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RESOLUTION 79 -09
Resolution Adopting Identity Theft Prevention
Program (Federal Trade Commission Red Flags Rule)

WHEREAS, on November 9, 2007, the Federal Trade Commission (FTC) adopted the identity Theft Red Flags regulations and guidelines ("Red Flags Rule").

WHEREAS, the FTC promulgated the Red Flags Rule pursuant to the Fair and Accurate Credit Transactions of 2003 (FACTA), first became effective on January 1, 2008.

WHEREAS, the FTC has delayed full compliance with the Rule by extending the effective date several times, most recently to November 1, 2009; and

WHEREAS, under the Red Flags Rule, "creditors" and "financial institutions" that offer or maintain "covered accounts" are required to develop and implement an identity theft prevention program; and

WHEREAS, Polk County is a "covered entity" as a "creditor" (which has a broad definition under FACTA) who maintains consumer-type accounts or other accounts that may be at risk (albeit low-risk) of identity theft; and

WHEREAS, the Red Flags Rule affords each covered entity flexibility to design and implement a program that is appropriate to its size and complexity, as well as the nature of its operations; and

WHEREAS, the proposed Identity Theft Prevention Program has been prepared through a collaborative effort of county departments that are affected by the Red Flags Rule and the proposed Program is believed to be consistent with FTC regulations; and

WHEREAS, the proposed Program is a county-wide program that allows county departments to develop and implement practices that are unique to their respective businesses while maintaining compliance with the Red Flags Rule;

WHEREAS, the failure to comply with the Identity Theft Prevention Program may lead to regulatory enforcement action, private lawsuits, loss of eligibility for federal funding, and negative publicity.

NOW, THEREFORE, BE IT RESOLVED that the Polk County Board of Supervisors does hereby approve and adopt the attached Identity Theft Prevention Program effective November 1, 2009.

(JH) effective to

Funding Amount: N/A Funding Source: N/A
Date Finance Committee Advised: October 28, 2009

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PREVENTION PROGRAM (Red Flags Rule)

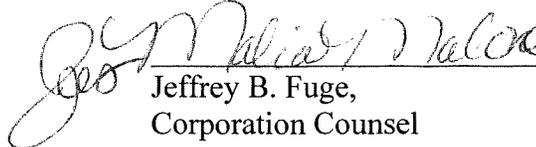
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Finance Committee Recommendation: _____

Effective Date: Upon Passage

Date Submitted to County Board: November 10, 2009

Approved as to form:



Jeffrey B. Fuge,
Corporation Counsel

County Board Action: _____

Submitted:

*Adopted as
amended.*

Policy 603.J – Identity Theft Prevention Program

RED FLAG RULES

I. PURPOSE

Establishment of an Identity Theft Prevention Program (Program) that is designated to detect, prevent and mitigate identity theft as required by the Fair and Accurate Credit Transaction Act of 2003 (FACTA) and the Federal Trade Commission's (FTC's) Red Flags Rule, 16 C.F.R. Part 681. This Program applies to all county departments consistent with the definitions and scope of this Program.

II. DEFINITIONS

“Covered Account” – is an account used mostly for personal, family or household purposes, and that involves multiple payments or transactions. A covered account also includes an account for which there is a foreseeable risk of identity theft.

“Creditor” – an individual or entity subject to Fair Credit Report Act who provides covered accounts (i.e., allowing multiple payments or transactions), and defers payments (i.e., postponing payments to a future date and/or installments payments).

“Employee” – means any agent, employee, officer or official of the county who provides services in connection with a covered account.

“Identifying Information” – any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including: name, address, telephone number, social security number, date of birth, government issued driver's license or identification number, alien registration number, government passport number, employer identification number or taxpayer identification number, unique electronic identification number, computer Internet Protocol address, or routing code.

“Identity Theft – fraud committed using the identifying information of another person.

“Red Flag” – a pattern, practice or specific activity that indicates the possible existence of identity theft.

“Service Provider” – means any person or entity that provides a service directly to the county that is related to a covered account.

III. SCOPE

This Program applies only to covered accounts that are maintained by a county department or that are serviced by under contract with the county through a service provider.

POLK COUNTY IDENTITY THEFT PREVENTION PROGRAM (“Red Flags Rule”)
(Cont.)

Counties differ from other entities potentially subject to the FTC’s Red Flags Rule. *Typically*, the county does not establish or maintain the type of consumer accounts (e.g., “...a credit card account, mortgage loan, automobile loan, margin account, cell phone account, utility account, checking account, or savings account...”) that are the focus of the Red Flags Rule [See: 16 C.F.R. § 681.2(a)(3)(i)]. The vast majority of accounts established or maintained by the county relate directly to a legislatively imposed or court-ordered program or service, and are already subject to privacy protecting mechanisms and procedures.

The number of covered accounts is few (e.g., billing and collection related to emergency medical services, billing and collection for community mental health/developmental disabilities/alcoholism and drug abuse services, treasurer’s agreements with taxpayer for payment of delinquent property taxes by installments, and clerk of circuit court’s establishment of payment plans for unpaid fines and forfeitures and other payments ordered by a court) and the risk of identity theft is low. Nevertheless, the County is a covered entity with the meaning of the Red Flags Rule.

