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RED FLAGS RULE

Identifying, Detecting, & Mitigating

Possible Identity Theft



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What is the Red Flag Rule?

The Federal Trade Commission (FTC), along with federal bank regulators and the National Credit Union Administration, adopted regulations in 2008 implementing the Federal law commonly known as the “Red Flags Rule”. The Red Flags Rule requires many businesses and organizations to implement a written Identity Theft Prevention Program designed to detect the warning signs - or “red flags” - of identity theft in their day-to-day operations. The FTC will begin to enforce these regulations August 1, 2009.

As many as nine millions Americans have their identities stolen each year. The crime takes many forms.

A “Red Flag” is defined as “a pattern, practice or specific activity involving a student or employee that indicates the possible existence of identity theft.”



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Identifying Red Flags

Red Flags fall into a few different categories:

Suspicious documents

Suspicious personally identifying information

Suspicious activities

Notices from victims of identity theft, law enforcement authorities, insurers, or others suggesting possible identity theft.



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Suspicious Documents

Has someone given you identification documents that look altered or forged?

Is the photograph or physical description on the ID inconsistent with what the patient looks like?

Did the individual give you other documentation inconsistent with what he or she has told you - for example, an incorrect birth date or address.



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Under the Red Flags Rule, you may need to ask for additional information from that individual.



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Suspicious Personally Identifying Information

If an individual gives you information that does not match what you have learned from other sources, it may be a red flag of identity theft.

For example, if the individual gives you a home address, birth date, or ID number that does not match information on file or from another source, fraud could be afoot.



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Suspicious Activities

Is mail returned repeatedly as undeliverable, even though the individual is still present on campus?

Do other individuals call the person by a different name than the one provided?

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These questionable activities may be red flags of identity theft.



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Notices from Others

Does the individual complain about receiving a bill for a service that he or she did not receive?

Have you received word about identity theft from another source?

Cooperation is key. Heed warnings from others that identify theft may be ongoing.



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Detecting a Red Flag

WIU personnel should exercise due diligence in detection of Red Flags:

by following their Department's procedures for verification of identity when processing information or working with an individual on a case by case basis.

by being alert for Red Flags in day-to-day operations.



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Reporting

If you suspect that a Red Flag has occurred, please report the incident to your supervisor. If the supervisor can reconcile the situation, they will then report the incident to the RedFlag Administrator. If the Red Flag cannot be reconciled after a preliminary review of available information and after making reasonable attempts to obtain clarification from the individual, the department supervisor will report the incident to the Red Flag Administrator for further action.



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Mitigation

Initial review and response from the Department Supervisor or WIU's Red Flag Administrator will be completed promptly upon notification of an incident.

After a thorough investigation the Red Flag Administrator may recommend one of the following:

A notice on the individual's permanent record(s)

Notice to President's Office and related Vice President

Notice to credit reporting agencies if applicable.

The Covered Account(s) that were affected by the incident may be closed and/or terminated.

Incidents that meet the definition of criminal identity theft, as defined in state law, shall be appropriately reported.



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Reporting Red Flag Concerns

Remember you are to report possible Red Flag concerns to your Department Supervisor. Your supervisor will determine the next course of action.



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Red Flags Rule Test

Question: The Red Flag Rule requires Businesses and Organizations to:

- A. Address FERPA related issues
- B. Implement a written Identity Theft Prevention Program
- C. Ensure that billing practices are appropriately enforced
- D. Provide quality services to consumers



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Red Flags Rule Test

Answer: The correct answer is **B**. The Red Flags Rule requires businesses and organizations to implement a written Identity Theft Prevention Program designed to detect the warning signs of Identity theft in their day to day operations.



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Red Flags Rule Test

Question: An employee does not have to follow their Department's procedural requirements regarding verifying the identity of a new or existing student?

True or False



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Red Flags Rule Test

Answer: The correct answer is False. ALL WIU employees are expected to follow all departmental procedures for verification of identity when processing new and/or existing students or staff.

We all play a role in detecting Red Flags!



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Red Flags Rule Test

Question: If an employee suspects that a Red Flag has occurred, the first thing that the employee should do is:

- A Call the Police
- B Confront the suspect
- C Notify the supervisor
- D Tell co-workers



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Red Flags Rule Test

Answer: The correct answer is C. If an employee suspects that a Red Flag has occurred the first thing that the employee is to do is to notify the Supervisor.



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Red Flags Rule Test

Question: A Red Flag is:

- A A pattern, practice or specific activity involving an individual that indicates the possible existence of identity theft.
- B A protocol used in facilities.
- C A process of implementing new rules and regulations.
- D A term used to note unpaid bills.



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Red Flags Rule Test

Answer: The correct answer is A. A Red Flag is defined as a pattern, practice or specific activity involving and individual that indicates the possible existence of identity theft.



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Red Flags Rule Test

Question: Red Flag concerns that require further investigation should be forwarded to:

- A The President's Office
- B uTech
- C The Red Flag Administrator
- D The Federal Bureau of Investigation



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Red Flags Rule Test

Answer: The correct answer is C. If a Red Flag cannot be reconciled after a preliminary review of available information, the Red Flag Administrator should be contacted so that the matter can be further investigated.



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Red Flags Rule Test

Question: A student applies for housing at Western Illinois University. The next day, the Housing Office receives an e-mail from the student stating she has changed her mind and is not coming to Western. The Housing Deposit is refunded and placed on the student's University account. The student finds out and contacts Western stating that she had not sent the e-mail cancelling her housing. Western immediately launches an investigation into what has happened. University Housing re-instates the student's contract as if nothing ever happened. Does this case rise to a Red Flag Case?



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Red Flag Rules Test

Answer: No. This case does not meet the criteria as defined to become a case of identity theft. The student immediately had contacted the University, but there was not an attempt by anyone to have funds sent anywhere, especially to an address different than was on file at the University. Therefore no Red Flag violation occurred.