

Identity Theft Program Requirements

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Identity Theft Program Requirements

Reference Number: MTAS-1584

Every affected municipality must develop and implement a written Identity Theft Prevention Program that is designed to detect, prevent and mitigate identity theft in connection with the opening of a covered account or any existing covered account. The program must be appropriate to the size and complexity of the municipality and the nature and scope of its activities.

The program must include provisions to:

- Identify relevant red flags for covered accounts signaling possible identity theft and incorporate those red flags into the program;
- Detect red flags that have been incorporated into the program;
- Respond appropriately to any red flags that are detected to prevent and mitigate identity theft; and
- Ensure the program is updated periodically to reflect changes in risks.

The policy must also provide for continued administration and oversight of the program, including:

- Obtaining approval of the initial written program by the governing body or an appropriate committee designated by the governing body;
- Involving the governing body, a committee of the governing body, or a designated management-level employee in the development, implementation, administration and oversight of the program;
- Staff training as necessary to effectively implement the program; and
- Exercise of appropriate and effective oversight of service provider arrangements.

The red flags fall into five categories:

- alerts, notifications, or warnings from a consumer reporting agency
- suspicious documents
- suspicious identifying information, such as a suspicious address
- unusual use of - or suspicious activity relating to - a covered account
- notices from customers, victims of identity theft, law enforcement authorities, or other businesses about possible identity theft in connection with covered accounts.

Annually, the designated overseer of the municipality's identity theft program must report to the governing body on the effectiveness of the program and compliance with the regulatory requirements.

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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