IV. IDENTIFICATION OF RED FLAGS

The Federal Trade Commission has identified five general categories of red flags and has provided a list of 26 suggested red flags in 16 C.F.R. Part 681 Appendix A. Not all of these red flags may apply to a covered entity, and a covered entity may find other red flags that it should consider.

County has determined that the only relevant red flag in connection with its covered accounts is the receipt of a notice from a customer, victim of identity theft law enforcement agency, or other business concerning identity theft in connection with a covered account held by the county.

V. DETECTION OF RED FLAGS

Each employee or service provider handling a covered account is required to be alert for any notice from a customer, victim of identity theft, law enforcement authorities, or other businesses regarding possible identity theft in connection with a covered account held by the county. Upon receipt of such notice, the employee or service provider is required to promptly report the red flag to his/her department head, who will then promptly report the red flag to the Office of Corporation Counsel.

VI. RESPONSES TO RED FLAGS

The Office of Corporation Counsel will review each reported red flag in coordination with the department head and the Information Technology Department, gather

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POLK COUNTY IDENTITY THEFT PREVENTION PROGRAM (“Red Flags Rule”)
(Cont.)

information, communicate with the reporting employee or department head, confer with the Department of Administration, and then respond as appropriate.

Appropriate responses may include the following:

- Monitoring a covered account;
- Contacting the customer;
- Not opening a covered account
- Closing a covered account;
- Reopening a covered account with a new account number; and/or
- Notifying law enforcement.

In some cases, it may be determined that no response is warranted.

VII. PROGRAM ADMINISTRATION

The Identity Theft Prevention Program will be administered by the Office of Corporation Counsel in cooperation with appropriate departments.

The Office of Corporation Counsel will provide information and guidance deemed necessary to department heads, to enable them: to develop departmental practices that identify covered accounts, train staff within their departments to implement the Program, and/or make reasonable efforts to ensure service providers’ compliance with the Red Flags Rule.

The Office of Corporation Counsel will provide an annual report to the County Board regarding the Identity Theft Prevention Program. The report will: provide an assessment of the need for the program and its effectiveness, summarize any significant incidents involving identity theft and the response(s) made, and provide recommendations for any changes in the Program deemed necessary.

Inquiries regarding Polk County’s Identity Theft Prevention Program may be directed to:

Office of Corporation Counsel
Polk County Justice Center
1005 West Main Street, Suite 100
Balsam Lake WI 54810
Telephone: (715) 485-9210

POLK COUNTY BOARD OF SUPERVISORS
Minutes from Tuesday, November 10, 2009
Polk County Government Center – County Board Room
Balsam Lake, WI 54810

Chairman Beseler called the meeting of the Polk County Board of Supervisors to order at 5:00 PM.

County Clerk informed the chair the notice of the agenda was posted in three public buildings, published in the county's legal paper, the Tri County and Indianhead Advertisers and posted on the county's website the week of November 8, 2009 and the amended agenda posted November 9, 2009. Corporation Counsel verified that sufficient notice of the meeting was given.

Roll call was taken by the Clerk, with 23 members present.

Supervisor Schmidt offered prayer.

Chairman Beseler led the Pledge of Allegiance.

Chairman Beseler announced to the board members, that they would be using the original agenda, and not the amended agenda as posted. Vice Chairman Rediske took over the meeting, replacing Chairman Beseler who removed himself from the process of approving the agenda.

Motion (Jepsen/Sample) to approve the agenda. Corporation Counsel, Jeff Fuge addressed the board, informing them of the need to amend the agenda. **Motion (Masters/Peterson) to amend the agenda, and striking Resolution E. Motion failed by roll call vote, 9 yes, 12 no, 2 abstain.** (Voting yes: Supr. Peterson, Kienholz, Caspersen, Masters, Arcand, Larsen, Luke, Jepsen, Johnson. Voting no: Supr. Dueholm, Johansen, Schmidt, Brown, Rediske, Edgell, Sample, Moriak, Stoneking, O'Connell, Voelker, Newville. Abstained: Supr. Bergstrom and Beseler) **Motion to approve the agenda, carried by voice vote.** Vice Chair Rediske, stepped down and Chairman Beseler resumed over the meeting.

Motion (Schmidt/Newville) to approve the County Board minutes from October 20, 2009. Motion to approve carried by unanimous voice vote.

Public comments were given.

Finance Director's Report was given by Maggie Wickre, Interim Finance Director. Chairman Beseler announced that the Offer of Rice Partnership and Golden Health Care and Rehabilitation, was being moved to a later time in the meeting.

Res. 79-09 Adopting Identity Theft Prevention Program (Federal Trade Commission Red Flags Rule) Motion (Larsen/Dueholm) to approve. Corporation Counsel, Jeff Fuge addressed the resolution and suggested that it be amended. **Motion (Newville /Masters) to amend Resolution 79-09 in the "NOW, BE IT RESOLVED" paragraph, striking November 1, 2009 and inserting, "the date on which the Red Flags Rules become effective as determined by the Federal Trade Commission."** **Motion to amend Resolution 79-09 carried by unanimous voice vote. Motion to adopt amended Resolution 79-09 carried, by a unanimous voice vote.**

Res. 80-09 Appeal for Exemption from State Audit Mandate 46.036(5m)(f), Wis. Stats. Motion (Sample/Edgell) to approve. Human Services Director, Sherry Gjonnes addressed the resolution. **Motion to adopt Resolution 80-09 carried, by a unanimous voice vote.**

