

CLIENT ALERT

FTC Again Delays Enforcement of Red Flags Rule

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The Federal Trade Commission has announced it will again extend the date for commencement of enforcement of the Red Flags Rule to prevent identity theft, moving the date back three months until November 1, 2009.

The Commission said that although many covered entities have developed and implemented appropriate, risk-based programs since the Commission promulgated the final rule, some covered entities, particularly small businesses and entities with a low risk of identity theft, remain uncertain about their compliance obligations. To help these small and low risk entities with compliance, the Commission staff will shortly make available additional resources and guidance at the FTC's Red Flags Rule website.

In the meantime, groups representing physicians, lawyers and others treated as "creditors" under the Red Flags Rule are continuing to seek legislation or court relief against the rule.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.