

The Federal Trade Commission has agreed to extend the deadline for compliance to May 1, 2009. The Commission cited much confusion as the reason for extending the compliance deadline. See below for more details.

Deadline Extended:

"Given the confusion and uncertainty within major industries under the FTC's jurisdiction about the applicability of the rule, and the fact that there is no longer sufficient time for members of those industries to develop their programs and meet the November 1 compliance date, the Commission believes that immediate enforcement of the rule on November 1 would be neither equitable for the covered entities nor beneficial to the public. Delaying Commission enforcement of the rule as to the entities under its jurisdiction by six months, until May 1, 2009, will allow these entities to take the appropriate care and consideration in developing and implementing their programs."

Red Flag Rule

"Through discussions with the FTC it is clear that water utilities must comply." Ed Thomas, National Rural Water Association

The Federal Trade Commission (FTC), the federal bank regulatory agencies, and the National Credit Union Administration (NCUA) have issued regulations (the Red Flag Rule) requiring financial institutions and creditors to develop and implement written identity theft prevention programs, as part of the Fair and Accurate Credit Transactions (FACT) Act of 2003. The programs must be in place by November 1, 2008, and must provide for the identification, detection, and response to patterns, practices, or specific activities – known as "red flags" – that could indicate identity theft.

National Rural Water Association has developed a compliance template and the FTC has stated that they believe the template is consistent with the intent of the rule and told Rural Water that it is only necessary to protect against opening accounts fraudulently. For more information, please read the NRWA press release. The compliance package developed by NRWA is available in PDF template and in a .doc version. The package is available at <http://www.nrwa.org/NRWAupdates/UpdateArchive/redflag.htm>.



DRWA will be hosting training sessions regarding the Red Flag Rule.

FREQUENTLY ASKED QUESTIONS

Questions: "What do you do with the finished report? Do you certify that it was done? Do you file it or send it to FTC? Do you do it annually or just once? Does anyone check to see if you are compliant? Do you let your customers know you are compliant?"

Answer: "The Identity Theft Prevention Program developed does not need to be submitted to or reviewed by the FTC. Further, no certification is required to be filed with the FTC. However, the Agency may do random compliance reviews of utilities to ensure they have a program in place."