

RESOLUTION NO 662

A RESOLUTION ESTABLISHING AN IDENTITY THEFT PREVENTION PROGRAM FOR THE CITY OF TROY, MONTANA

WHEREAS, pursuant to federal law the Federal Trade Commission (the "FTC") adopted Identity Theft Rules requiring the creation of certain policies relating to the use of consumer reports, address discrepancy information and the detection, prevention and mitigation of identity theft;

WHEREAS, the FTC regulations, adopted as 16 CFR 681.2, require creditors, as defined by 15 U.S.C. 1681 a(r)(5), to adopt red flag policies to prevent and mitigate identity theft with respect to covered accounts;

WHEREAS, 15 U.S.C. 1681a(r)(5) cites 15 U.S.C. 1691a, which defines a creditor as a person that extends, renews or continues credit, and defines 'credit' in part as the right to purchase property or services and defer payment therefore;

WHEREAS, the FTC regulations include utility companies in the definition of creditor;

WHEREAS, the City of Troy (the "City") is a creditor with respect to 16 CFR 681.2 by virtue of providing utility services or by otherwise accepting payment for municipal services in arrears;

WHEREAS, the FTC regulations define 'covered account' in part as an account that a creditor provides for commercial, personal, family or household purposes that is designed to allow multiple payments or transactions and specifies that a utility account is a covered account;

WHEREAS, the City provides electric, water, and sewer services for which payment is made after the product is consumed or the service has otherwise been provided which by virtue of being utility accounts are considered 'covered accounts';

WHEREAS, the FTC regulations require each creditor to adopt an Identity Theft Prevention Program (the "Program") which will use red flags to detect, prevent and mitigate identity theft related to information used in covered accounts;

WHEREAS, the FTC regulations, adopted as 16 CFR 681.1, require users of consumer credit reports to develop policies and procedures relating to address discrepancies between information provided by a consumer and information provided by a consumer credit company;

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TROY, MONTANA:

Section 1. The City recognizes the responsibility to safeguard personal customer information within the workplace.

Section 2. The creation and implementation of an Identity Theft Prevention Program will identify, detect, mitigate and update red flags that signal the possibility of identity theft in connection with the opening of a 'covered account' or any existing 'covered account'.

Section 3. This program will utilize guidelines set forth in the Federal Trade Commission "Red Flags Rules and Address Discrepancy Rules" under the Fair and Accurate Credit Transaction Act of 2003 (FACTAct Red Flag Policy 2003).

The Red Flag Policy and Identity Theft Protection Program, attached as Exhibit A, is hereby adopted and approved. This Resolution shall be in full force and effect upon its passage and adoption.

PASSED by the City Council, of the City of Troy, Montana, and approved by the Mayor, this 17th day October 2012.

Anthony E. Brown, Mayor

ATTEST;

Tracy Rebo, City Clerk/Treasurer