Proposed Rulemaking Against ID Theft

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The agencies included the Board Of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Federal Trade Commission, National Credit Union Administration, Office of the Comptroller of the Currency and Office of Thrift Supervision.

The press release described the NPRM as follows:

> The regulations that the agencies are jointly proposing would require each financial institution and creditor to develop and implement an identity theft prevention program that includes policies and procedures for detecting, preventing, and mitigating identity theft in connection with account openings and existing accounts. The proposed regulations include guidelines listing patterns, practices, and specific forms of activity that should raise a "red flag" signaling a possible risk of identity theft. Under the proposed regulations, an identity theft prevention program established by a financial institution or creditor would have to include policies and procedures for detecting any "red flag" relevant to its operations and implementing a mitigation strategy appropriate for the level of risk.

The proposed regulations also would require credit and debit card issuers to develop policies and procedures to assess the validity of a request for a change of address followed closely by a request for an additional or replacement card.

Additional proposed regulations would require users of consumer reports to develop reasonable policies and procedures that they must apply when they receive a notice of address discrepancy from a consumer reporting agency.<

The report was published in three PDF files which, for reasons best known to the federal agencies involved, did not include any usable text – they are scanned from the original double-spaced paper NPRM.

In my next column, I’ll briefly review the red flags compiled by the working group.

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