

# Red Flags Rule

A guide for simple compliance

[www.idsure.org](http://www.idsure.org)



# !!! DEADLINE !!!

The enforcement of Red Flags Rule by the  
FTC commences on

**November 1st, 2009**

The Red Flags Rule applies to any business  
that provides a product or service for  
which payment is made after the product  
or service is delivered



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# What is it all about?

- 2008 saw a reported incidence of over 10 Million US consumers being victimized through ID related fraud
- ID thieves conduct their business by assuming the identity of another person
- More than 31% of ID thieves possess a drivers license that will pass complete scrutiny





# The Rationale

The US government's response to the increasing number of consumers affected by ID fraud has been to place responsibility onto the shoulders of all relevant businesses

The idea is simply to remove the outlet for ID thieves to perpetrate these crimes





# The Cost

- In 2008, the average cost to businesses who were unwittingly involved in the commission of such offences was over \$90,000 per instance
- There are a number of examples demonstrating that the losses can run into hundreds of thousands of \$\$\$





# Think About . . .

- The cost implication of rectifying a problem in your firm
- Hours involved
- Lost revenue and earnings
- Reputation and PR
- Loss of malpractice or liability insurance
- and . . . Don't forget about the State and Federal fines (or even those civil claims)





# Some Statistics

- 31% use fraudulent drivers licenses
- 5.3% filed and received a tax return
- 9% moved into new accommodation
- 17% opened up new accounts
- 43% of victims had 'other' accounts opened
- 7% used legal services
- 3.5% obtained government services

*These are only reported incidences. The true number is estimated to be much higher!*





# What does the Red Flags Rule mean?

The Red Flags Rule requires businesses and organizations to implement a written

## **Identity Theft Prevent Program**

to detect the warning signs – or 'red flags' – of identity theft in their day-to-day operations





# What is an Identity Theft Prevention Program?

The program involves four basic steps...

## 1<sup>st</sup> Identify relevant Red Flags

Identify the “red flags” of identity theft you’re likely to come across in your business

## 2<sup>nd</sup> Detect Red Flags

Set up procedures to detect those red flags in your day-to-day operations





# What is an Identity Theft Prevention Program?

## 3<sup>rd</sup> Prevent and mitigate identity theft

If you spot the red flags you've identified, respond appropriately to prevent and mitigate potential harm

## 4<sup>th</sup> Update the Program

The risks of identity theft can change rapidly, so it's important to keep your Program current and educate your staff





# The person behind the ID

The **ONLY** true way to prevent ID fraud from occurring is to get *behind* the ID

What this means is quite simply – **CHECK** the information you have been presented

Do **NOT** assume the ID you have been presented with is legitimate!





# How we do it

The consumer's basic data is entered into our system

**ID Check**

Standard Query ?  
 Enhanced Query ?

*An OFAC SDN search will automatically be completed at the same time*

First Name: \*   
Last Name: \*   
SSN last 4 numbers: \*   
Drivers License Number:   
Drivers License Issued State:   
Address: \*   
Unit or Apartment Number:   
City: \*   
State: \*   
Zip: \*

Authorized Person: \*   
Case Reference or File Number: \*





# How we do it

Our system will then query that data against millions of stored records

Questions will then be generated from that consumer's background

You can be confident that an ID thief is highly unlikely to know the answers to these questions





# How can you become compliant?

- ID Sure has developed a simple, create your own program template based on FTC guidelines for your firm to follow
- If you sign up to [www.idsure.org](http://www.idsure.org) we will provide you with a FREE Identity Theft Prevention Program
- The average set up time is less than 20 minutes!





# How can ID Sure help you?

ID Sure is made up of law enforcement professionals who have spent many years dealing with crimes involving Identity Theft

Those same individuals have dedicated many years to the designing out of crime through the creation of online and technical systems for traditional payments services

The use of our service is an active deterrent to those individuals who seek to commit such crimes





# How can ID Sure help you?

- ID Sure LLC is your best option for verifying consumers' identities as we have access to millions of data records from a variety of sources
- Also included is access to the OFAC – SDN list
- You can have the information in front of you in seconds, not hours; saving time and money
- No minimum contract required
- We are a one-stop solution for your Red Flags Rule needs





# The bottom line...

- We are committed to helping you stay safe and keeping your consumers safe
- Our service has been designed around and is dedicated to Attorneys, Accountants, Mortgage Brokers and Title Companies and other low risk professionals
- Sign up today by contacting [info@idsure.org](mailto:info@idsure.org) or complete the registration at [www.idsure.org](http://www.idsure.org) and get a FREE Identity Theft Prevention Program
- 1-866-503-0089



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**Are you ready?**



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