



NEWS RELEASE

CONTACT:
William Roberts
202-434-9266
wroberts@aicpa.org

**AICPA WELCOMES FEDERAL TRADE COMMISSION'S DELAY OF
IMPLEMENTATION OF 'RED FLAGS' IDENTITY THEFT RULE**

Exemption Sought for CPAs and CPA Firms Drawn in by Billing Cycle

New York, N.Y. (Nov. 2, 2009) — The American Institute of Certified Public Accountants welcomes the Federal Trade Commission postponement of the Nov. 1 enforcement deadline of the FTC's Final Rule relating to Identity Theft Red Flags under the Fair and Accurate Credit Transactions Act of 2003.

"The FTC made an appropriate decision in delaying implementation of the Red Flags Rule and we appreciate the commission's continuing consideration of our request for a CPA exemption," said Barry Melancon, president and CEO of the AICPA. "We are concerned about the potentially broad application of the Red Flags Rule to the accounting profession."

The AICPA has requested the FTC consider exempting CPAs and CPA firms from the scope of the rule, or at least exempt the "general account receivables" of CPAs and CPA firms. The Red Flags Rule is designed to help prevent identity theft among credit providers and financial institutions. The rule appears to require that any CPA that defers payments for services rendered, even in the normal course of regular billing, would be covered under the rule and thus required to develop and implement a written identity theft prevention program.

"We do not believe that there is any reasonably foreseeable risk of identity theft when CPA clients are billed for services rendered," Melancon said. "As trusted advisors, CPAs are personally acquainted with their clients and adhere to strict privacy requirements over identifying information."

The American Institute of CPAs is ready to offer its assistance to the FTC to find an appropriate balance between the laudable goals of the Red Flags Rule to deter identity theft, and the practical aspects of implementation. A copy of the AICPA's Oct. 30 letter to the FTC requesting a delay is available online here <http://www.aicpa.org/download/news/2009/AICPA-Letter-to-FTC.pdf>.

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About the AICPA

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with more than 350,000 members, including CPAs in business and industry, public practice, government, and education; student affiliates; and international associates. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies; federal, state and local governments; and non-profit organizations. It develops and grades the Uniform CPA Examination.

The AICPA maintains offices in New York, Washington, D.C., Durham, N.C., Ewing, N.J., and Lewisville, Texas.

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