

IDENTITY THEFT: What's in your Wallet?

By: Damon Carr

"A good name is more desirable than riches."—Proverbs 22:1

Apparently the "Forget the dog, beware of owner" sign, surveillance cameras and alarm systems we purchased for our most prized possessions have forced thieves in a new direction. The fastest growing crime in America is identity theft. Many criminals have discovered that it's less risky and, in many cases, more profitable to steal your personal information than it is to commit a strong-arm robbery, burglary or carjacking. Capital One is not the only character wondering, "What's in your wallet?"

As we continue to move closer to a cashless society, opting for credit cards and debit cards instead, protecting ourselves from becoming a victim of identity theft should be a top priority.

Identity theft is stealing the identity of another person and using the stolen identity for an illegal purpose. Victims report that identity thieves have used their personal information to steal money from their bank accounts, open new credit card accounts, open new cellular telephone accounts, obtain new car loans and make various other unauthorized purchases on existing credit cards. There have been reported cases of identity thieves filing for bankruptcy protection under the victim's name and falsely using the victim's name when arrested. For the record, parents who establish various accounts in their spouse's and children's name without their consent, particularly minor children, are guilty of identity theft.

A thief needs only four pieces of information to steal an identity: Full name, social security number, date of birth and home address.

The good news is that, if you should become a victim of identity theft, you are not personally liable for any fraudulent activity. The federal law limits liability to \$50 for credit cards and \$500 for debit cards. Both Visa and MasterCard offer zero liability protection for credit and debit cards carrying their logos. It's important that you report the fraudulent activity as soon as you are aware of it.

That's not to say that your good name and reputation will be restored overnight. Recovering the lost money is the least of the victim's concerns. Federal law will get you off the hook for the fraudulent charges. Because of the damaged sustained to your credit as a result of identity theft, you could experience disappointment with increased insurance rates, interest rates and frequent harassing phone calls from collection agencies. Reestablishing your good name, reputation and credit often takes months of frustrating phone calls, letters and the help of an aggressive expensive attorney. The average ID theft victim spends 607 hours resolving their case with \$1,495 in out-of-pocket expenses.

How do thieves obtain your information?

- Stolen or lost wallet, checkbook or credit card.
- "Dumpster diving" or digging through your garbage to obtain personal information.
- Personal information stolen out of your mailbox before you get your mail. Thieves file change of address cards, so a victim's mail is sent elsewhere, and then utilizes the mail to obtain the documents needed to impersonate the victim.
- Unscrupulous employees who have access to personnel records or other identification information have been known to provide this information to thieves or utilize this information themselves to perpetrate this fraud.
- "Phishing" is a form of Internet fraud that aims to steal valuable information such as credit cards, social security numbers, user IDs and passwords.

How to protect yourself?

- Only give your personal information to people and companies that you initiated contact with.
 - Shred all documents containing personal information before discarding.
 - Carry your social security card, birth certificate, driver's license, debit cards and credit cards on an as-needed basis.
 - File all personal identifying information at home in a fire and water proof safe.
 - Ensure that you are dealing with a secure webpage before giving personal information over the Internet.
 - Review your credit report annually.
- What to do if you have become a victim?
- Immediately notify all creditors and financial institutions. They should inform you to close all accounts used fraudulently. Immediately

report the crime to the local police. If your loss is \$1,000 or greater, you may also contact your local FBI office.

- Report the crime to the Federal Trade Commission (1-877-IDTHEFT).
- Contact the fraud units of the three credit reporting agencies. Experian, Trans Union and Equifax. Ask them to place a fraud victim alert on your credit report. Request and carefully review a copy of your credit report for other false accounts or information.

There are some identity theft insurance and monitoring services you can purchase for about \$7 a month. Should you purchase this product, make sure it covers three core essentials: It helps protect you from identity theft, insures you up to \$20,000 or more for out-of-pocket expenses and, more importantly, a personal representative will do the legwork in restoring your good name and reputation.

Perpetrators who are found guilty of identity theft can get up to 15-years imprisonment plus fines.

(Damon Carr is the owner of ACE Financial. He may be reached by (412) 856-1183. Visit his website at www.allcreditexperts.com.)

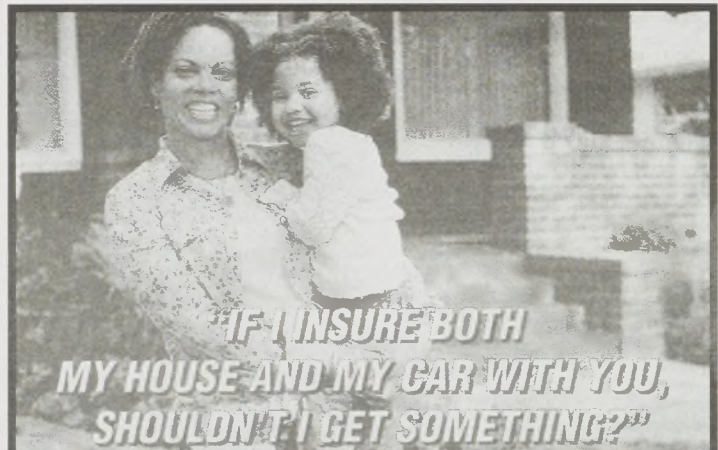


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