



WHAT IS IDENTITY THEFT AND CAN IT HAPPEN TO YOU?

The Federal Trade Commission estimates that as many as 9 million Americans have their identities stolen each year. In fact, you or someone you know may have experienced some form of identity theft.

The crime takes many forms. Identity thieves may rent an apartment, obtain a credit card, or establish a telephone account in your name. You may not find out about the theft until you review your credit report or a credit card statement and notice charges you didn't make—or until you're contacted by a debt collector.

Identity theft is serious. While some identity theft victims can resolve their problems quickly, others spend hundreds of dollars and many days repairing damage to their good name and credit record. Some consumers victimized by identity theft may lose out on job opportunities, or be denied loans for education, housing or cars because of negative information on their credit reports. In rare cases, they may even be arrested for crimes they did not commit.

How do thieves steal an identity?

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.

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

1. Dumpster Diving. They rummage through trash looking for bills or other paper with your personal information on it.
2. Skimming. They steal credit/debit card numbers by using a special storage device when processing your card.
3. Phishing. They pretend to be financial institutions or companies and send spam or pop-up messages to get you to reveal your personal information.
4. Changing Your Address. They divert your billing statements to another location by completing a change of address form.
5. Old-Fashioned Stealing. They steal wallets and purses; mail, including bank and credit card statements; pre-approved credit offers; and new checks or tax information. They steal personnel records, or bribe employees who have access.
6. Pretexting. They use false pretenses to obtain your personal information from financial institutions, telephone companies, and other sources.

What do thieves do with a stolen identity?

Once they have your personal information, identity thieves use it in a variety of ways.

Credit card fraud:

- They may open new credit card accounts in your name. When they use the cards and don't pay the bills, the delinquent accounts appear on your credit report.
- They may change the billing address on your credit card so that you no longer receive bills, and then run up charges on your account. Because your bills are now sent to a different address, it may be some time before you realize there's a problem.

Phone or utilities fraud:

- They may open a new phone or wireless account in your name, or run up charges on your existing account.
- They may use your name to get utility services like electricity, heating, or cable TV.

Bank/finance fraud:

- They may create counterfeit checks using your name or account number.
- They may open a bank account in your name and write bad checks.
- They may clone your ATM or debit card and make electronic withdrawals your name, draining your accounts.
- They may take out a loan in your name.

Government documents fraud:

- They may get a driver's license or official ID card issued in your name but with their picture.
- They may use your name and Social Security number to get government benefits.
- They may file a fraudulent tax return using your information.

Other fraud:

- They may get a job using your Social Security number.
- They may rent a house or get medical services using your name.
- They may give your personal information to police during an arrest. If they don't show up for their court date, a warrant for arrest is issued in your name.

How can you find out if your identity was stolen?

The best way to find out is to monitor your accounts and bank statements each month, and check your credit report on a regular basis. If you check your credit report regularly, you may be able to limit the damage caused by identity theft. For more information, visit the Detect Identity Theft section.

Unfortunately, many consumers learn that their identity has been stolen after some damage has been done.

- You may find out when bill collection agencies contact you for overdue debts you never incurred.
- You may find out when you apply for a mortgage or car loan and learn that problems with your credit history are holding up the loan.
- You may find out when you get something in the mail about an apartment you never rented, a house you never bought, or a job you never held.