



New England
College of Optometry

The New England College of Optometry
Identity Theft Prevention Program
October 30, 2009 _

Policy Adoption

The New England College of Optometry (“College”) has developed an Identity Theft Prevention Program (“ITPP”), pursuant to the Federal Trade Commission's Red Flags Rule, 16 C. F. R. § 681.2, that implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003. These regulations require “financial institutions” and “creditors” that hold “covered accounts” to “develop and implement an identity theft prevention program” for new and existing accounts. (See definitions below).

The FTC regulations include a list of twenty-six “red flags” that might indicate the potential for identity theft. All creditors are required to review their processes, and identify applicable red flags – either from the FTC’s list, or ones more appropriate to their situation. Creditors are then required to define the steps by which the red flags will be detected and their response once a red flag is detected.

The College’s ITPP has been developed by an internal team whose membership was primarily composed of personnel from the Student Services and the Business Office staff with oversight by the College’s Audit and Compliance Committee. The College’s clinical teaching affiliate, New England Eye Institute, Inc. has developed its own ITPP that is appropriate for a clinical setting with oversight by the College’s Clinical System Committee.

Based on the definitions used in these regulations, the College has identified areas of risk to include

- Awarding and repayment of student loans, such as Perkins Loans or HPSL
- Awarding and repayment of institutional loans and emergency loans for its students
- Refunding of excess financial aid to its students, and
- Deferred tuition plans

After consideration of the nature and scope of the College's operations and the definitions under the operations and account systems, the nature and scope of the College’s activities, and the pattern and risks of identity theft, it was determined that this ITPP to be appropriate for the College.

Policy Purpose

The purpose of this policy is to establish an ITPP to detect, prevent and mitigate identity theft in connection with the opening of a Covered Account or an existing Covered Account and to provide

for continued administration of the ITPP. The ITPP shall include reasonable policies and procedures to:

- Identify relevant red flags for Covered Accounts it offers or maintains and incorporate those red flags into the program
- Detect red flags that have been incorporated into the ITPP
- Respond appropriately to any red flags that are detected to prevent and mitigate Identity Theft, and periodically update the ITPP to reflect changes in risks to students and to the safety and soundness of the creditors from identity theft.

The program shall, when appropriate, incorporate existing College policies and procedures in order to control reasonably foreseeable risks.

Policy Definitions

Account means continuing relationship with a creditor to obtain a product or service that includes deferred payments for services or property.

Covered Account is

- An account offered or maintained by the College primarily for personal, family, and household purposes that involves or is designed to permit multiple payments or transactions; and
- Any other account offered or maintained by the College for which identity theft is a reasonably foreseeable risk that may impact the College's customers or the safety and soundness of the Colleges including financial, operational, compliance, reputation, or litigation risks. An example of a "Covered Account" is a student loan.

Identify Theft means fraud committed or attempted use of the identifying information of another person without proper authority.

Identifying Information is any information that is requested in conjunction with a Covered Account that may be used alone, or in conjunction with any other information, to identify a specific person.

ITPP Administrator means that the College senior management is to have primary responsibility for the implementation and oversight of the ITPP.

Red Flag is a pattern, practice, or specific activity that indicates the possible existence of identity theft. The FTC regulations provide a list of 26 common red flags; organizations may decide that some of these 26 are not applicable, and/or that other red flags are more useful.

The College has identified accounts that are either administered by the College or by a service provider.

College Covered Accounts may be:

- Refund of credit balances involving [Direct, Perkins, HPSL, FFE, etc.] loans
- Refund of credit balances
- Deferment of tuition payments
- Emergency loans

Service provider Covered Account:

- Loan repayment plans administered by ECSI; refer to “Oversight of Service Provider Arrangements” below.

Identification of Relevant Red Flags

The Program considers the following risk factors in identifying relevant red flags for Covered Accounts:

The methods provided to open Covered Accounts upon acceptance to the College and enrollment in classes requires some, if not all, of the following information:

- Common application with personal identifying information
- College transcripts
- Official OAT scores
- Two letters of recommendation
- Immunization history
- Evidence of health insurance
- Evidence of citizenship, and
- Evidence of proper visa if not a U.S. citizen or resident alien

The ITPP identifies the following potential red flags:

- Documents provided for identification appear to have been altered or forged
- The photograph or physical description on the identification is not consistent with the appearance of the student presenting the identification
- A request made to access a Covered Account from a non-College issued E-mail account;
- A request to mail something to an address not listed on file; and
- Notice from customers who are victims of identity theft, law enforcement authorities, or other persons including credit or regulatory agencies regarding possible identity theft in connection with Covered Accounts.

For example, the ITPP will specifically detect red flags relevant to each type of Covered Account as follows:

- **Refund of a credit balance in a loan** – as directed by federal regulations (U.S. Department of Education), a refund of credit balance is required to be refunded in the borrower’s name and mailed to his/her address on file within the time period specified.

Red Flag – Address discrepancy or request from one other than the borrower

- **Refund of excess financial aid** – requests from current students must be made in person by presenting a College ID or in writing from the student’s college issued e-mail account. The refund check can only be mailed to an address on file or picked up in person by the student by showing a College picture ID. Requests from students on clinical rotation must be made in writing along with a copy of College ID

Red Flag – Picture ID not appearing to be authentic or not matching the appearance of the student presenting it. Request not coming from a student issued e-mail account. Bank account does not match account detail into which funds previously wired.

- **Deferment of tuition payment** – requests are made in person only and require the student’s signature and presentation of College ID.

Red Flag – Picture ID not appearing to be authentic or not matching the appearance of the student presenting it.

Response

The ITPP shall provide for appropriate responses to detected red flags to prevent and mitigate Identity Theft. The appropriate responses to the relevant red flags are as follows:

- Deny access to the Covered Account until other information is available to eliminate the red flag;
- Contact the student;
- Change any passwords, security codes or other security devices that permit access to a Covered Account
- Notify law enforcement and/or appropriate regulatory agencies.
- Determine no response is warranted under the particular circumstances

Oversight of the Program

Responsibility for developing, implementing and updating the ITPP lies with the College Senior Management.

It will be responsible for the ITPP administration,

- for ensuring appropriate training of College's staff,
- for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and
- mitigating Identity Theft, determining which steps of prevention and mitigation should be taken in particular circumstances and considering periodic changes to the ITPP

Updating the Program

The ITPP will be periodically reviewed and updated to reflect

- Changes in risks to students and staff,
- College experiences with identity theft,
- Changes in regulatory requirements, i.e. Red Flag regulations, FERPA, etc.
- Trends in identity theft methods
- Best practices in identity theft detection and prevention methods,
- Changes in types of accounts the College maintains, and
- Changes in the College's business arrangements with other entities.

Staff Training

College staff shall be trained under the direction of Senior Management in the detection of Red Flags, and the responsive steps to be taken when a Red Flag is detected.

Oversight of Loan Service Provider Arrangements

The College shall take steps to ensure that the activity of a service provider is conducted in accordance with reasonable policies and procedures designed to detect, prevent and mitigate the risk of identity theft whenever the organization engages a service provider to perform an activity in connection with one or more Covered Accounts.

Currently the College uses ECSI, located in Pittsburgh PA, to administer the repayment of institutional loans. Students may contact ECSI directly through its website or by telephone and provide personal identifying information to be matched to the records that the College has provided to ECSI.