

RESOLUTION NO: 009-2008

**A RESOLUTION TO ESTABLISH AN IDENTITY THEFT PREVENTION PROGRAM, TO
COMPLY WITH FEDERAL REGULATIONS RELATING TO ADDRESS
DESCREPARNCIES, AND TO COMPLY WITH FEDERAL REGULATIONS RELATING TO
RED FLAGS AND IDENTITY THEFT**

WHEREAS pursuant to federal law the Federal Trade Commission adopted Identity Theft Rules requiring the creation of certain policies relating to the use of consumer reports, address discrepancy and the detection, prevention and mitigation of identity theft;

WHEREAS the Federal Trade Commission regulations, adopted as 16 CFR § 681.2 require creditors, as defined by 15 U.S.C. § 1681a(r)(5) to adopt red flag policies to prevent and mitigate identity theft with respect to covered accounts;

WHEREAS 15 U.S.C. § 1681a(r)(5) cites 15 U.S.C. § 1691a, which defines a creditor as a person that extends, renews or continues credit, and defines 'credit' in part as the right to purchase property or services and defer payment therefore;

WHEREAS the Federal Trade Commission regulations include utility companies in the definition of creditor;

WHEREAS the Town of Crestone is a creditor with respect to 16 CFR § 681.2 by virtue of providing utility services or by otherwise accepting payment for municipal services in arrears;

WHEREAS the Federal Trade Commission regulations define 'covered account' in part as an account that a creditor provides for personal, family or household purposes that is designed to allow multiple payments or transactions and specifies that a utility account is a covered account;

WHEREAS the Federal Trade Commission regulations require each creditor to adopt an Identity Theft Prevention Program which will use red flags to detect, prevent and mitigate identity theft related to information used in covered accounts;

WHEREAS the Town provides water, sewer and trash services for which payment is made after the product is consumed or the service has otherwise been provided which by virtue of being utility accounts are covered accounts;

WHEREAS customer accounts for water, sewer and trash for which payment is made after the product is consumed or the service has otherwise been provided are covered accounts by virtue of being for household purposes and allowing for multiple payments or transactions; and

WHEREAS the duly elected governing authority of the Town of Crestone is the Mayor and Trustees thereof;

NOW THEREFORE be it resolved that the Town of Crestone adopts the attached Identity Theft Prevention Program labeled Exhibit A.

ADOPTED this 10th day of November 2008.



Ralph Abrams, Mayor

Attest:



Akia Tanara, Town Clerk