Red Flags Rule
aka
Fair and Accurate Credit Transactions Act

Bursars’ Roundtable
May 15, 2009
Seen this before?

http://www.youtube.com/watch?v=xZ0xsF5XWfo
What do you know?
Take the test
Patterns, practices and specific forms of activity that indicate the possible existence of identity theft through “covered accounts”
<table>
<thead>
<tr>
<th>Scope of Covered Accounts</th>
<th>Participation in state grant programs</th>
<th>Payroll Advance.</th>
<th>Credit reports in employee hiring process.</th>
<th>Student Account Installment Payment Plan.</th>
<th>Financial Aid advances and Bursar Office prom notes.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Computer Purchase Program.</td>
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## Detecting Red Flag Activity

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<th>Address discrepancies.</th>
<th>Presentation of suspicious documents.</th>
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<tbody>
<tr>
<td>Presenting picture ID does not match university ID.</td>
<td></td>
</tr>
<tr>
<td>Inconsistent personal identifying information.</td>
<td>Notification from a credit bureau of fraudulent activity.</td>
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<tr>
<td>Repeated NSF checks or denied credit cards.</td>
<td>Person presenting picture ID does not match university ID.</td>
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**Preparing for Red Flags**

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<th>Requirement</th>
<th>Status</th>
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<td>Board approval is required.</td>
<td>✔️</td>
</tr>
<tr>
<td>Senior university management must be designated to oversee the policy.</td>
<td>✔️</td>
</tr>
<tr>
<td>The policy must be reviewed at least annually and appropriate changes made if necessary.</td>
<td>✔️</td>
</tr>
<tr>
<td>If identity theft is addressed in an existing university policy, there is no requirement to establish another policy specific to FACTA.</td>
<td>❌</td>
</tr>
<tr>
<td>Areas that could be affected need to be identified and all staff trained in the detection of Red Flags.</td>
<td>✔️</td>
</tr>
<tr>
<td>All service providers which deal with personal identifying information must be compliant.</td>
<td>✔️</td>
</tr>
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</table>
What is FACTA/Red Flags Rule?

• FACTA is the Fair and Accurate Credit Transaction Act of 2003
• Red Flags Rule are in the appendix to the Act include 25 possible identity theft indicators
• Red Flags was effective January 1, 2008, initial mandatory compliance was November 1, 2008, postponed to May 1, 2009, postponed to August 1, 2009.
• The Federal Trade Commission is responsible for oversight.
Your First 5 Steps

• Create a Red Flags team
• Educate the team
• Create your Red Flags project roadmap
• Conduct risk assessment to determine “covered accounts”
• Determine which Red Flags are relevant
After the team is created

- Board resolution
- Policy
- Identification of all areas affected
- Training
- Third Party Inquiries and confirmations
- Annual review
Resources to get started

• NACUBO web site – [www.nacubo.org](http://www.nacubo.org)
• Universities and Municipalities with posted resolutions and policies:
  – University of Puget Sound
  – University of Massachusetts
  – Green University
  – Clark University
  – Tennessee Municipal League in conjunction with the University of Tennessee
  – University of Virginia
JMU Roadmap

• Identified key areas and formed a committee which initially met in February 2009
• Present a resolution to the Board of Visitor at the June 2009 meeting
• Draft a policy and present to policy committee for approval and posting during summer 2009
• Notify campus community of the regulation and identify affected areas during summer 2009
• Set up Training session starting fall 2009
• Contact Third Party Vendors for verification
What happens when you don’t recognize a Red Flag?

http://www.youtube.com/watch?v=w7x2xUZTW9M
Questions?