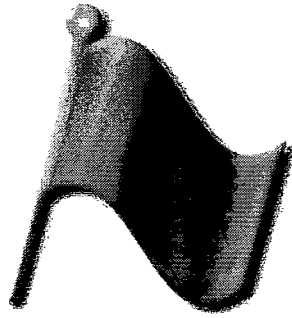


Fighting Fraud



The Red Flags Rule

- Designed to detect the warning signs (red flags) of identify theft in day-to-day operations. Nine million Americans each year have their identity stolen.
- In effect since January 1, 2008, The Red Flags Rule requires many businesses and organizations to implement a written “Identity Theft Prevention Program.”
- Who Must Comply? Financial Institutions and Creditors.
- If you provide goods or services for a customer and do not bill at the time of service, you are deemed a creditor. How does your business or organization comply?

Four Steps to Follow:

1. Identify red flags (*Procedures to identify suspicious patterns, activities, practices that indicate the possibility of identity theft*)
 2. Detect red flags (*For example, procedures in place to detect possible fake, forged or altered identification*)
 3. Program must spell out appropriate actions to take when red flags are detected
 4. Re-evaluate and change Program when needed to reflect new risks from the crime
- Who enforces this rule?
 - Federal Trade Commission (FTC)
 - Federal bank regulatory agencies
 - National Credit Union Administration
 - Where can I gather information regarding this rule?

www.ftc.gov/redflagsrule

or

call Bailey, Carr & Co., CPAs

Bailey, Carr & Co.

CERTIFIED PUBLIC ACCOUNTANTS