Identity Theft Prevention Program Annual Report
City of Franklin Board of Mayor and Alderman

January 22, 2010

The intent of this report is to provide the overall status of the Identity Theft Prevention Program, along with providing any updates to any of the program components.

Status

The Identity Theft Prevention Program was last updated on January 11, 2010. The overall status of the Identity Theft Prevention Program is very good.

Effectiveness of Policies and Procedures

City of Franklin has implemented appropriate policies and procedures to comply with 16 CFR Part 681 (Identity Theft Red Flags) to address the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered account.

See Identity Theft Prevention Program provided separately.

Service Provider Arrangements

1. New service providers

    a. Risk Manager has drafted a Service Provider Agreement between the City of Franklin and vendors that receive identifying information from the City for official City business and benefit programs.

2. Changes in vendor management processes, procedures, or requirements

    a. The only changes with vendor management process is to have all new and current vendors sign the Service Provider Agreement. A copy of the drafted agreement has been sent to the City Law Department for review. (Please see the attachment of the Service Provider Agreement for further details).

Significant Incidents Involving Identity Theft and Management Response

1. Any significant incidents involving identity theft this year and action taken?

    a. There were no reported significant incidents involving identity theft in 2009 for the internally for the City of Franklin.

2. Any service provider significant incidents involving identity theft this year and action taken?

a. On October 2, 2009, Blue Cross Blue Shield of Tennessee reported to the City of Franklin a theft of their computer equipment at a network office, located at Eastgate Town Center in Chattanooga, Tennessee. The theft of the equipment included 57 hard drives, containing data which was encoded but not encrypted. (Please, see attached letter from Blue Cross Blue Shields for further details).

Recommendations for Changes in the Identity Theft Prevention Program

1. Additions to the Identity Theft Prevention Program?

    a. Continue online training for FACTA.

    b. Adopt the practice of having new and current service providers sign the Service Provider Agreement for the City of Franklin.

2. Deletions from the Identity Theft Prevention Program

    a. None.