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**COMPLIANCE COACH®**

## **Compliance Coach Identifies 23 New Identity Theft Red Flags Based on Recent Cases and Schemes that Millions of Companies Need to Review Prior to Compliance Deadline**

*Compliance Coach's new CompliancePal software already contains government published 26 identity theft red flags. The 23 red flags added to the software are industry's first set of new red flags.*

**SAN DIEGO (May 5, 2008)** - Compliance Coach Inc., a provider of automated regulatory compliance solutions to the financial services industry, today announced that it has identified 23 new identity theft red flags and has updated its software, CompliancePal (<http://www.compliancepal.com>). CompliancePal is the industry's first software solution to enable compliance with the FACT Act Identity Theft Red Flags Rule.

The Federal regulation imposes new responsibilities on businesses to prevent consumer identity theft. The impact is broad and the rule affects every single bank, credit union, mortgage lender, auto dealer, credit card lender, payday lender, landlord, utility company, phone company, and any consumer or small business lender in the country.

The compliance deadline is November 1, 2008. Failure to comply can lead to civil money penalty for each violation, regulatory enforcement action, private plaintiff lawsuits, negative publicity and loss of business.

"CompliancePal enables a financial institution or creditor to quickly and easily get into and stay in compliance," said Sai Huda, chairman and CEO, Compliance Coach. "Under the rule, companies must monitor for *new identity theft risks* and update their program for new red flags," continued Huda.

CompliancePal already contains the previously government published 26 identity theft red flags. *The 23 new red flags identified by Compliance Coach and added to CompliancePal are the industry's first set of new red flags.* The red flags are based on recent identity theft cases and schemes affecting financial institutions, creditors and consumers.

For example, the following are three new red flags identified by Compliance Coach and added to CompliancePal that are based on the United States v. Caldwell identity theft case involving the "name change" scheme. Caldwell used this scheme to defraud more than 50 banks and retail stores and created thousands of dollars in losses:

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- Red Flag # 1: Government issued identification bears an issue date and expiration date that are unusually close together. For example, a driver's license or passport bears an issue date and an expiration date that correspond to a time frame that is less than the usual time frame for validity.
- Red Flag # 2: Inconsistency between name and SSN when compared to a third party database.
- Red Flag # 3: Existing or known customer frequently changes his or her name. For example,
  - Changing order of last name (e.g., Jones-Smith to Smith-Jones)
  - Adding or changing last name
  - Changing first name
  - Changing entire name (e.g., first, middle, and last name changes)

“Compliance Coach’s team of legal and compliance experts monitor and analyze daily identity theft cases, schemes and trends to identify new red flags. CompliancePal is the only solution for millions of companies to easily stay on top of new red flags,” said Huda.

CompliancePal is a Web-based software that 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 is updated regularly for new identity theft schemes and red flags so a company can easily update its identity theft program and maintain compliance. To use the solution, companies simply sign-up online and access the software via the Internet. A demo can be viewed at <http://www.compliancepal.com>.

### **About Compliance Coach Inc.**

Compliance Coach is a leading provider of automated regulatory compliance solutions to the financial services industry. Five of the top 10 banks and hundreds of financial institutions 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 four of the top 10 banks: Wells Fargo, Bank of America, Citigroup and Washington Mutual are the company’s primary investors. 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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