



July 2009

**PRIVACY & INFORMATION
SECURITY UPDATE****Compliance Deadline for Identity Theft Rules Further Delayed****FTC RED FLAGS ENFORCEMENT EFFECTIVE NOVEMBER 1, 2009**

The Federal Trade Commission (FTC) once again has delayed enforcement of the new “Red Flags Rules,” due to what it calls continuing confusion over the scope, application and requirements of the new rules. As we previously have reported, these rules broadly mandate the adoption and use of identity theft policies and procedures by financial institutions as well as companies that provide or arrange for the extension of consumer credit. The Red Flags Rules originally were scheduled to take effect on November 1, 2008, but the deadline has been pushed back several times. The latest deadline of August 1, 2009 has been pushed back to November 1 of this year.

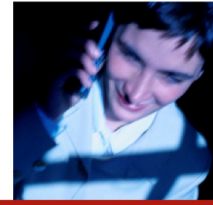
To aid in eventual compliance, the FTC offers resources on its web site for navigating the scope and requirements of the Red Flags Rules, including an online compliance template (go to www.ftc.gov/redflagsrule). The FTC also intends to supplement its resources with a special link that provides information specifically geared toward compliance for small businesses and entities with a low-risk of identity theft.

As a reminder, although the FTC has suspended enforcement, the Department of the Treasury, Federal Reserve System, Federal Deposit Insurance Corporation and National Credit Union Administration all continue to adhere to the original November 1, 2008 compliance deadline. As such, all entities regulated by these federal agencies should already be compliant with the requirements or risk the penalties of noncompliance.

For more information on the Red Flags Rules, go to www.ThompsonHine.com/publications/pdf/2008/10/privacyinformation1554.pdf.

THOMPSON HINE IS AVAILABLE TO ASSIST YOU

Thompson Hine’s Privacy and Information Security practice, an interdisciplinary and international group of lawyers with experience in complex national and international issues including privacy, data protection, information security, records retention, employment and labor law, consumer protection, Internet law and intellectual property, can help you develop, implement and benefit from globally compliant data management practices. Our team has assisted numerous companies in developing and implementing global privacy and data protection programs and strengthening their strategic use of competitively critical data.



FOR MORE INFORMATION

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