

Protecting Yourself from Identity Theft

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What Is Identity Theft?

Identity theft has become the fastest growing criminal activity in the 20th Century, replacing illegal drug sales. For the perpetrators, it offers the highest profit margin with the least risk. In fact, according to one expert, it is estimated that fewer than 1-in-700-identity crimes actually result in a conviction.

In the United States alone, Identity theft has reached \$53 billion dollars a year. Consumers are directly shouldering about \$5 billion of that, but the rest, which is paid by businesses and retailers, is passed on indirectly to consumers who are paying more for goods and services.

Identity theft has become a major problem in today's electronic cash and Internet shopping world. It seems that whenever banking and online security advances to keep out the baddies they go and improve the types and variety of their scams. Sometimes however it is not the breaching of electronic security but the complacency and misplaced trust of the individual that allows these criminals to get away with your money.

While the loss of the initial money taken from your bank accounts or credit cards is enough of a shock what is often even worse is the ongoing problems you may face long after the actual crime. Things such as your credit history will have a record of unpaid bills or bad credit associated with the theft that can be far harder to overcome and create ongoing problems and stress.

What Identity Thieves Are After

- Your Name
- Date of Birth
- Home Address
- Phone Numbers
- Social Security Number
- Driver's License Number
- Credit Card Numbers
- CW2 Security Code
(the number on the back of your credit card)
- Your Credit Report
- ATM Cards
- Telephone Calling Cards
- Mortgage Details

Why Should I be Concerned About Identity Theft?

Identity theft is a serious crime that is growing each year. If you're a victim of identity theft you may spend months, even years, trying to repair a ruined credit history.

A seriously damaged credit report can compromise your chances of getting a new job, a bank loan, insurance or even rental housing. It's even possible to be arrested for a crime you didn't commit if someone else has used your identity to break the law.

In recent months, there has been a rash of reports about big thefts, where criminals are stealing identities in mass quantities. Banks, credit card companies and businesses that house servers storing passwords or other sensitive, private information have all reported “break-ins” that happened through the use of Trojan viruses and other online hacking methods – resulting in the loss of millions of pieces of information being stolen.

There have also been instances of the information just getting “lost”, of employees selling it and other lax security measures resulting in the same thing – thieves having access to your identity.

Statistics show that identity theft occurs every 3 seconds. It could easily happen to you.

Where Are Identity Thieves Getting Their Information?

High-tech methods include online thefts from:

- Banks
- Credit-Reference Agencies
- Retailers
- Credit Card Networks
- Data-Brokerage Companies
- Payment Processing Companies
- Phone Companies
- Schools
- Your Employer
- Doctors, Clinics and Health Departments
- Government Agencies

But there are still low-tech methods that are effective as well:

- Dumpster Diving
- Mail Theft
- Retail Theft
- “Phishing”/pretexting/pretending
- Purse/Wallet Theft

What Are Identity Thieves Using Your Information For?

- Making charges to your existing credit cards
- Opening new credit cards in your name
- Having phone or utilities turned on
- Withdrawing money from your existing bank accounts
- Employment purposes
- Driver's Licenses
- Tax Fraud
- Social Service benefits
- Student loans
- Business or Personal loans
- Health care
- Mortgage loans/leases
- Auto loans
- Using your ID when caught committing a crime

Preventing Identity Theft

Apart from the steps to take if you are a victim of ID theft there are some simple measures to take to help prevent it in the first place. Simple things such as never carrying your PIN number in your wallet or purse with the card are too often forgotten giving criminals easy access to your cash should you lose your wallet.

Also, never ever respond to emails requesting you to log into your bank account from a link within the email that appear to be from your bank. This type of account password harvesting is known as Phishing and catches more people than it should by gaining their account details and then clearing the account of all funds before the owner realizes it.

Protect Your Credit Card Number When Making Purchases

After you make a purchase and your credit or debit card has been swiped through a credit card terminal, check to make sure that the printed receipt hides all but the last 4 digits of your credit card account number (usually there will be Xs in

place of the first 12 digits). Some terminals still print receipts that show all 16 digits of an account number, and may even include the expiration date as well. After your card is swiped, you're permitted by law to hide the first 12 digits of your account number on the copy of the receipt that the vendor keeps. Use any marking pen that will do the job.

