



North Carolina Department of Health and Human Services
Division of Social Services
Child Support Enforcement

Post Office Box 20800, Raleigh, NC 27619-0800 Courier # 55-41-12
Telephone (919) 255-3800

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

Sherry S. Bradsher, Director

May 28, 2010

Dear County Director of Social Services

RE: Identity Theft Red Flags and Safeguarding Participant Data

In response to the growing identity theft trends, industry regulations amended the Fair and Accurate Credit Transactions Act (FACT) of 2003 to include identity theft red flags and address discrepancy requirements. The Red Flags and Address Discrepancy Rules require the following: financial institutions and creditors, which own or maintain covered accounts, must detect, identify, and respond to patterns, practices, or specific activities that could indicate identity theft – known as “red flags”; debit/card issuers must develop procedures that offer guidance in how to assess the validity of a change of address request for a debit or credit card account; and/or recipients of a credit report must develop procedures that detail how they will notify a consumer reporting agency of an address change.

The North Carolina (NC) Department of Health and Human Services (DHHS) Privacy and Security Office has determined that the Child Support Enforcement nckIDScard is a “debit card” within the meaning of the Red Flag and Address Discrepancy Rules. The Division of Social Services (DSS)/Child Support Enforcement Section, therefore, is required to implement procedures to raise employees’ awareness of and support its efforts to assess the validity of a case participant’s request for a change of address. DSS is committed to protecting the personal information of its case participants from identity theft. It is imperative that Child Support staff is alert to the signs that a case participant’s information is being used to obtain funds to which they are not entitled. JP Morgan, the vendor which issues the debit cards, has been notified and advised to follow the Red Flag Rules as well.

Personal information about case participants collected by Child Support Enforcement (CSE) and maintained in case records must be carefully safeguarded. With identity theft being a serious concern, it is imperative that all staff follow the proper procedures.

To help identify/detect suspicious behavior/activity regarding child support participants, Child Support staff must ensure that personal information of case participants is used and shared only in accordance with program directives. To guard against the potential of misuse of information, Child Support Enforcement must take adequate steps to ascertain the identity of a person before disclosing any case or participant information. Staff must always make sure to ask for forms of identification to verify the identity of individuals presenting themselves in the local child support offices, especially when they are making address changes. It is also imperative that staff require some type of verification method for identifying individuals who call the agency. All CSE employees must complete annual training on identifying and preventing identity theft by viewing the “Identity Theft – Red Flags and Address Discrepancies” presentation, located on the CSE Training Web Site:

Mission Statement

To consistently collect as much child support money as possible for the benefit of North Carolina’s children.

"<http://cse.dhhs.state.nc.us>". At this site, select "CSE Training Page" and "Identity Theft-Red Flags & Address Discrepancies". Completion of this requirement must be recorded on the "Initial/Annual Requirements Certification" form.

Please have all staff carefully review this material and follow all directives when dealing with case participant information. Refer to Chapter Z, Appendix D for specific location of this material in the manual.

If you have any questions, please contact Policy and Training Unit @ (919) 255-3800.

Sincerely,



Judy McArn
Assistant Chief of Program Operations

CSE-5-2010

Mission Statement

To consistently collect as much child support money as possible for the benefit of North Carolina's children.

An Equal Opportunity / Affirmative Action Employer