



North Carolina Department of Health and Human Services Division of Social Services

325 North Salisbury Street
2420 Mail Service Center • Raleigh, North Carolina 27699-2420
Courier # 56-20-25

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

Sherry S. Bradsher, Director
(919) 733-3055

June 21, 2010

RE: Identity Theft Red Flags and Address Discrepancy Issues

Dear County Director of Social Services:

Attention: Food and Nutrition Services Managers and Supervisors

In response to the growing identity theft trends, industry regulators 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/credit 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 Food and Nutrition Services Electronic Benefit Transaction (EBT) Card is a "**debit card**" within the meaning of the Red Flags and Address Discrepancy Rules. The Division of Social Services (DSS)/Food and Nutrition Services Section, therefore, is required to implement procedures to raise employees' awareness of and support its efforts to assess the validity of a client's request for a change of address for his/her EBT debit card account. DSS is committed to protecting the personal information of its clients from identity theft. It is imperative that Food and Nutrition Service staff are alerted to the signs that an individual's information is being used to obtain benefits to which they are not entitled.

To help identify/detect suspicious behavior/activity regarding Food and Nutrition Services benefits, staff must always make sure to ask for forms of identification to verify the identity of individuals presenting themselves in the local County Department of Social Services, 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. No address change should be approved without first verifying that the clients are whom they say they are. Each agency is also required to train staff about identity theft red flags and develop methods to help detect, prevent, and mitigate identity theft in the Food and Nutrition Services Program.

If suspicious behavior/activity is detected, a determination would be made as to what responses would be appropriate. This can include monitoring the account; contacting the client; adding a password to the account; changing the pin number; notifying law enforcement officials; or no action is required.

If you have any questions, please contact your Regional Team for consultation.

Sincerely,

A handwritten signature in cursive script that reads "Dean Simpson".

Dean Simpson, Chief
Economic and Family Services Section

DS/dl

EFS-FNSEP-21-2010