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Local Government Commission

Fax

To: Local Government Officials and Their
Independent Auditors

From: Sharon Edmundson Director, Fiscal
Management Section

Fax: _____ Date: 11/13/2008

Unit: _____ Pages: 1

Re: *Federal Trade Commission Allows 6 Month Delay in Implementation of Red Flag Rules*

•Comments:

Please pass the following information to the **manager and/or finance officer** of your local government or to the auditing staff assigned to government clients. The memo has been published on the State Treasurer's website. Please follow the instructions below to access this memo. For a paper copy, please call Lisa Olson at 919 807 2382.

Effective October 22, 2008, the Federal Trade Commission (FTC) suspended enforcement of the new "Red Flag Rule" until May 1, 2009, to give creditors and financial institutions additional time in which to develop and implement written identity theft prevention programs. The FTC also released its Enforcement Policy Statement as well. This statement can be found as follows:

<http://ftc.gov/os/2008/10/081022idtheftredflagsrule.pdf>

Please note that this is a six month delay in enforcement of the ruled regarding protection against identity theft. By May 1, 2009, units that extend credit to customers will have to comply with these rules. Please see our Memorandum # 1110, dated October 10, 2008, for more discussion on the rules and to whom they apply.

If you have any questions please contact Ken Wease on our staff at (919) 807-2391 or ken.wease@nctreasurer.com.