

RED FLAGS RULE

The Red Flags Rule became effective in January 2011. It requires organizations that extend payment terms to customers to implement a written identity theft prevention program which identifies customer information vulnerable to unauthorized access; institutes precautions to address those identity theft vulnerabilities and train employees to comply with the precautions; alert the authorities or alert potential victims when a threat to identity theft is realized; have the program signed by the board or company owners annually; and require audits of data-related vendors with access to personal information.