



## RUTGERS POLICY

**Section:** 50.3.12

**Section Title:** Legal Matters

**Policy Name:** Red Flag Detection and Reporting Policy

**Formerly Book:** N/A

**Approval Authority:** Senior Vice President for Administration

**Responsible Executive:** Senior Vice President for Administration

**Responsible Office:** Office of Administration

**Originally Issued:** April 2, 2009

**Revisions:** 7/1/2013 (Update Approval Authority and Contacts); 10/10/2013 (Updated title)

**Errors or changes?** Contact the Office of Administration at 848-932-5661 or [oevpada@oldqueens.rutgers.edu](mailto:oevpada@oldqueens.rutgers.edu).

1. **Policy Statement**

It is the university's policy to assist in the prevention and detection of identity theft. The university already has in effect the Identity Theft Compliance Policy, Section 50.3.9, to take measures to prevent identity theft. The university is adopting this Red Flag Detection and Reporting Policy to assist in the detection of identity theft pursuant to the red flag regulations issued by the Federal Trade Commission.

2. **Reason for Policy**

The Red Flag Detection and Reporting Policy for Rutgers, The State University is designed to comply with regulations issued by the Federal Trade Commission to combat identity theft pursuant to sections 114 and 315 of the Fair and Accurate Credit Transactions Act.

3. **Who Should Read This Policy**

- Chancellors and vice presidents
- Deans, directors, chairs, and department heads
- University administrators
- Administrative staff
- Financial staff
- Technical staff

#### 4. **Related Documents**

- a. Sections 114 and 315 of the Fair and Accurate Credit Transactions Act  
[http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=108\\_cong\\_public\\_laws&docid=f:publ159.108](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=108_cong_public_laws&docid=f:publ159.108)
- b. 16 CFR Part 681 Identity Theft Rules  
[http://www.nacubo.org/documents/business\\_topics/FTC%20Red%20Flags%20RULE.pdf](http://www.nacubo.org/documents/business_topics/FTC%20Red%20Flags%20RULE.pdf)
- c. 50.3.9, Identity Theft Compliance Policy

#### 5. **Contacts**

- a. University Human Resources  
848-932-3020
- b. Student Accounting Financial Services  
848-445-2254
- c. Office of Administration  
848-932-5661

#### 6. **The Policy**

##### **50.3.12 RED FLAG DETECTION AND REPORTING POLICY**

#### I. **Covered Transactions**

The university has reviewed its current transactions and determined that under the Federal Trade Commission's (FTC) red flag regulations, the following activities may be covered transactions:

- A. Background Checks: Receipt of consumer reporting agency reports as part of a background and/or credit check on a prospective employee.
- B. Perkins Loan or Tuition Installment Plan Participation: The university's possible activities as a "creditor" under the red flag regulations, consisting chiefly of its participation in Perkins loan and installment tuition plan transactions.

The university will periodically review its transactions to determine if additional transactions should be added and if adjustments are necessary in monitoring those transactions covered under the red flag regulations to better detect and respond to detected red flags.

#### II. **Relevant Red Flags**

- A. Background Checks: A consumer reporting agency provides an Address Discrepancy Notice.
- B. Loan or Installment Plan Participation:
  1. Personal identifying information provided by the student is inconsistent when compared against other information sources used by the university especially concerning address or name discrepancies.
  2. Any document supplied by the student appears to be altered, forged or in any other way, suspicious.
  3. The university is notified by a student, financial institution, identity theft victim, law enforcement authority or other person that a person posing as a student applying for a loan is really an identity thief.

### III. **Detecting the Presence of a Red Flag**

- A. Background Checks: Once the university requests and obtains a consumer credit report on the employee, it compares the address information on the identification document with the information provided in the consumer credit report, checks for an Address Discrepancy Notice and reviews the consumer credit report for inconsistencies with any other documentation submitted to the university.
- B. Perkins Loan or tuition installment plan transactions: The university examines the identification documents for signs of alteration or forgery, compares the photo and physical appearance information on the photo identification with the customer's in-person appearance, and reviews the loan application for completeness and indications of alteration or forgery.

### IV. **Responding to Detected Red Flags**

- A. Background checks: Once receipt of a potential red flag involving an address discrepancy has occurred, the university will undertake as many of the following steps as necessary to verify the address: verifying the address with the prospective employee; reviewing its own records to verify the address; utilizing third party sources to verify the address; and using any other reasonable means to verify the address. If the discrepancy still cannot be resolved, the university will notify law enforcement if appropriate.
- B. Perkins Loans or Tuition Installment Plan Transactions: In administering Perkins loan or tuition payment plans when evidence of a red flag is found, the university will undertake as many of the following steps as necessary: monitoring the account for evidence of identity theft; contacting the student; changing passwords or other security devices permitting access to the account; closing the account or refusing to open it; and notifying law enforcement if appropriate.

### V. **Outside Vendors**

To the degree (if any) that Rutgers University utilizes the services of outside vendors to perform any transaction covered by the red flag rules, the university will take all necessary steps on an ongoing basis to confirm that the vendor is in compliance with all applicable red flag regulations.

### VI. **Policy Administration and Updates**

The overall administrator responsible for overseeing and updating the policy is the Senior Vice President for Administration. With respect to background checks, the responsible sub-administrator is the Vice President for Faculty and Staff Resources. With respect to Perkins loan and tuition plan installment participation, the responsible sub-administrator is the Assistant Controller for Student Accounting Financial Services. The Administrator is responsible for working with the sub-administrators to ensure compliance with the policy, updating it as needed, and monitoring the effectiveness of the policy. Each sub-administrator is responsible for distributing a copy of this policy to all employees having duties which may fall under the policy, providing training in carrying out the requirements of the policy, and suggesting updates to the policy as necessary.

If updates are necessary, the Senior Vice President for Administration is the approval authority for any revisions to the original policy.