

**RESOLUTION NO. 5498(08)**

**A Resolution Of The City Council Of The City of Lompoc,  
County Of Santa Barbara, State Of California  
Adopting Identity Theft Prevention Program**

**WHEREAS**, the Federal Trade Commission (“FTC”) has adopted regulations that require “creditors” holding consumer or other “covered accounts” (which are defined to mean any account where customer payment information is collected in order to bill for services rendered) to develop and implement by November 1, 2008 an identity theft prevention program that complies with those regulations; and

**WHEREAS**, because the City of Lompoc provides retail utility services and other services to its customers, it is a “creditor” under the applicable FTC regulations and must therefore comply with those regulations by adopting and implementing an identity theft prevention program, and

**WHEREAS**, the City Council desires to take action to comply with the applicable FTC regulations by adopting an identity theft prevention program,

**NOW, THEREFORE, IT IS RESOLVED** that the City Council of the City of Lompoc hereby adopts, and directs City staff to implement, the following identity theft prevention program.

**1. Program Goals.** The City’s Identity Theft Prevention Program (the “Program”) shall endeavor to achieve the following goals:

- a. To identify relevant patterns, practices and specific activities (referred to in this Program as “Red Flags”) that signal possible identity theft relating to information maintained in the City’s customers’ accounts, both those currently existing and those accounts to be established in the future;
- b. To detect Red Flags after the Program has been implemented;
- c. To respond promptly and appropriately to detected Red Flags to prevent or mitigate identity theft relating to City customer account information; and
- d. To ensure the Program is updated periodically to reflect any necessary changes.

## **2. The Program.**

a. The City shall assess the security of its current customer account system, with an emphasis on assessing the methods by which it opens and maintains customer accounts and customers' personal information, and on assessing the manner in which it provides access to customer accounts. That assessment shall include an analysis of any prior incidents of identity theft which the City has experienced.

b. The City will maintain identifying information (address, Social Security Number, etc.) for each customer so it can authenticate customers, monitor transactions, and verify the validity of customer requests, such as a change of address or service-related requests, including requests to terminate service.

c. The City shall establish a reporting system which allows City staff to discover potential Red Flags as they arise and to thereafter report them to the proper authorities, including law enforcement. This reporting system should specifically focus on the following Red Flags: alerts, notifications, or other warnings received from consumer reporting agencies or service providers; presentation of suspicious documents by a purported customer; presentation of suspicious personal identifying information by a purported customer, such as a specific address change; the unusual use of, or other suspicious activity related to, a customer's account; and notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with the City's customer accounts.

d. The City shall adopt procedures which provide for appropriate responses to any detected Red Flags which are commensurate with the degree of risk posed. In determining an appropriate response, the City shall consider aggravating factors that may heighten the risk of identity theft, such as a data security incident that results in unauthorized access to a customer's account records, or notice that a customer has provided information related to a customer's account to someone fraudulently claiming to represent the City. Appropriate responses include the following: i) monitoring customer accounts for evidence of identity theft, ii) contacting the customer, iii) changing from time to time any passwords, security codes, or other security devices that permit access to customer accounts, iv) reopening a customer account with a new account number, v) not opening a new customer account, vi) closing an existing customer account, vii) notifying law enforcement, and viii) determining that no response is warranted under the particular circumstances. Any Red Flags should be brought to the Financial Services Manager's, or his or her designee's, attention to determine the appropriate response(s) to be implemented promptly after detection.

e. The Management Services Director, or his or her designee, shall implement and administer the Program. The Management Services Director will provide periodic reports to the City Council on the effectiveness of the Program and shall ensure that all necessary City employees are properly trained to implement the Program.

f. The Management Services Director, or his or her designee, shall annually review the Program with appropriate City staff to determine if any revisions are needed. That review may include changes in identity theft methods and changes in methods to detect, prevent, and mitigate identity theft. The Management Services Director is hereby authorized and directed to make any necessary changes in the Program that are found to be necessary; provided that such changes must be reported to the City Council at the first regular City Council meeting after the change is made.

The above and foregoing Resolution was proposed by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on October 21<sup>st</sup>, 2008, by the following vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

\_\_\_\_\_  
Dick DeWees, Mayor  
City of Lompoc

ATTEST:

\_\_\_\_\_  
Donna Terrones, CMC  
City Clerk  
City of Lompoc

Attachment: [Exhibit A](#)