

Press Releases

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OTS 01-32 - OTS Advises Thrifts on Measures to Reduce Incidents of Identity Theft and Pretext Calling.

Office of Thrift Supervision

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Contact: Sam Eskenazi

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202/906-6677

OTS Advises Thrifts on Measures to Reduce Incidents of Identity Theft and Pretext Calling

Incidents of Identity Theft and Pretext Calling

WASHINGTON - The Office of Thrift Supervision today advised thrifts to take steps to prevent the unauthorized disclosure of customer financial information. The agency also called on the financial institutions it supervises to detect and deter fraudulent access to such information.

"With more than a half-million consumers victimized by identity theft each year, it is critical that both bank employees and bank customers know about this growing white collar crime and stay alert to the methods used by identity thieves," said OTS Director Ellen Seidman.

The guidance issued today says that financial institutions should employ a variety of methods to safeguard customer information and reduce the risk of loss from identity theft. Some of these steps include verifying personal information to establish the identity of individuals applying for financial products, establishing adequate procedures to detect possible fraud in new accounts, verifying the legitimacy of change of address requests on existing accounts, and maintaining adequate security standards.

"Pretext calling - using bits of personal information to impersonate an account holder to gain access to a bank customer's account information - is another challenge that must be met by financial institutions," Ms. Seidman said.

The guidance suggests that thrifts take precautions to avoid disclosing information about their customers to unauthorized individuals, including limiting the circumstances under which employees may disclose customer information over the telephone, training employees to recognize and report fraudulent attempts to obtain customer information, and testing to determine the effectiveness of controls designed to thwart pretext callers. Thrifts are also being asked to specify identity theft and pretext calls on Suspicious Activity Reports they are required to file when they learn about fraudulent activities that involve one of those actions.

The guidance advises financial institutions on steps to take to assist victims of identity theft, including having trained personnel handle such customer calls, determining whether it is necessary to close an account immediately and educating customers who have been victimized about steps they can take.

View CEO Ltr 139 - "Identity Theft and Pretext Calling" - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2001-32a.pdf>

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at www.ots.treas.gov.