

Identity Fraud: How Well Do You Fare?

By Edward Johnson

Prevent, detect and resolve. These three measures are what is needed in today's world to protect yourself from the scourge of identity theft. What's that you say, it could never happen to you? Don't be so sure. Just ask the hundreds of thousands of consumers who have their identity hijacked each year and have to go through the nightmare of getting their good name back. Still confident you are safe? Then take the test at www.idsafety.net.

Identity theft takes place when someone steals personal information, such as your credit card account numbers, your driver's license, etc. Fraud is committed when that information is used to run up existing credit balances, open new accounts and in general, create undue liabilities in your name.

Here are some facts that will open your eyes: One in 23 adults will be victimized this year, with a total loss exceeding \$50 billion. A recent study that the Better Business Bureau (BBB) participated in shows some interesting findings. While most people have the perception that identity theft primarily takes place via internet activities, the survey indicates that a higher level of risk revolves around the traditional paper-based world. The most commonly reported source of information used to commit identity fraud by people who knew how their personal information had been obtained (nearly 29%) were due to a lost or stolen wallet, checkbook or credit card. Another 11% indicated that their personal information was obtained by someone they knew and 8% blamed corrupt employees of companies they had done business with. Computer crimes accounted for 11.6% of the perpetrator sources known by victims.

The BBB advises consumers who do not already have the issue of protecting personal information on their radar screen to zoom in. Preventing identity theft is the first key element. As such, consumers should take notice as to how they carry, store, send and destroy documents that contain personally identifiable information. This includes credit cards, ATM and debit cards, Social Security cards, statements from financial service companies, receipts from purchases, billing statements, incoming and outgoing mail and other documents.

The next step is to ensure that you are being proactive in detecting unauthorized activity. The survey shows that a majority of identity fraud crimes are self detected. Those that monitor their paper statements are at more risk than those who monitor account activity more frequently, i.e. through online or telephone account updates. Monitoring credit reports and using email "alerts" for account transfers, payments, withdrawals and charges is also a good detection tool.

Finally, if you do find that unauthorized activity has taken place and you have been victimized, it is important to take action immediately to resolve the matter. First, report the crime to the police. Next, contact the fraud unit of the three credit reporting agencies and request a "fraud alert" be placed on your file. Then contact your bank and credit card issuers, notify them and close any accounts that may be affected. Next, call the Federal Trade Commission's ID Theft Clearinghouse toll free at 1-877-438-4338 to report the matter. Also request an ID Theft Affidavit. This document will make it easier to dispute debts and navigate your way down the frustrating road to clearing your name.

Arm yourself now, take the test.

Edward Johnson is President & CEO of the Better Business Bureau serving the greater Washington DC region.