



FAIR AND ACCURATE CREDIT TRANSACTION (FACT) ACT COMPLIANCE PROGRAM ANNUAL REPORTING

PRESENTED BY:

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Informational Update

AGENDA



- **BACKGROUND**
- **POLICY REQUIREMENTS**
- **PERFORMANCE SUMMARY**
- **QUESTIONS**

BACKGROUND



- Federal Trade Commission Red Flags Act (“Red Flag Rule” or “Rule”), Section 114 of the Fair and Accurate Credit Transactions Act of 2003 (“FACT ACT”). 16 C. F. R. § 681.2
- Board approved Policy for Compliance with the FACT ACT for Prevention of Customer Identity Theft in 2008
- In 2018, the Board approved an update to the policy, including renaming the policy FACT ACT Compliance Policy
 - Required implementing an Identity Theft Prevention Program designed to **protect customers** when opening new accounts
 - Provided for annual updates to the Board on issues and performance

POLICY REQUIREMENTS



CPS Energy is required to:

- Validate proper identification from potential customers to prevent customer identify theft (SSN*, TDL** and passports)
- Identify and detect relevant Red Flags for new and existing accounts
- Respond appropriately to any Red Flags
- Ensure program is updated annually

*Social Security Number

**Texas Drivers License

PERFORMANCE SUMMARY

	FY17	FY18	FY19
Number of Move in Requests (#)	230,227	238,004	260,343
Service Denials (#)	328	422	333
Service Denials (%)	0.14%	0.18%	0.13%
Inconsistent TDL** information (%)	0.03%	0.03%	0.03%
Inconsistent SSN*** information	0.07%	0.08%	0.07%
Other (no verifiable ID's, ID did not match name, foreign ID, etc.)	0.03%	0.06%	0.03%
Unidentified	0.01%	0.01%	0.00%

Data 2/1/18 - 1/31/18
 *Social Security Number
 **Texas Drivers License

Validation process remains the same as last year: Deny application for service if SSN*, TDL or passport does not match other information provided by the customer**



Thank You