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By: DrBicuspid Staff

On the eve of its November 1 implementation, the U.S. Federal Trade Commission (FTC) is delaying enforcement of the Red Flags identity theft rules until June 1, 2010, the agency announced today.

Published by the FTC in conjunction with the U.S. Department of the Treasury and other federal financial oversight agencies, the Red Flags rules require businesses that accept deferred payments from clients -- including dentists and other healthcare providers -- to develop a written plan to detect identity theft in their businesses. Failure to comply could result in administrative penalties and up to \$2,500 in fines per violation.

The ADA, which has been aggressively lobbying for the exemption of dentists from the rules, has estimated that the average cost to implement and manage a Red Flags program will be at least \$600 per dental office, or \$80 million for 130,000 dental offices.

Legislation that would exempt dentists and other businesses with 20 or fewer employees was passed last week by the U.S. House of Representatives and is now pending before the Senate Banking, Housing, and Urban Affairs Committee. But a spokesperson for the committee told DrBicuspid.com yesterday that no action would be taken on the bill before November 1 and that there is no clear timetable for Senate consideration of the bill.

With the November 1 deadline looming, however -- and a court decision yesterday exempting lawyers from the rules -- the FTC was under pressure to delay enforcement of the rules.

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