



Kiplinger Financial Services' COMMON CENTS MATTERS

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IDENTITY THEFT

Approximately 7 million people were victims of identify theft over a 12 month period according to 2 studies done in July 2003 (Gartner Research and Harris Interactive). This translates into 19,178 per day, 799 per hour or 13.3 per minute.

According to the Federal Bureau of Investigation, identify theft is the nation's fastest growing white-collar crime. Reformed thieves have come forward and stated they don't know of an easier crime to commit and get away with. Some studies have shown that the majority of identify theft criminals are repeat offenders and the average arrest rate is under 5% of all reported cases by victims (according to law enforcement).

It's important to understand how your privacy can be compromised and the consequences of such a violation. More importantly, though, you can take steps to reduce your odds of becoming a victim to identity theft.

HOW CAN IT HAPPEN TO YOU

According to the Federal Trade Commission, 80% of the victims have no idea how their information was stolen. Thieves can obtain information easily through a variety of avenues. These thieves may obtain your private information by:

- Going through your trash.
- Listening to conversations you have in public places.
- Deceitfully talking you into providing personal data over the telephone or by e-mail (perhaps pretending to be a mortgage broker, credit card representative, internet service provider, etc.)
- Stealing your mail
- Stealing personal information from various forms you complete at banks, hospitals, businesses and schools either by going through the trash or employment.
- Stealing your wallet.

- Buying personal information from someone else who may have stolen it.
- Breaking into the computer database of a company that possesses your personal information.
- Obtaining your credit card information through a "skimmer." A skimmer is about the size of a credit card. When you provide your credit card at a restaurant, for example, the waiter runs the information from the credit card through the skimmer, which collects your credit card information. The skimmer card is then sold to the criminal.

HOW CAN YOU PROTECT YOURSELF

Although there are no guaranteed ways to prevent the chance of your falling victim to identity left, there are steps you can take to reduce the risk.

- **Guard your Social Security number.** Avoid carrying your Social Security card with you. Do not have your SSN or drivers license number printed on your checks. Also, do not give your SSN to anyone unless there is a good reason for them to have it.
- **Use a locked mailbox to send and receive mail.** Avoid sending bills payments and checks from home. They can be stolen from your mailbox. It's safer to take them directly to the post office.
- **Monitor your credit report.** Obtain and review your credit reports once a year from all three of the credit reporting agencies. You can call, write or go online to the three major credit bureaus or credit reporting agencies listed below:

Experian
P.O. Box 2104
Allen, TX 75013-2104
800-682-7654
www.experian.com

Equifax
 P.O. Box 105873
 Atlanta, GA 30348-5873
 800-685-1111
www.equifax.com

Trans Union Corporation
 750 West Sproul Road
 P.O. Box 390
 Springfield, PA 19064-0390
 800-888-4213
www.transunion.com

If you are obtaining your report through the mail, be sure to include a copy of your driver's license, credit card bill or utility bill along with your full name address and Social Security number. According to the recent update of the Fair Credit Reporting Act, signed by President Bush December 4th, you will be able to order a free copy of your history from each of the three credit bureaus each year. The Federal Trade Commission has given the bureaus up to a year to comply with this part of the new Act.

- **Delete suspicious e-mail requests.** Do not respond to e-mails that request you to log in or update data.
- **Watch for eavesdroppers.** Be aware of who is around you when you are giving out personal information.
- **Be suspicious of telephone solicitors.** Never provide personal information unless you initiated the call.
- **Buy a shredder.** To avoid someone obtaining information from your trash, shred all old bank and credit statements as well as junk mail including credit card offers. Although more expensive, a crosscut shredder is recommended.
- **Monitor account activity.** Review financial accounts and credit card statements for accuracy.
- **Keep duplicate records of your wallet.** Copy both sides of your driver's license credit cards so you have all the account numbers, expiration dates and phone numbers if your wallet or purse is stolen.
- **Never leave ATM or gas station receipts behind.**
- **Use firewall protection programs, anti-virus software and secure browsers.** These devices will help minimize online access to your

personal information and help thwart uninvited guests to your computer.

WHAT ACTION TO TAKE IF YOU ARE AN IDENTITY THEFT VICTIM

Unfortunately, while victims are finding out about identity theft more quickly, it takes a long time to clear their records and fully recover from the situation. As a victim of identity theft, it is your responsibility to correct and resolve any problems caused by the crime.

If you find yourself victim of identity theft, it is important that you act quickly and assertively. If you do uncover some wrongdoing, here are some helpful action steps that can be taken.

- **File a report with your local police department.** You may need this report in disputing fraudulent charges to creditors.
- **File a complaint with the Federal Trade Commission (FTC).** You can call 877-382-4357 or go to www.consumer.gov/idtheft. Using the FTC's ID Theft Affidavit to notify creditors about fraudulent accounts in your name may spare you the need to complete separate affidavits for each creditor.
- **Notify the fraud departments of all three credit bureaus.** Request a "fraud alert" be placed in your file. Send victim's statement requesting that creditors call you before opening new accounts or changing your existing accounts. The fraud departments' phone numbers are: Experian 888-397-3742, Equifax 888-766-0008, and Trans Union Corporation 800-680-7289.
- **Keep good records.** Keep copies of any letters and documents. Send correspondence by certified mail, return receipt requested. Keep a record of conversations, including the name, dates, phone numbers, and content of information discussed. In addition, confirm conversations in writing. It may also be advantageous to keep track of the time spent and expenses incurred in case you are able to be reimbursed in a later judgment or a conviction against a thief.
- **Get additional help on how to clear your name.** More information on how to clear your name can be obtained from the Privacy Rights Clearinghouse www.privacyrights.org and the Identity Theft Resource Center [www.idtheftcenter.org](http://wwwidtheftcenter.org).

