

## **Boston College**

### **“Red Flags” Identity Theft Prevention Program**

Pursuant to regulations promulgated by the Federal Trade Commission known as the “Red Flags Rule” (16 CFR Part 681), Boston College adopts the following identity theft prevention program with respect to certain accounts that the University has deemed to be “covered accounts” under the Rule.

A review of the scope and nature of the University’s covered account activity reveals that there is a relatively low risk for identity theft. The University’s “clients” are limited to its own students and employees, and a significant percentage of the covered account activity is conducted in person. Access to the University’s services and accounts is restricted through the use of University-issued photo IDs and authentication requirements, as well as the specific procedures described below with respect to the identified covered accounts. Furthermore, the University is not aware of any incidents with respect to these covered accounts in which an individual’s identity was stolen and used to get services at the University.

#### **Activities at Boston College Covered under this Program**

Participation in the Federal Perkins Loan Program

Participation in the Federal Nursing Loan Program

Participation in institutional loan programs

Payment plans for the payment of tuition

Student Account activity, specifically student refunds

Employee loans

#### **Overview of Existing Safeguards and Protection Programs**

A number of University policies and procedures, including the University’s Data Security Policy, policies and practices in place to ensure compliance with the Gramm-Leach Bliley Act (GLB), the Family Educational Rights and Privacy Act (FERPA), the Payment Card Industry Data Security Standards (PCI-DSS), as well as internal technical and administrative data security and integrity protection measures, all mitigate the potential risks of identity theft.

All student related financial processing is centrally controlled through the University’s secure student account system. All financial aid is processed through the student account, including the disbursement of federal and institutional loans and payment plan disbursements. All students are required to present a Boston College ID (which is

checked by trained Student Services Staff) to conduct account business in person and procedures are in place to determine the identity of a student when conducting business via the phone or web, as described more specifically below.

### **Identifying Red Flag Activity**

The following list outlines the red flags most likely to be encountered in connection with the University's covered accounts:

- Presentation of suspicious documents;
- Inconsistency of photograph or physical characteristics of person claiming to be account owner with other personal identifying information on file with the University;
- Documents provided for identification that appear to have been altered or forged;
- Unusual or suspicious activity related to covered account, such as requests for name change or address changes made when a refund is pending; and
- Notification from students, borrowers, law enforcement or any other party of unusual activity related to a covered account.

### **Procedures to Detect and Prevent Red Flags**

#### **Student Account Activity and Student Refunds**

Boston College has conducted a risk assessment and has determined that since all student financial related activity covered under the program is centrally controlled through the University's Core Student Account System, the risk of identity theft is low and limited to issuance of student refunds from the Student Account System. The University has in place detailed procedures that are followed when issuing refunds to prevent unauthorized disbursement of funds. These include:

- Requests for refunds made in person require a valid photo identification, which Student Services staff are trained to check.
- Requests for refunds made via the web can only be made when authenticated by Boston College by logging in with a valid username and password.
- Requests for refunds made via the phone are only accepted after the individual has provided personal, identifying information in response to specific questions posed by Student Services staff.
- Refunds can only be made in the student's name and are either held for the student to pick up in the office (upon presentation of a valid photo identification), deposited in the student's bank account as designated by the student through an authenticated process, or mailed to the home or local address on file with the University.<sup>1</sup>
- Requests to change the name or address on a student account that are made in conjunction with a refund must be done through an authenticated University

system or through one of the other identity verification methods described above.

- All refund requests require a review and approval of a senior staff member within Student Services.
- Student Services staff are instructed to notify a supervisor upon becoming aware of any suspicious or unusual student account activity.
- Any third party vendors providing services related to Student Accounts are required to verify their compliance with the Red Flags Rule and must agree in writing to abide by standard privacy and security terms established by the University.

### **Employee Loans**

The University offers a limited number of loans to employees. These are primarily relocation mortgage loans offered in connection with the recruitment of select faculty and senior administrators, and are almost exclusively made in connection with an employee's purchase of real estate. The offering of these loans is selective and limited to individuals with whom the University is very familiar. Any University funds advanced in connection with a relocation loan are disbursed directly to the closing attorney handling the real estate purchase transaction. The identity of the borrower and Boston College employee is verified by the closing attorney through customary identification checks and other procedures followed in connection with standard practices for real estate closings. The University has never experienced a case of identity theft in connection with employee loans, and given our experience with these loans and existing procedures in place at the University, we have determined that the risk of identity theft in connection with these transactions is extremely low.

### **Responding to Red Flags**

Student Services staff are notified annually of this program and their obligation to detect red flags and follow the procedures described above. In the event that any staff member becomes aware of a red flag, he or she is instructed to ask for another form of identification, if applicable, and/or to notify his or her supervisor if a concern remains. All detections of a red flag will be reported to the University Bursar and other University administrators as appropriate. The University Bursar, in consultation with one or more other appropriate administrators (including the Director of Internal Audit, the Director of Information Technology Policy and Security, the General Counsel and the University Controller) will determine the appropriate course of action. In cases of a suspected identity theft, the University police will also be notified as appropriate. Any applicable procedures in the University Data Security Policy will also be followed.

### **Oversight and Review of the Program**

The University Bursar has overall responsibility for the oversight and operation of this program, provided that the Vice President for Human Resources and the Associate

Controller will be responsible for detecting and responding to any red flag in connection with employee loans. This program will be reviewed by the Bursar and the University Controller on or about the first day of each University fiscal year (June 1) to review its effectiveness and determine whether any changes are warranted for the upcoming year.

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<sup>i</sup> The only exception to the refund procedures pertains to Federal Plus Loans, which are governed by Title IV regulations. These refunds are distributed to parents using information and protocols provided to the University from the Department of Education (DOE) and utilizing the DOE's authenticated processing system.