



Helping you dot the i's and cross the t's automatically

Product Comparison to FTC Regulations

	FTC Regulation *	Our Red Flag Tool Compliance Solution
Identity Theft Prevention Program Creation	“The FTC staff maintains its estimates of 25 hours for high-risk identities (which includes automobile dealers) to create and maintain a written Program, with a recurring burden of 1 hour.”	By using our easy-to-follow Identity Theft Prevention Program tool, you can create your program plan in less than 1 hour.
Training of Relevant Staff	The FTC says that for relevant staff to be trained “the burden estimates attributable to training are four hours”	We have created a training plan that includes a review of all phases of the Red Flag Rules as stated in the Federal Register and a certification exam. Both the training and exam can be easily completed in an hour or less.
Reporting Requirements	“The FTC staff continues to believe that preparation of an annual report will take high-risk entities 4 hours initially, with an annual recurring burden of 1 hour.”	All reports necessary to track compliance at any level and for any time period are already available as part of the Red Flag Compliance Tool. Therefore, NO additional time will be necessary to satisfy this requirement.
Identifying Relevant Red Flags	“The FTC mandates that relevant Red Flags must be included in the Identity Theft Prevention Program.”	This issue is resolved by incorporating all 18 of the 26 Red Flags relevant to Auto Dealers into the Identity Theft Prevention Program. The other 8 flags are related to suspicious activity occurring during the monitoring phase after the actual sale has been completed.

Detecting Red Flags	“The Agencies recognize, however that identity theft may occur at the time of account opening. The obligations of the final rule apply to account openings, when a relationship has not yet been established.”	The Red Flag Compliance Tool has been developed to resolve all relevant Red Flag Rules for each customer at the dealership during the process of purchasing the vehicle. By using a variety of third party databases and asking several simple questions, the Compliance Tool can quickly detect any relevant Red Flag violations.
Preventing and Mitigating Identity Theft	“The Identity Theft Prevention Program’s policies and procedures should provide for an appropriate response to Red Flags that have been detected.”	For each Red Flag violation detected, the identity verification process will display the reason for the violation. The responsible party at the dealership will have several options to resolve this violation. The resolution for the violation is stored and can be retrieved at any time. The information can also be used to generate reports for analysis and program effectiveness.
Audit Processes	“The requirements for the administration of the Program require that senior management be involved in the oversight, development, implementation, and administration of the program.”	One of the available features is the Red Flag Violation Notification. This feature will generate, when necessary, a daily email notification to senior management that lists any compliance violations that occurred during business transactions of the previous day.
Oversight of Program	“The FTC mandates that an oversight capability exists to monitor the effectiveness of the program and the employees administering the program.”	A product feature will identify incomplete or invalid Red Flag processes. This could point out existing flaws in the verification process that may indicate a training issue. Another report that can be filed in the deal jacket is called the Red Flag Compliance Summary report. This report details the customer’s final compliance status. The information from these reports can also be extracted in a summary report to evaluate the program effectiveness.

* Information Source: Identity Theft Red Flags under the Fair and Accurate Credit Transactions Act of 2003 Federal Register Vol. 72, No. 217 / Friday November 9, 2007 p. 63718 - 63775 <http://ftc.gov/os/fedreg/2007/november/071109redflags.pdf>