

Identity Theft

You probably have heard the term "identity theft" in the media. It's a persistent problem that costs victims over \$5 billion per year.

Identity theft occurs when someone uses your good credit to take out loans, buy items with a stolen credit card or forged checks, and even get medical care in your name. As the result of identity theft, millions of people per year have their credit reports damaged.

Repairing the damage of identity thieves can take months or even years, during which time you could be denied credit, mortgages, or even jobs as the result of their actions. As a student or recent graduate, being a victim of identity theft can jeopardize your financial future just as you are beginning to establish your credit record.

Identity theft starts with the misuse of your personally identifying information such as your name and Social Security number, credit card numbers, or other financial account information. For identity thieves, this information is as good as gold, allowing them to either make charges using your accounts or to open bank and credit accounts in your name using your good credit.

Skilled identity thieves may use a variety of methods to get your information, including:

- Dumpster Diving - Rummaging through trash looking for bills or other paper with your personal information on it.
- Skimming - Stealing credit/debit card numbers by using a special storage device when processing your card.
- Phishing - Pretending to be financial institutions or companies and sending spam or pop-up messages to get you to reveal your personal information while using your computer.
- Changing Your Address - Diverting your billing statements to another location by completing a change of address form.



- Physically Stealing - Stealing wallets and purses; mail; pre-approved credit offers; and new checks or tax information.
- Pretexting - Obtaining your personal information from financial institutions, telephone companies, and other sources by pretending to be something they are not – including pretending to be you.

Unfortunately, many people only learn they have been victimized when it's too late – their bank account is drained, their credit card is maxed out, or they have been denied a new credit account because of missed payments on an account they didn't know existed.

Avoiding Identity Theft

The best way to avoid identity theft is to maintain control of personal information like account numbers, social security numbers, and other financial account documents. In addition, you should regularly check your bank and credit card account statements for unauthorized activity, which could include unrecognized charges on existing accounts and forged checks.

Finally, check your credit reports at least once per year to spot unauthorized credit card accounts or unauthorized loans. Free credit reports are available from the government mandated AnnualCreditReport.com web site.

Review our comprehensive identity theft risk assessment exercise for personalized recommendations for reducing your identity theft risk.