



Garfunkel, Wild & Travis, P.C.
New York New Jersey Connecticut

Legal Alert

July 2009

UPDATE!

DELAY IN ENFORCEMENT DATE FOR THE RED FLAG RULES

The Federal Trade Commission ("FTC") recently announced that it will delay enforcement of the new Red Flag Rules until November 1, 2009. This delay represents the third time that the FTC extended the enforcement date.

The FTC stated that it extended the enforcement date in order to provide additional resources for small businesses and low-risk entities to comply with the "Red Flags" Rule and to provide guidance to clarify whether certain businesses are covered by the Rule and what they must do to comply. In addition, the extension of the enforcement date is intended to give businesses more time to develop and implement their compliance programs. Businesses should use this extra time to adopt Red Flags policies and procedures and implement a compliance program.

The Red Flag Rules require "creditors" and financial institutions to implement programs to identify, detect and respond to indicators of identity theft (so-called Red Flags). For purposes of the Red Flag Rules, "creditors" has been broadly defined to include any business that defer payment for goods and services. As a result, many health care providers and institutions are considered to be "creditors" and are required to implement an identity theft compliance program.

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GWT can assist your business in complying with the Red Flags Rules. GWT has developed a cost-effective program which includes a sample Red Flags policy and a host of tools to assist your business in implementing the Red Flags rules.

Please contact a GWT attorney today for more information so that you can make the most productive use of this extra time.

About Garfunkel, Wild & Travis, P.C.

Garfunkel, Wild & Travis, P.C. was founded in 1980 with a single purpose in mind: to become a pre-eminent health care law firm attending to the unique business and legal needs of its clients. Since then, the firm has grown to over 80 attorneys devoted to addressing the complex legal, regulatory, business and financial needs of its diverse clients.

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