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Senior Wellness Series

Identity Theft: Protect Yourself

FACT SHEET 10-02

University of Nevada
Cooperative Extension



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Identify Theft

The Federal Trade Commission estimates as many as 9 million Americans are victims of identity theft each year, the fastest growing crime in the United States. Identity theft occurs when a thief obtains personal and/or financial information about you and then uses it without your knowledge to commit fraud or other crimes. Thieves steal your identity and money, ruining your credit and reputation! Though less likely to report fraud, adults over the age of 60 account for 10 percent of identity theft complaints, mostly in the area of credit card fraud.

How thieves obtain your personal information:

- ▶ **Stealing:** Wallets or purses; mail, such as bank or credit card statements, and diverting your mail through a change of address; pre-approved credit offers, tax information or new checks; personnel records or misusing authorized access to obtain your credit report; or by home burglary.
- ▶ **Phishing:** Spam e-mails from financial institutions or pop up Internet messages from companies pretending to be legitimate in an effort to get you to reveal your personal information.
- ▶ **Skimming:** Credit or debit card numbers are captured by a data storage device during an actual purchase or at an ATM machine, then used later to commit fraud.
- ▶ **Dumpster Diving:** Rummaging through your trash, the trash of businesses, or public trash dumps searching for personal information.
- ▶ **Pretexting:** Involves getting your personal information using false pretenses, often done by phone.



How thieves commit identity theft:



- ▶ **Credit Card Fraud:** They may open new credit card accounts in your name or run up charges on a current account. Since they have changed the billing address it takes some time before you realize there is a problem and your account is delinquent.
- ▶ **Phone or Utilities Fraud:** They may establish new accounts in your name for wireless (cell phone) or cable TV service or add charges to an existing account.
- ▶ **Bank or Finance Fraud:** They may open a bank account, write bad checks or take out a loan under your name. Also, they may drain your current bank account, authorize electronic transfers, or use counterfeit checks and debit cards.
- ▶ **Government Document Fraud:** They may get a driver's license issued with their picture and your name, use your Social Security number to get government and medical benefits or file a fraudulent tax return with your information.

Protect Yourself



Unfortunately, **more than 50 percent of victims did not know their identity had been stolen** until the damage had already been done—unverified accounts on a credit report, unauthorized charges on a credit card, or even a telephone call from a debt collector. Identity theft victims then spend countless hours and money to rectify the damage done to their good name and credit. **An Federal Trade Commission report found that some victims were still dealing with the crime two years later!** Identity thieves also cost businesses and financial institutions, with fraudulent purchases of goods and services, more than \$33 billion per year.

Prevention tips:

- ▶ Shred all discarded personal information; a cross-cut shredder is best.
- ▶ Monitor your financial information monthly; pay attention to billing cycles, keep receipts to compare to transactions and watch for any unauthorized charges.
- ▶ Safely store all personal information in your home.
- ▶ Never put your mail in the outgoing mailbox as it may be stolen.
- ▶ Protect your Social Security number by only giving out the number when it is absolutely necessary. Store the card in a secure place at home or in a safe deposit box.
- ▶ Never carry your Social Security card with you!
- ▶ Safeguard your purse and wallet.
- ▶ Review your credit reports at least once a year and with each credit reporting agency.
- ▶ Don't give out your personal information over the phone, through the mail or over the internet unless you know who you are dealing with and what the information will be used for.
- ▶ Use passwords for all financial accounts and store them in safe place. Avoid using more common passwords, like birthdays.
- ▶ One of the best forms of protection is to place a “security freeze” on your file with the three credit bureaus which restricts access to your credit report.



Resources:

- ▶ Credit reporting agencies: Equifax, (800) 525-6285 or www.equifax.com; Experian, (888) 397-3742 or www.experian.com; and TransUnion (800) 680-7289 or www.transunion.com.
- ▶ You are entitled under federal law to receive a *free credit report* from each of the three credit agencies. Contact: (877) 322-8228 or www.AnnualCreditReport.com.
- ▶ Federal Trade Commission, (877) 382-4357 or www.ftc.gov.
- ▶ *Nevada Identity Theft Passport Program*: (877) 213-5227 or *Nevada Attorney General*, (702) 486-3420; <http://FightFraud.nv.gov>.

Credit Security Freeze

Any consumer may place a “security freeze,” also known as a “file freeze,” on his or her credit report by making a request to each credit reporting agency. A security freeze helps provide you with protection from identity theft because your credit bureau file cannot be shared with potential new creditors. Most businesses check a consumer’s credit history before opening any new credit accounts. With your security freeze in place, even someone with your name and Social Security number should not be able to get credit in your name.



In Nevada, a security freeze is free to people who are 65 years of age and older. For all others placing a freeze, the cost averages \$10 per agency. The request must provide the credit reporting agency with sufficient identification information to establish the identity of the consumer. **According to the FTC, Nevada ranks third in the United States for identity theft complaints.**

For more information, or to place a credit security freeze, contact the three national credit reporting agencies by telephone, mail or online. Also, University of Nevada Cooperative Extension can mail the information packet, including sample letters, by contacting (702) 257-5588 or petermeierh@unce.unr.edu.

Credit Freeze versus Fraud Alert

A credit freeze and a fraud alert are quite different. A freeze generally prohibits all access to your credit report, while an alert allows creditors to gain access as long as they take the necessary steps to verify your identity. Also, a fraud alert is intended for those individuals who have been a victim of identity theft and expires without notice while a credit freeze is available to anyone per their state laws and can only be suspended or terminated by you.

If you think you have been a victim of identity theft:



- ▶ File a police report.
- ▶ File a complaint with the Federal Trade Commission.
- ▶ Report the incident to your financial institution and/or creditors.
- ▶ Keep track of all your correspondence.
- ▶ Notify the three credit reporting agencies and review your credit reports.
- ▶ Close the accounts that have been opened fraudulently or misused and dispute any unauthorized transactions

For more information, see the Senior Wellness Series, *Avoiding Consumer Fraud*.