

# The Red Flags Rule



Eleanor E. Spring - February 2010

## What is The Red Flags Rule?

The **Red Flags Rule** is a set of United States federal regulations that require certain businesses and organizations to develop and implement written plans to protect consumers from identity theft.

**What Federal Agency oversees The Red Flags Rule?** The Federal Trade Commission

**Who Must Comply with The Red Flags Rule?** Originally the red flags rule was geared toward financial institution such as banks and credit card companies but has now extended to any business that grants credit.

In other words if you sell goods or services, bill your customers and wait to receive your payment **You Are A Creditor and you must be in compliance.**

No matter how small your business is even if you are a one person business you must comply with **the Red Flags Rule.**

**When will the red flags rule go into effect?** June 1, 2010

**What happens is a business does not comply with the red flags rule?**

Fines for non-compliance are severe beginning at \$1,000.00 for the first offense and going upward from there.

**For more information on The Red Flags Rule or to order a Compliance Manual. Call 516-944-8024**

Learn more about identity theft & the Red Flag Rules visit our website at [www.SpringActionFraud.com](http://www.SpringActionFraud.com) or call **Eleanor Spring** at **516-944-8024** for a Free Consultation

Eleanor E. Spring  
Copyright 2010