implements Section 114 of the Fair and Accurate Credit Transaction Act of 2003, pursuant to 16 C.F.R. §681.2. This Program is designed to detect, prevent and mitigate Identity Theft in connection with the opening and maintenance of certain utility accounts. For purposes of this Program, "Identity Theft" is considered to be "fraud committed using the identifying information of another person." The accounts addressed by the Program, (the "Accounts"), are defined as:

1. A continuing relationship the Utility has with an individual through an account the Utility offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; and
2. Any other account the Utility offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the Utility from Identity Theft.

This Program was developed with oversight and approval of the Board of Aldermen of the City of New Haven. After consideration of the size and complexity of the Utility's operations and Account systems, and the nature and scope of the Utility's activities, the Board of Aldermen determined that this Program was appropriate for the City of New Haven and therefore approved this Program on October 13, 2008.

## IDENTIFICATION OF RED FLAGS

A "Red Flag" is a pattern, practice, or specific activity that indicates the possible existence of Identity Theft. In order to identify relevant Red Flags, the Utility considered risk factors such as the types of Accounts that it offers and maintains, the methods it provides to open its Accounts, the methods it provides to access its Accounts, and its previous experiences with Identity Theft. The Utility identified the following Red Flags, in each of the listed categories:

### 1. Suspicious Documents.

Possible Red Flags for this category include:

- (1) Receiving documents that are provided for identification that appear to be forged or altered;
- (2) Receiving documentation on which a person's photograph or physical description is not consistent with the person presenting the documentation;
- (3) Receiving other documentation with information that is not consistent with existing customer information (such as if a person's signature on a check appears forged); and
- (4) Receiving an application for service that appears to have been altered or forged.

### 2. Suspicious Personal Identifying Information.

Possible Red Flags for this category include:

- (1) A person's identifying information is inconsistent with other sources of information (such as an address not matching an address on a consumer report or a SSN that was never issued);
- (2) A person's identifying information is inconsistent with other information the customer provides (such as inconsistent SSNs or birth dates);
- (3) A person's identifying information is the same as shown on other applications found to be

fraudulent;

(4) A person's identifying information is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);

(5) A person's SSN is the same as another customer's SSN;

(6) A person's address or phone number is the same as that of another person;

(7) A person fails to provide complete personal identifying information on an application when reminded to do so; and

(8) A person's identifying information is not consistent with the information that is on file for the customer.

### **3. Unusual Use Of or Suspicious Activity Related to an Account.**

Possible Red Flags for the category include:

(1) A change of address for an Account followed by a request to change the Account holder's name or add other parties;

(2) A new Account is used in manner consistent with fraud (such as the customer failing to make the first payment, or making the initial payment and no other payments);

(3) An account being used in a way that is not consistent with prior use (such as late or no payments when the Account has been timely in the past);

(4) Mail sent to the Account holder is repeatedly returned as undeliverable;

(5) The Utility receives notice that a customer is not receiving his paper statements; and

(6) The Utility receives notice that an Account has unauthorized activity.

### **4. Notice regarding possible identity theft.**

Possible Red Flags for this category include:

The Utility receives notice from a customer, an identity theft victim, law enforcement or any other person that it has opened or is maintaining a fraudulent Account for a person engaged in Identity Theft.

## **DETECTION OF RED FLAGS**

In order to detect any of the Red Flags identified above with the opening of a new Account, Utility personnel will take the following steps to obtain and verify the identity of the person opening the Account:

Steps can include:

(1) Requiring certain identifying information such as name, date of birth, residential or business address, principal place of business for an entity, SSN, driver's license or other identification;

- (2) Verifying the customer's identity, such as by copying and reviewing a driver's license or other identification card;
- (3) Reviewing documentation showing the existence of a business entity; and
- (4) Independently contacting the customer.

In order to detect any of the Red Flags identified above for an existing Account, Utility personnel will take the following steps to monitor transactions with an Account:

Steps can include:

- (1) Verifying the identification of customers if they request information (in person, via telephone, via facsimile, via email);
- (2) Verifying the validity of requests to change billing addresses; and
- (3) Verifying changes in banking information given for billing and payment purposes.

#### **PREVENTING AND MITIGATING IDENTITY THEFT**

In the event Utility personnel detect any identified Red Flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the Red Flag:

Steps can include:

- (1) Continuing to monitor an Account for evidence of Identity Theft;
- (2) Contacting the customer;
- (3) Changing any passwords or other security devices that permit access to Accounts;
- (4) Reopening an Account with a new number;
- (5) Not opening a new Account;
- (6) Closing an existing Account;
- (7) Notifying law enforcement;
- (8) Determining that no response is warranted under the particular circumstances; or
- (9) Notifying the Program Administrator (as defined below) for determination of the appropriate step(s) to take.

In order to further prevent the likelihood of identity theft occurring with respect to Utility accounts, the Utility will take the following steps with respect to its internal operating procedures:

- (1) Providing a secure website or clear notice that a website is not secure;
- (2) Ensuring complete and secure destruction of paper documents and computer files contain-

ing customer information, including documentation of such destruction;

(3) Ensuring that office computers are password protected and that computer screens lock after a set period of time;

(4) Requiring only the last 4 digits of SSNs on customer applications;

(5) Limiting access to Accounts to only employees that require access;

(6) Prohibiting Account information to be written on sticky pads or note pads;

(7) Ensuring that computer screens are only visible to the employee accessing the account; and

(8) Requiring customers to authenticate addresses and personal information, rather than account representatives asking if the information is correct.

### **UPDATING THE PROGRAM AND THE RED FLAGS**

This Program will be periodically reviewed and updated to reflect changes in risks to customers and the soundness of the Utility from Identity Theft. At least once per year, the Program Administrator will consider the Utility's experiences with Identity Theft situation, changes in Identity Theft methods, changes in Identity Theft detection and prevention methods, changes in types of Accounts the Utility maintains and changes in the Utility's business arrangements with other entities. After considering these factors, the Program Administrator will determine whether changes to the Program, including the listing of Red Flags, are warranted. If warranted, the Program Administrator will present the Board of Aldermen with his or her recommended changes and the Board of Aldermen will make a determination of whether to accept, modify or reject those changes to the Program.

Note: A Utility's Program may also authorize the Program Administrator to adopt Program changes.

### **PROGRAM ADMINISTRATION**

#### **1. Oversight.**

The Utility's Program will be overseen by a Program Administrator. The Program Administrator shall be: **The City Collector for the City of New Haven**. The Program Administrator will be responsible for the Program's administration, for ensuring appropriate training of Utility staff on the Program, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft, determining which steps of prevention and mitigation should be taken in particular circumstances, reviewing and, if necessary, approving changes to the Program.

#### **2. Staff Training and Reports.**

Utility staff responsible for implementing the Program shall be trained either by or under the direction of the Program Administrator in the detection of Red Flags, and the responsive steps to be taken when a Red Flag is detected. Such training will be sufficient to effectively implement the Program.

**3. Service Provider Arrangements.** The Utility will take the following steps to ensure the service provider performs its activity in accordance with reasonable policies and procedures designed

to detect, prevent, and mitigate the risk of Identity Theft.  
These steps may include:

- (1) Requiring, by contract, that service providers have such policies and procedures in place;
- (2) Requiring, by contract, that service providers review the Utility's Program and report any Red Flags to the Program Administrator.