

IDENTITY THEFT

Protect Yourself From Identity Theft

Identity theft is one of the fastest growing crimes in the country, affecting approximately 900,000 new victims each year. This is also a crime that particularly impacts elders, many of whom have attractive credit identities to steal. Compared to younger consumers, seniors, in general, have better credit ratings and less debt. Elder consumers in some cases are also less aware of the potential dangers of identity theft and may take fewer precautions to protect themselves. Identity thieves often target unsuspecting elders, luring them into giving out personal information. The scammers then use this information to steal the elder's identity and ruin a lifetime of positive credit. Reflecting this concern, the Senate Special Committee on Aging held a hearing, "Identity Theft: The Nation's Fastest Growing Crime Wave Hits Seniors" on July 18, 2002.

According to the FTC, some of the most common ways that identity thieves steal from consumers include:

- ◆ opening a new credit card account, using the consumer's name, date of birth, and Social Security number.
- ◆ calling the consumer's credit card issuer and pretending to be the consumer, changing the mailing address on the credit card account. The identity thief then runs up charges on the consumer's account.
- ◆ establishing cellular phone service in the consumer's name.
- ◆ opening a bank account in the consumer's name and writing bad checks on that account.

Of course, there are potentially as many ways to defraud a person as there are imaginative thieves to do so.

Preventing the Crime

The best way to avoid identity theft is to stop it before it happens. The tips for preventing identity theft listed below are from the Federal Trade Commission (FTC) and the three major credit bureaus.

Tips for avoiding identity theft:

- ◆ Sign your credit cards immediately. Do not carry your social security card with you. Keep it in a safe place at home or in a safety deposit box.
- ◆ Do not attach a personal identification number (PIN) or social security number to any card you carry with you.
- ◆ Do not attach or write a PIN or social security number on anything you are going to throw away (such as an invoice or receipt).
- ◆ Shred any document that contains your credit card or social security number before throwing it away. (Buying a shredder may be the best investment you can make to avoid identity theft).
- ◆ Check receipts to make sure you received your own receipt and not someone else's.
- ◆ Alert your card issuer if you do not receive your statement. Someone may be stealing your mail.
- ◆ Do not give personal information or account numbers to anyone until you have confirmed the identity of the person requesting the information and verified that you need to provide this information.
- ◆ Frequently check your credit report to look for warning signs (See "Ordering Credit Reports" above).
- ◆ Put passwords on your credit card, bank and home accounts. Avoid using easily available information like your mother's maiden name or your birth date.
- ◆ Put your work phone number on your checks instead of your home phone. If you have a PO box, use that instead of your home address. If you do not have a PO box, use your work address.
- ◆ When you are writing checks to pay on your credit card accounts, DO NOT put the complete account number on the "For" line. Instead, just put the last four numbers. The credit card company knows the rest of the number and anyone who might be handling your check as it passes through all the check processing channels won't have access to it.

- ◆ The next time you order checks, have only your initials (instead of first name) and last name put on them. If someone takes your checkbook, they will not know if you sign your checks with just your initials or your first name but your bank will know how you sign your checks.
 - ◆ Never have your social security number printed on your checks. You can add it if it is necessary, but if you have it printed, anyone can get it.
 - ◆ Place the contents of your wallet on a photocopy machine, do both sides of each license, credit card, etc. You will know what you had in your wallet and all of the account numbers and phone numbers to call and cancel. Keep the photocopy in a safe place.
- I also carry a photocopy of my passport when I travel either here or abroad. It is also important to learn more about what happens to the personal information you provide to companies, marketers, and government agencies.
- These organizations may use your information simply to process your order; they may use it to tell you about products, services, promotions; or they may share your information with others.

Many companies and organizations now allow you to “opt out” of having your information shared with others or used for promotional purposes. This is one way to try to keep some of your information private and less vulnerable to identity thieves.

