

FOR BOARD ACTION

Agenda Item # 5

Meeting Date:

10/28/08

SUBJECT:

Identity Theft Prevention Program (Red Flag Rule)

PREPARED BY:

Sue Parker, Director of Corporate Services

ITEM DESCRIPTION:

RPU has developed an Identity Theft Prevention Program in compliance with the Federal Trade Commission's Red Flags Rule (Rule), which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003. 16 C.F.R. § 681.2. The size and complexity of RPU's operations and account systems, and the nature and scope of RPU's activities including the accounts billed on behalf of Rochester Public Works for waste water and storm water services were considered in developing the Program. Sue Parker, Director of Corporate Services will serve as the Program Administrator.

According to the Rule a red flag is a "pattern, practice, or specific activity that indicates the possible existence of identity theft." 16 C.F.R. §681.2(b)(9). For a utility, red flags would include use of suspicious documents or suspicious personal identifying information in attempting to set up a new account or change an existing account; and for established accounts suspicious account activity and alerts from others such as law enforcement or credit agencies.

According to the Rule the Identity Theft Prevention Program must contain reasonable policies and procedures to:

- Identify relevant Red Flags for new and existing accounts
- Detect Red Flags identified in the Program
- Respond appropriately to any Red Flags that are detected to prevent and mitigate Identity Theft

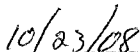
RPU's Identity Theft Prevention Program contains these policies and procedures. However, for the effectiveness of the Program, knowledge about specific Red Flag identification, detection, mitigation and prevention practices must be limited to the Program Administrator and those employees with a need to know them. Any documents that may have been produced or are produced in order to develop or implement this program that list or describe such specific practices and the information those documents contain are considered "security information" as defined in Minnesota Statutes Section 13.37. Under that statute such documents are unavailable to the public because disclosure of them would be likely to substantially jeopardize the security of information against improper use, that use being to circumvent the Utility's Identity Theft prevention efforts in order to facilitate the commission of Identity Theft.

UTILITY BOARD ACTION REQUESTED:

Informational only. No action required.



General Manager



Date

ROCHESTER PUBLIC UTILITIES