

Identity Theft - Understanding and Preventing the Fastest Growing Crime

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Identity theft is a crime that directly affected over 9.9 million people last year. That's right, the US Postal Service reports that identity theft cost victims over \$5 billion just last year. We all hear about identity theft, but what is it really?

Simply put, identity theft is a crime that occurs when one person uses another person's identity without that person's knowledge or authority. Criminals can put a person's identity to many uses. Some of the most common uses for someone else's identity are:

Open new credit accounts or loans Use existing credit accounts Get a job Commit a crime

Since each of the activities listed above results in consequences it is vitally important that the right identity be associated with each action. Purchasing on credit requires someone to pay the bills. Receiving income from a job obligates the employee to pay taxes. Committing a crime has penalties for the guilty parties. All of these consequences depend on knowing the identity of the person who is responsible for the action. A criminal can attempt to avoid the consequences of actions by using someone else's identity.

For example, let's say that Carl Crook steals the identity of Fred Goodguy. All Carl really needs is some of Fred's personal information, such as his social security number and his birth date. Carl uses this information to open 2 new credit accounts and goes on a shopping spree. The next month Fred receives 2 very large credit card bills for items he has never seen. After calling the credit card company he realizes his identity has been stolen. Carl has the stuff and Fred is stuck with the bills.

If you find yourself in a similar situation to Fred, don't worry. With some work you can clear your good name and get your credit back to the way it should be. It's not painless, but it is possible and there is plenty of help out there. You are not alone. In fact, by quickly reporting problems to your credit card companies, you will not be required to pay for someone else's misuse of your credit.

Although you can recover from having your identity stolen, it is far better to prevent it from happening in the first place. Knowing what criminals can do with your identity is the first best step to protecting your identity. It doesn't do much good to try and protect your identity from some unknown threat. A criminal that can assume your identity can open and access credit accounts, bank and investment accounts, and generally pretend to be you in many ways. Most identity theft actions result in costing you money, but not all. Identity thieves can use your medical background as well to disclose personal information or just to get fraudulent medical services or drugs. The list of what crooks can do with your identity is nearly endless. That's why you need to do all you can to protect your identity.

So, how do you protect yourself from identity theft? There is much you can do. The overriding theme is to prevent any personal information from getting into the wrong hands. Then, check up on the health of your identity periodically to make sure no one else is using it. There are several simple steps to protect your personal information.

Buy a shredder and use it. Never throw away anything with personal information on it without shredding it first. Identity thieves can find a lot of useful information in most peoples' trash cans. Once you throw it away, it is fair game. All a thief has to find is one "pre-approved" credit card application or an investment statement to make sorting through your garbage worth the effort. Never carry your Social Security card with you! Your social security number (SSN) provides access to your most private financial information. Don't take the risk of letting it fall into the wrong hands. Also, make sure no other ID cards or accounts use your SSN as their ID number. Again, your SSN is too valuable to disclose. Do not leave your mail sitting in your mailbox for long periods of time. That "pre-approved" credit card offer just sits in your mailbox until you take it out. Do not give crooks extra time to sort through your mail. Likewise, do not send any sensitive mail, such as checks or applications with financial information, from your own mailbox. Raising the red flag on your mailbox alerts everybody that you have outgoing mail, even thieves. Use a secure drop box instead. Never divulge any personal information to anyone unless you initiated contact and know who you are talking to. Do not give out any information to anyone who calls you. Do NOT carry passwords or PINs in your wallet (or anywhere on your person). If a thief steals or finds your wallet with your ATM card and your PIN, nothing will stop him from draining your bank account. Destroy sensitive information when it is no longer needed. Shred all documents that contain personal information instead of storing them for long periods of time. Unless there is a real need for documents, such as tax supporting documents, get rid of old documents.

The preceding list is only a start. But following these simple guidelines will help you avoid becoming an identity theft statistic. In addition to preventative measures, you need to review your credit report at least annually. Each of the three major credit bureaus must provide you with a free credit report each year. They also provide services for additional fees that allow you to access your credit report more often, and even will alert you when others request copies of your credit report. You can contact each bureau for more information:

Experian, PO Box 2002, Allen TX 75013 www.experian.com 888-397-3742

Equifax, PO Box 740241, Atlanta, GA 30348 www.equifax.com 800-685-1111

Trans Union, PO Box 4000, Chester, PA 19016 www.transunion.com 866-887-2673

Want more tips and information on how to recognize, prevent, and repair the effects of identity theft? Go to <http://www.thesecurityguy.net> right now and you'll find eBooks and home study courses on identity theft and other security related topics.