

August 4, 2009

The Honorable Jonathan D. Leibowitz  
Federal Trade Commission  
600 Pennsylvania Avenue NW  
Washington, DC 20580

Dear Chairman Leibowitz:

On behalf of the American Institute of Certified Public Accountants ("AICPA"), we are writing to thank the Federal Trade Commission for its recent postponement of the enforcement of the FTC's Final Rule relating to Identity Theft Red Flags and Address Discrepancies Under the Fair and Accurate Credit Transactions Act of 2003. In addition, we respectfully suggest that the FTC consider exempting CPAs and CPA firms from the scope of these Rules, or, more narrowly, the "general account receivables" of CPAs and CPA firms.


A reading of the FTC's letters to other associations indicates that the Red Flags Rules, which are designed to help prevent identity theft, appear to require that any CPA that defers payments for services rendered, even in the normal course of a traditional billing process, is most likely covered under the Rule and thus is required to develop and implement a written Identity Theft Prevention Program to detect, prevent, and mitigate identity theft in connection with certain accounts.

We are concerned with the potentially broad application of the Red Flags Rules to the accounting profession, and do not believe that there is any reasonably foreseeable risk of identity theft when CPA clients are billed for services rendered. As trusted advisors, CPAs are personally acquainted with their clients and adhere to strict privacy requirements related to identifying information. We suggest that the likelihood of misrepresentation or theft of one's identity is so low that the burdens associated with the Rules' requirements outweigh the benefits.

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 Rules to deter identity theft, and the practical aspects of implementation.

Sincerely,

AICPA



Barry C. Melancon, CPA  
President and CEO

cc: Honorable Barney Frank, Chairman, House Financial Services Committee  
Honorable Spencer Bachus, Ranking Member, House Financial Services Committee  
Honorable Henry Waxman, Chairman, House Energy and Commerce Committee  
Honorable Joe Barton, Ranking Member, House Energy and Commerce Committee  
Honorable Christopher Dodd, Chairman, Senate Banking Committee  
Honorable Richard Shelby, Ranking Member, Senate Banking Committee  
Honorable John Rockefeller IV, Chairman, Senate Commerce, Science and Transportation Committee  
Honorable Kay Bailey Hutchison, Ranking Member, Senate Commerce, Science and Transportation Committee