

**CITY OF RIFLE, COLORADO
RESOLUTION NO. 40
SERIES OF 2008**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIFLE,
COLORADO, CONCERNING COMPLIANCE WITH THE RED FLAG
RULES.

WHEREAS, as part of the Fair and Accurate Credit Transactions Act of 2003, the Federal Trade Commission (“FTC”) has issued regulations requiring financial institutions and creditors to develop and implement written identity theft prevention programs by November 1, 2008 (the “Red Flag Rules”); and

WHEREAS, the City of Rifle is a municipal utility provider, and, as such, is a “creditor” as defined in the Red Flag Rules; and

WHEREAS, pursuant to the Red Flag Rules, the City must identify and detect relevant warning signs, describe responses to prevent and mitigate identity theft, detail a plan to update the program, and include appropriate training and oversight; and

WHEREAS, in compliance with the Red Flag Rules, the City desires to create and adopt an appropriate identity theft prevention program.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, THAT:

1. The City Council incorporates the foregoing recitals as findings by the City Council.
2. The City of Rifle's Identity Theft Prevention Program, addressing its plan to prevent and mitigate identity theft in connection with a covered account and to provide for continued administration of the Program in compliance with the Red Flag Rules, is as follows:

**City of Rifle, Colorado
Identity Theft Prevention Program**

A. Purpose.

1. To establish an Identity Theft Prevention Program (the “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 of 2003 (the “Red Flag Rules”).

B. Definitions.

1. *Covered Account* means 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; or 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. *Identity Theft* means fraud committed or attempted using the identifying information of another person without authority.
3. *Red Flag* means a pattern, practice, or specific activity that indicates the possible existence of identity theft.

C. Identification of Red Flags.

1. The Program shall consider risk factors and identify relevant red flags for covered accounts it offers or maintains and incorporate those red flags into the Program.
2. The following shall be considered Red Flags for the purposes of the Program.
 - 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.

D. Detection of Red Flags.

1. The Program shall address the detection of red flags in connection with the opening of covered accounts and existing covered accounts by the following actions.
 - 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.

E. Response.

1. The Program shall provide for appropriate responses, commensurate with the degree of risk posed, to red flags that have been detected in order to prevent and mitigate identity theft.
2. Appropriate responses may include any of the following.
 - a. Monitor a covered account for evidence of identity theft;
 - b. Contact the customer;
 - c. Change any passwords, security codes, or other security devices that permit access to a covered account;
 - d. Reopen a covered account with a new account number;
 - e. Not open a new covered account;
 - f. Close an existing covered account;
 - g. Notify law enforcement; or
 - h. Determine no response is warranted under the particular circumstances.

F. Program Updates.

1. The Program shall be updated periodically to reflect changes in risks to customers or to the safety and soundness of the organization from identity theft.
2. Factors upon which the updates will be based include the following.
 - a. The experiences of the City 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 City offers or maintains;
 - e. Changes in the service provider arrangements of the City.

G. Program Oversight.

1. The Finance Director for the City of Rifle shall be responsible for the development, implementation, oversight, and continued administration of the Program.
2. The Program shall train staff, as necessary, to effectively implement the Program.
3. The Program shall exercise appropriate and effective oversight of service provider arrangements.

Based on the foregoing, the City Council of the City of Rifle hereby determines that the aforementioned plan constitutes an Identity Theft Prevention Program in satisfaction of the FTC's requirements in the Red Flag Rules. The Rifle City Council hereby approves the adoption of the foregoing Identity Theft Prevention Program.

THIS RESOLUTION was read, passed, and adopted by the Rifle City Council at a regular meeting held this 1st day of October, 2008.

CITY OF RIFLE, COLORADO

By _____
Mayor

ATTEST:

City Clerk