

Identity Theft - How to Protect Yourself

Article by: Scott Pearson

"Like the tan? I got tons of sun on that Caribbean cruise. First class tickets to Florida and back! Nope, not an airline upgrade. 5-star service all the way, baby! Hotels, restaurants, theme parks...you name it! Look...I took pics with my new cell phone! Hey, let me know when you're free to take a spin in the car – it's a 2005 sports model, fully loaded! Yours truly, Chad E. Charlatan, is going to the top! Nope, no job. But I didn't pay for anything myself. I don't care who Ms. Donna Knowe-Bedter is, but it's not my fault if she doesn't keep tabs on her credit card statements. One day I'll thank her for being so rich!"

In a perfect world, everyone is honest, with good intentions.

We don't live in a perfect world.

ID thieves are supreme opportunists. Read the news? Hackers can break into corporate computer systems and steal information on clients and customers. "Skimmers" can be attached to credit card readers, and used to store credit- and bank-card numbers. Identity thieves may pose as employers, landlords or even utility company representatives to get at your personal and financial info. Other thieves may use their employers' authorized access to obtain credit reports or other information. Databases and other records can be stolen from employers; thieves may bribe fellow employees who may have access to important data. They may steal your mail and take credit card offers, tax information and other documents. "Dumpster diving" involves digging through garbage to find information such as bank statements, or credit card information. And there's always the age-old method of simply stealing your wallet or purse.

New ways of stealing your identity pop up frequently. "Phishing" became prominent in 2003 and 2004: well-designed emails and websites convince victims to provide information. Emails look legit, but release any information and the nightmare begins. The cost? Damages now top \$1 billion per year. How's that for a nightmare?

Thieves get new phone services, auto loans and credit cards using stolen information. Victims may find their mailing addresses changed, and their credit ruined. ID thieves can file for bankruptcy in the victims' name to escape debt, and drain accounts by counterfeiting checks and debit cards. They can also open bank and credit card accounts using their victims' names.

Your name may be given to the police during an arrest. If the real thief is released, and fails to arrive for a court date, you may be arrested. And out-of-pocket costs to clean up the mess can be staggering.

Be savvy, capiche? Thoughtful planning can prevent the pain of a stolen ID.

- * Buy a shredder. Shred documents with your name, personal information such as social security numbers, phone numbers, addresses, birthdates, credit applications, financial documents, and medical and insurance information. Whole documents can be used against you. Confetti can't.
- * Get your credit report. Verify it. Manage this tool carefully, and use it for protection. It's worth it.
- * Secure your computer against online theft. Your PC is a gateway to private information. NEVER leave an online connection open if you are away from your computer. Use a firewall.
- * Change passwords often. Use passwords with numbers and symbols that are easy for you to remember, but hard for someone to figure out.
- * Some programs allow the PC to fill out forms automatically. Convenient, but your PC may be hacked for info. Disable this feature.
- * Call your credit card companies and make sure there are no surprises on any of your credit cards, then request that restrictions be placed on each card. Example: you can request for no phone charges, or limits on single purchases. Violating these restrictions stops the transaction. Nightmare avoided.
- * Mailbox secure? Stealing mail is one of the easiest ways to steal your ID. Get a lockable USPS-approved mailbox.
- * Be extremely picky about giving out your Social Security Number. Resist giving out that very personal piece of information. Check the privacy act of 1974. Homework: go to <http://www.faqs.org/faqs/privacy/ssn-faq/> on the web for more information.
- * Other information, like your mother's maiden name, seems harmless; those items are often used as verification of ID. Don't give it out. Keep yourself to yourself, and stay educated.

Having your ID stolen is a terrible experience, and consumes much time, finance and energy. For your own sake, the sake of your sanity and your safety, set aside a few minutes to follow the advice above. Protect yourself the next time

someone says, "...and your name is....?"

To send comments or to learn more about Scott Pearson's Investment Management services, visit <http://www.valueview.net>

Scott Pearson is an investment advisor, writer, editor, instructor, and business leader. As President and Chief Investment Officer of Value View Financial Corp., he offers investment management services to a wide variety of clients. His own newsletter, Investor's Value View, is distributed worldwide and provides general money tips and investment advice to readers both internationally, and in the U.S.