You can find out more about your “opt out” choices from the Federal Trade Commission (<http://www.ftc.gov/>) or call 1-877-FTC-HELP (1-877-382-4357).

Discovering the Crime

You may not even know you are a victim of identity theft until you try to get new credit or apply for a loan and are unexpectedly rejected. Identity theft is discovered an average of fourteen months after the crime has occurred.

It is dangerous to be in the dark when it comes to your credit report. The best way to avoid this problem is to order your report on a regular basis. There are three major national credit bureaus. If possible, you should order your report from all three.

Ordering Your Credit Report

Each of the three major credit bureaus requires certain information before they will send you a credit report. Each bureau also has sample reports available on their web sites. The current toll-free phone numbers and web addresses for ordering credit reports are listed below. You can also order by mail, but these addresses change frequently and it is best to call or check the web site to get the current mail address.

EXPERIAN: Toll-free phone number: 1-888-EXPERIAN (1-888-397-3742), TTY (1-800-972-0322)

Web site: <http://www.experian.com>

EQUIFAX: Toll-free phone number: 1-800-685-1111. Web site: <http://www.equifax.com>

Trans Union: Toll-free phone number: 1-800-888-4213. web site: <http://www.transunion.com>

You can get a free copy if you have been denied credit within the past sixty days. You can also get one free copy each year if:

- ◆ you are unemployed and will be applying for a job within the next sixty days;
- ◆ you are receiving public welfare assistance;
- ◆ you have reason to believe that your credit file contains inaccurate information due to fraud; or you live in a state that requires companies to provide free copies each year (currently these states are CO, GA, MD, MA, NJ, VT).

Even if you can't get a free copy, the price the credit bureaus can charge is limited by federal law. The current rate (as of 2002) is \$9. Some states require companies to charge less.

What to Do If You Are a Victim of Identity Theft

If you believe you are the victim of identity theft, the Federal Trade Commission advises you to take these three steps first:

1. Contact the fraud department of each of the three major credit bureaus and tell them you are an identity theft victim.

You should also request that a “fraud alert” be placed in your file as well as a victim’s statement asking that creditors call you before opening any new accounts or changing your existing accounts.

You should order copies of your credit reports from the three bureaus (see above on how to do this) and review them to make sure no additional fraudulent accounts have been opened in your name or unauthorized changes made to your existing accounts.

2. Contact your creditors to find out about any accounts that have been tampered with or opened fraudulently.

This includes credit card companies, phone companies, utilities, and others with whom you do business. Ask to speak with someone in the security or fraud department and follow up with a letter. You should immediately close any accounts that have been tampered with and open new ones with new PINs.

3. File a report with your local police or the police in the community where the identity theft took place.

There are other actions to consider as well. If it appears that someone is using your social security number, for example, call the Social Security office to see if your number was used fraudulently. If you believe your mail was stolen, you should also contact the post office. In addition, you should consider filing a complaint with the FTC. The FTC cannot bring criminal cases, but it can give you information about how to resolve problems. The FTC has a special Identity Theft Hotline 1-877-**IDTHEFT** (1-877-438-4338), or you can file a complaint on-line at www.consumer.gov/idtheft.

Here’s some critical information to limit the damage in case this happens to you or someone you know:

6. We have been told we should cancel our credit cards immediately. But the key is having the toll free numbers and your card numbers handy so you know whom to call. Keep those where you can find them easily.
7. File a police report immediately in the jurisdiction where it was stolen. This proves to credit you were diligent, and is the first step toward an investigation (if there ever is one).
8. But here’s what is perhaps most important: (I never even thought to do this.) – Call the three national credit reporting organizations immediately to place a fraud alert on your name and social security number. I had never head of doing that until advised by a bank that called me to tell me an application for credit was made over the Internet in my name. The alert means any company that checks your credit knows your information was stolen and they have to contact you by phone to authorize new credit. By the time I was advised to do this, almost two weeks after the theft, all of the damage had been done.