

Red Flag Rules

May 1, 2009



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Written plans to Develop

- Patterns, Practices and Specific Activities
 - **Identify Red Flags**
 - Detect Red Flags
 - Respond to Red Flags
 - Security to prevent identity theft
 - Update Plan



Identify Red Flags

- Notices from credit reports
- Suspicious documents
- Suspicious personal information
- Suspicious account activity
- Alerts from customer
- Alerts from law enforcement

- Notice from credit reports
- Suspicious Documents
 - Application
 - ID or Driver's License
 - Social Security Number
 - Date of Birth
 - Altered or forged
- Suspicious Activity
 - Recent change of billing address
 - Change in payment method or lack of payment
 - Outbound mail to customer is returned
 - Locked out due to password or user id problems
- Alert from customer
 - Customer calls and informs you that they have not received their bill
- Alert from outside forces
 - Law enforcement officials contact you

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Detecting Red Flags

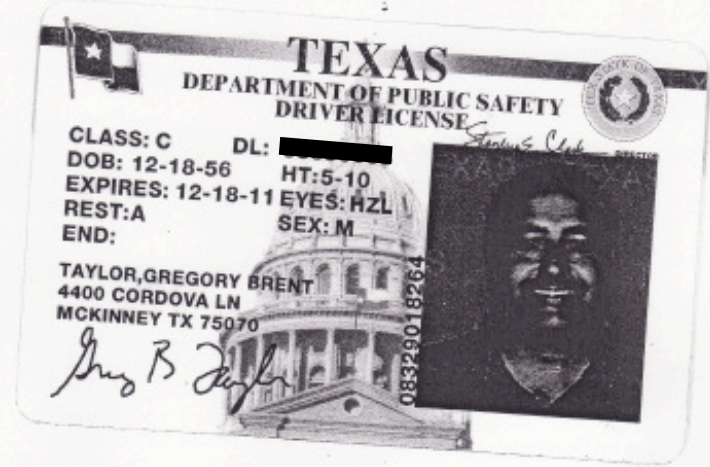


- Require personal information
- Verify the personal information
- Review the documentation as it is presented
- Verify request to change billing address
- Contact customer and past utility provider

Personal Information

- Information asked for and given on application
- Verify by asking for a copy of important documents
 - Driver's license or state ID
 - Has the current address
 - Contact current providers
 - Contact customer
 - Closing papers or lease agreement
 - Let us verify the effective date of new service

- Suspicious document
- Fax vs. PDF format



- Verify personal information with the application
- Current address
- DOB



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Responding to Red Flags

- Contact the customer
- Change passwords and security codes for customer
- Assign a new account
- Close the old account
- Check a consumer credit report
- Notify Law enforcement

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Securing Customer Information

- Secure your web site or have a notice to users that the web site is not secure
- Access to the system is password protected
- Office computers are password protected
- Customer information is filed and out of view of general public
- Computer virus protection is up to date
- Require and keep only customer information necessary for account generation

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Update Plan for Red Flags

- May 1 is the current deadline for the plans and policies to be in effect for Red Flag Rules
- There is a lot of information to resource for assistance on the internet
- Office of the Attorney General of Texas has some information

Bibliography

- Texas Attorney General, Consumer Protection and Public Health Division
- Washington Association of Sewer and Water Districts
- Fair Credit Reporting Act section 114
- Governments Financial Officers Association
- Inslee Best Attorneys at Law, Bellevue WA
- State Rural Water Association



- Partnering with Municipalities for the past seven years.

Call us at 866-288-7648

Greg Taylor, Municipal Relations Director

www.2TurnItOn.com