

Identity Theft

“Take Measures to Protect Yourself from Being a Victim”

Identity theft

Identity theft is one of the worst types of thefts that can occur. When someone steals your identity, they take away your financial life and trust. People who steal your identity want to establish new credit using your name. The problem is the stolen credit turns to bad credit because of excessive purchases that are not paid when due. Your account information becomes tied to the mailing address of the thief; you may be unaware of the transactions taking place. Early detection is difficult because you don't receive account information immediately. This is one of the reasons why it is important to keep track of your monthly statements (banks/credit unions, credit cards, utilities, etc.) to ensure that you are receiving all of your bills in a timely manner. It's also recommended that you check your credit card statements regularly for any unfamiliar transactions. With today's technology, you should have access to all of your accounts electronically. You might consider setting alerts to notify you of transactions as they occur.

Becoming aware of identity theft and your credit score

As mentioned above, it is important to track your purchases throughout the month. Reviewing your **credit report** is also vital in detecting identity theft. Many people whose identity has been stolen will begin receiving calls from collection agencies. Worse, they will be denied credit when attempting to make purchases. If you conduct a transaction with a credit card that is denied, consider researching why your card was not valid.

If your identity is stolen, it could affect your credit score. Having a good **credit score** is crucial to your financial success. The better your score the more trust there is from financial institutions and the likelihood to lend you money. Employers might even consider your credit score in hiring you. They feel that if you have a good credit score, you do a good job of managing your finances, which translates into a productive employee. Your credit score ranges between 300 and 850, with 850 being the most creditworthy. The best way to maintain a high credit score is to manage your debt responsibly.

In addition, here are some other ways to develop a good credit score.

1. Pay your bills on time.
2. Pay more than the minimum balance to lower your debt.
3. Use debit cards rather than credit cards.
4. If you find yourself in debt, contact your lenders to negotiate a payment plan that you can afford.

Most lenders are willing to work with you because it might be cheaper for them to work with you than to hire a collection agency. They could also run the risk that your debts end up being declared in a bankruptcy proceeding, in which case they may never get their money.

Repairing your identity

What happens if you find out that your identity has been stolen? There are several steps required to repair your identity once this occurs. First, contact all of the credit providers on your credit report. Inform them you suspect your identity has been stolen and that you are working towards reversing any fraudulent transactions. Next, dispute fraudulent accounts and transactions that appear on your statements. Normally, there are contact numbers listed next to each transaction. File a report with the local police department, so there is record of your stolen identity. By doing so, the police may be able to find the thieves. In addition, you will be able to provide an official record to creditors that your identity was compromised.

Lastly, the **Fair and Accurate Credit Transaction Act (FACT Act)**, a federal law signed into law in 2003, allows you to request and obtain a free credit report once every twelve months from each of the three nationwide consumer credit reporting companies: Equifax, Experian, and TransUnion. These agencies can be contacted for free through the AnnualCreditReport.com website that was set up in cooperation with the Federal Trade Commission (FTC).

Answer the following questions by accessing the following website: www.annualcreditreport.com.

1. How long does an official fraud alert stay on your account?

Answer: Initial Alert stays on file for 90 days.

2. How long will an extended alert stay in your file?

Answer: 7 years

3. What kind of information does your credit report contain?

Answer: Credit Inquiries (every time you apply for credit) Credit Information (loans you have, credit card balances, if you make payments on time or pay late) Collections Information (old unpaid credit cards, unpaid medical bills, unpaid utility bills)

Minimizing your risk of identity theft

Hopefully, you will never have to repair your identity because someone has stolen it. It's better to err on the side of caution, however, than to risk someone taking your identity. For this reason, there are a few preventive measures you can take: **(1)** First, order copies of your credit report from each of the three national credit bureaus, mentioned above, every year; **(2)** Pay attention to your billing cycles, and review your monthly statements for inaccurate information; **(3)** Always destroy sensitive documents prior to throwing them away. Invest in a home shredder and shred them; **(4)** Never provide personal information on the phone, through the mail, or over the Internet. Be prepared to tell someone on the phone that you feel uncomfortable giving them that information. Also, never give your Social Security number to anyone over the phone; **(5)** Keep items with personal information in a secure place (e.g., a safe or filing cabinet that locks). **(6)** Guard your mail. This is difficult for most people because they work during the day when mail is delivered. Thus, it's wise to have statements and bills sent to you electronically.

Make sure the organizations you need to give personal information to are credible, and ask why and how your information will be used. Personal accounts that can be accessed electronically should be protected with passwords. **(These passwords should be changed regularly)**. Lastly, it's wise to limit the amount of personal information carried in your wallet, purse, and vehicle.

Important contact information

Equifax:

1-877-576-5734
www.alerts.equifax.com
 P.O. Box 740256
 Atlanta, Georgia 30374

Experian:

1-888-397-3742
www.experian.com/fraud
 P.O. Box 9554
 Allen, Texas 75013

TransUnion:

1-800-680-7289
www.transunion.com
 P.O. Box 6790
 Fullerton, CA 92834



Did you know?

Will Smith (actor) and Tiger Woods (pro golfer) were both victims of identity theft? Unlike them, you are still young and probably don't have nearly the assets and fortune that they have. However, what you do have in common is a Social Security number that identity thieves would like to get their hands on.