

Article from Dealer Magazine ([http://www.imakenews.com/dealercomm1/e\\_article001218430.cfm?x=b11,0,w](http://www.imakenews.com/dealercomm1/e_article001218430.cfm?x=b11,0,w))

September 30, 2008

## Implement both rules

by Gil Van Over

As you are running around implementing your Red Flags solution in anticipation of next month's deadline, it may make sense to take a few extra moments and review and possibly re-implement your Safeguards program.

Both programs have similar requirements, in fact from the implementation perspective, they have the same requirements. Here's a formula for handling both federal requirements concurrently.

### Same Goal

Both the Safeguards Rule and the Red Flags Rule are designed to help prevent identity theft. The rules are similar in their requirements of auto dealerships.

### Elements

Both the Red Flags Rule and the Safeguards Rule share common elements:

- Name a Compliance Officer
- Conduct a risk assessment
- Create and implement a policy
- Provide employee training
- Conduct periodic audits or ensure the program remains current

The Red Flags Rule also requires prior approval by the owner and an annual written report to the owner, which is not specifically required under the Safeguards Rule.

### Concurrence

Some dealers may not have implemented a Safeguards program in May 2003 as required. Some dealers may have allowed their Safeguards program to lay stagnant since its May 2003 implementation. If this is the case in your dealership, consider concurrently launching both programs this month.

- Your Compliance Officer should be responsible for both programs
- A risk assessment can be conducted for both programs at the same time
- You will need two policy manuals, but templates are available for both for customization to your business
- Employees can be trained on both rules in one session
- Audits can be conducted at the same time going forward

Gil Van Over is the President and founder of gvo3 & Associates, a nationally recognized F&I, Sales and Red Flag Rule compliance consulting and training firm ([www.gvo3.com](http://www.gvo3.com)).

© 2008 by gvo3 Consulting, LLC. All rights reserved.

Published by [Dealer Communications](#)

Copyright © 2008 Horizon Communications Inc.. All rights reserved.

Information in this newsletter is provided by both proprietary and public sources. Dealer Communications makes no claims as to the accuracy of information provided by third party providers.

Powered by [IMN](#)