

# **University of California, Merced Identity Theft Prevention “Red Flags Rule” Implementation Plan**

## **Overview**

In compliance with Part 681 of the Code of Federal Regulations implementing Sections 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA) of 2003 and pursuant to the Federal Trade Commission's Red Flags Rule (“Rule”), the University of California, Merced campus has adopted the following Identity Theft Prevention Implementation Plan (“Implementation Plan”). The objective of this Implementation Plan is to establish processes for:

- Identifying relevant Red Flags applicable to campus accounts and incorporate those into this Implementation Plan;
- Regular review of campus accounts to detect those Red Flags that have been incorporated into the Implementation Plan;
- Responding appropriately to any Red Flags that have been identified to prevent and mitigate identity theft; and
- Ensuring the Implementation Plan is periodically updated to identify new or changed risks to our relevant constituents.

- I. **Inventory of Covered Accounts** – The campus has developed a Red Flags Rule Inventory as a tool for documenting applicable covered accounts across the campus. The inventory is updated and maintained by the Red Flag Work Group (“Work Group”). The Work Group is charged with ensuring the information in the inventory is accurate and updating the inventory on a quarterly basis to reflect current campus practices and activities to highlight evolving account activity risks.
- II. **Identify Relevant Red Flags** - In an effort to identify relevant Red Flags which may include, but not be limited to a pattern, practice or specific activity that indicates the possible existence of identity theft, the Work Group will assist in assessing: a) the types of accounts it offers and maintains; b) methods to open and/or access accounts; and c) previous experiences with identity theft.
- III. **Mechanisms for Detection of Red Flags** – The Work Group will be tasked with reviewing current policies/procedures and systems to address detection of Red Flags for each covered account and/or processes within an identified account with a key focus on verifying identity, authenticating customers, monitoring transactions, and verifying the validity of address changes.

**UC Merced**  
**Identity Theft Prevention Implementation Plan**

- IV. **Mechanisms for Responses to Identity Theft** – The Work Group is tasked with establishing processes to conduct a quarterly review of control mechanisms put into place to prevent and mitigate identity theft. The Work Group’s review findings will be reported to the Campus Ethics and Compliance Risk Committee on a quarterly basis.
- V. **Current Compliance Program Activities** – The campuses’ activities around this area are integrated into campus compliance program efforts on an ongoing basis. The Campus Ethics and Compliance Risk Committee conducts a quarterly review pursuant to the Rule to identify detection, prevention and mitigation efforts.
- VI. **Contract Compliance.** The Work Group will be tasked to work with Purchasing Office in reviewing current policies/procedures and systems to ensure appropriate and effective oversight of service providers are in place. Vendors providing services in connection with covered accounts are subject to the campuses’ quarterly review and reporting requirements.
- VII. **Employee Training** - The Work Group will be tasked to work with Human Resources to ensure that campus management and staff responsible for covered accounts are trained at the department level for the prevention, detection and response to identity theft issues, and contracting with vendors providing services in connection with covered accounts.
- VIII. **Oversight and Review of the Program** - The Campus Ethics and Compliance Risk Committee provides oversight and assurance that these activities are occurring. Assurance activities may be delegated to the Work Group or others as appropriate but the Campus Ethics and Compliance Risk Committee will maintain oversight of the following:
- A. Administration of the Implementation Plan;
  - B. Ensure appropriate training of staff on the Implementation Plan;
  - C. Review reports regarding the detection of Red Flags and the steps for preventing and mitigating identity theft;
  - D. Determine which steps of prevention and mitigation should be taken in particular circumstances and consider periodic changes to the Implementation Plan; and
  - E. Evaluate the effectiveness of policies and procedures in addressing the risk of identity theft in connection with covered accounts. Recommendations for material changes to the plan will be reviewed and approved by the Campus Ethics and Compliance Risk Committee.