



## UNIVERSITY POLICY

Policy Name:	Red Flag Detection and Reporting Policy				
Section #:	50.3.12	Section Title:	Legal Matters	Formerly Book:	N/A
Approval Authority:	Executive Vice President for Finance and Administration and University Treasurer		Adopted:	April 2, 2009	Reviewed: 07/18/2018
Responsible Executive:	Senior Vice President and Chief Information Officer		Revised:	07/01/2013; 10/10/2013; 07/18/2018	
Responsible Office:	Office of Information Technology		Contact:	oitpolicies@rutgers.edu	

### 1. Policy Statement

It is the university's policy to assist in the prevention and detection of 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. Resources

- a. [Fair and Accurate Credit Transactions Act: Sections 114 and 315](#)
- b. [Federal Trade Commission: 16 CFR Part 681 Identity Theft Rules](#)
- c. [University Policy 50.3.18: Data Breach Management](#)
- d. [University Policy 70.1.3: Incident Management](#)

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All policies are subject to amendment. Please refer to the Rutgers University Policy Library website ([policies.rutgers.edu](http://policies.rutgers.edu)) for the official, most recent version.

- e. [Guidelines to FTC Red Flag Rule](#)

## 5. Definitions

N/A

## 6. The 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. Rutgers University Loan Program (RULP) or Tuition Installment Plan Participation or any other loan origination and/or repayment efforts: The university's possible activities as a "creditor" under the red flag regulations, consisting chiefly of its participation in Rutgers University Loan Program and tuition installment 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. Rutgers University Loan Program 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.

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#### 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. Rutgers University Loan Program or Tuition Installment Plan Transactions: In administering Rutgers University Loan Program or Tuition Installment 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 Executive Vice President for Finance and Administration and University Treasurer. With respect to background checks, the responsible sub-administrator is the Senior Vice President, Human Resources and Organizational Effectiveness. With respect to Rutgers University Loan Program 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 Executive Vice President for Finance and Administration and University Treasurer is the approval authority for any revisions to the original policy.