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**COMPLIANCE COACH®**

## **Compliance Coach Survey of Hospitals indicate 91% are not compliant with the Red Flags Rule**

*Compliance Coach's survey of 100 hospitals across the United States indicates majority are surprised that the Red Flags Rule applies to them and have missed the November 1, 2008 compliance deadline*

**SAN DIEGO (November 3, 2008)** - Compliance Coach Inc., a leading provider of automated regulatory compliance solutions, today announced the results of a survey of hospitals to assess their level of preparedness with compliance with the FACT Act Identity Theft Red Flags Rule.

The Red Flags Rule applies to financial institutions, such as banks and credit unions, as well as to creditors. A creditor is broadly defined as anyone that regularly extends or arranges for credit or defers payment for goods or services. Hospitals or other medical services providers that allow patients to defer payment for medical goods or services or that provide loans to doctors, nurses or other employees are creditors under the Rule.

The Rule requires the development and implementation of a written identity theft prevention program. The deadline for compliance was November 1, 2008. Recently the Federal Trade Commission (FTC) who has jurisdiction over anyone that is considered a creditor under the Rule announced that it will not enforce compliance with the Rule for six more months until May 1, 2009 to allow more time for compliance.

Compliance Coach conducted a survey of 100 hospitals across the United States to assess the level of preparedness with compliance with the Rule. The survey revealed the following:

- 91% are not yet in compliance with the Rule.
- 73% were surprised to find out that the Rule applied to them.
- 60% indicated it will cost them more than \$10,000 to comply.

While the FTC will not enforce compliance with the Rule until May 1, 2009, it is prudent for a hospital to attain compliance as soon as possible to mitigate non-compliance risk from plaintiff lawsuits. The compliance deadline has not been pushed back, just enforcement by the FTC.

Earlier this year, Compliance Coach launched CompliancePal, a user-friendly Web-based software that employs a unique five-step system to enable compliance with the Red Flags Rule. The CompliancePal software enables entities to comply more quickly and with less effort.

"Hundreds of financial institutions and creditors of all sizes and types throughout the United States have already used CompliancePal to attain compliance. CompliancePal is an extremely timely and cost effective solution for the medical community" said Sai Huda, chairman and CEO, Compliance Coach. "Hospitals and other medical services providers should sign up for

-- More --

CompliancePal right away. It will save hundreds of hours, thousands of dollars in compliance costs” continued Huda.

CompliancePal, a Web-based software, walks the user through a series of questions and produces the required risk assessment, the mapping of red flags to appropriate detection and response procedures, the written program, the training materials and the compliance status report - everything necessary to pass an audit.

The software contains 65 red flags, including those related to medical identity theft and the government’s 26 red flags. It is updated regularly to address new identity theft schemes and red flags, enabling a hospital to easily update its identity theft program and maintain compliance. To use the solution, hospitals simply sign-up online and access the software via the Internet. A demo can be viewed at <http://www.compliancepal.com>.

### **About Compliance Coach**

Compliance Coach Inc., is a leading provider of automated regulatory compliance solutions. Seven of the top 10 banks and hundreds of financial institutions and other creditors throughout the U.S. rely on Compliance Coach’s solutions and services to mitigate compliance risk.

Compliance Coach provides risk assessment software, e-learning and other tools to enable compliance with applicable laws and regulations. Its products and services are supported by an in-house team of nationally recognized legal, compliance and technology experts. CompliancePal is the company’s latest revolutionary web-based software that uses a unique five step system to enable compliance with the new FACT Act Identity Theft Red Flags Rule, quicker and easier.

The company is privately held and venture capital backed by top 10 banks such as Wells Fargo, Bank of America & Citigroup. It is based in San Diego, California and has a regulatory relations office in Washington, D.C. For further information, visit <http://www.compliancecoach.com>.

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