When you go to a restaurant, it's especially important to make sure that the first 12 digits of your credit card number are hidden on your receipt. You might be in the habit of signing it and then leaving the restaurant's copy on the table after your meal. An identity thief can easily steal the signed receipt before the waitperson comes back around to pick it up from the table. Don't take any chances.

Do You Really Need To Give Your Social Security Number?

Another important way that you can guard against identity theft is to avoid giving out your social security number unless it's absolutely required. Although you need to share your social security number when you apply for credit or for a bank account, sometimes a store or an organization will

want to use it as an ID number, simply to identify you within their system. This is a common practice even though the law says that social security numbers aren't to be used as ID numbers. In these situations, use your judgment. There's usually an alternative if you ask.

Destroy Documents That Contain Sensitive Personal Information

Buy a paper shredder and use it to destroy documents you're throwing away which contain personal information such as credit card numbers, social security numbers, phone numbers and dates of birth. This is important to do both at home and at work. Identity thieves aren't above going through someone's trash to find valuable personal information that can help them obtain credit in your name.

Some Additional Tips for Protecting Your Identity:

- Keep a photocopy of all your credit cards, bank account numbers and investment account numbers in a safe place

- Keep your credit card receipts – don't throw them away in a public place
- Put a "fraud alert" on all your credit reports
- If you apply for credit and the card doesn't arrive on time, call the card issuer
- Choose difficult to guess PIN numbers or passwords. (Don't use birth dates, your mother's maiden name, pet's name, etc.)
- Never give personal information to anyone who sends you an email, a letter or calls you asking for it
Shred any personal information – such as bills, credit card or bank statements, even pre-approved credit applications before throwing them away
- Don't use the ATM machine if someone is watching you
Pay attention to what's going on around you – cell phones often have cameras in them. If someone is standing close by you with a cell phone while you're

entering a PIN number at the ATM or in line at the grocery store, block their view

- Review your bills each month for unusual or suspicious charges. If there's something you don't remember or doesn't seem right, call the creditor right away

Check your credit report at least once a year

Store your cancelled checks safely, or better yet, have the bank do it. You can always get a copy if you need one.

- Don't leave your purse in plain sight when driving

Keep your valuable locked in the trunk or glove box when driving

- Make all personal information on your laptop or computer password protected

- Don't carry information about your PIN numbers, passwords and account numbers in your purse or wallet; or at least don't make them easily identifiable as to which account they belong to

Warning Signs That Your Identity Has Been Stolen

Identity theft is real, and it's a growing problem, and it could happen to you. Although there are no guarantees that you can keep your information safe, by paying attention to the risks and taking proactive steps to protect yourself, you can minimize your chances of someday having an "identity crisis".

Be on the lookout for the following warning signs that could indicate that someone has stolen your identity:

- Although you have good credit, a loan application is denied
- Although you have good credit, you're refused extended credit requests
- You are suddenly contacted by a debt-collection agency

- Your purse or wallet has been stolen, or your house broken into
- There is unfamiliar activity on your credit report

Taking Your Identity Back

Unfortunately, many of the methods that thieves use to steal identities are beyond your control to guard against. Although it's rare, even store clerks have been known to use their position to pass along information to identity thieves.

- If your purse or wallet is stolen, call the police immediately, and file a report. Make sure that you're given a report number
- Contact your bank, credit card and other credit extending companies and report the theft
- Close the accounts
- Contact the credit-reporting companies in your area, and report the theft
- Review your credit report every 90 days for the next year for suspicious activity

- If there is fraudulent activity, have it removed immediately and monitor your credit report every 90 days for the next year
- Put everything in writing, and follow up with your credit card companies, banks, and credit reporting agencies
- Keep copies of all supporting documents
- File a report with the Federal Trade Commission
- Change the passwords on your existing accounts and create new ones for new accounts
- Notify your bank or credit card company's fraud department immediately that there are suspicious transactions on your account. You may be liable for the cost of fraudulent transactions on your account until the time you notify your bank so vigilance is the key, however many credit cards have a \$50 maximum liability.
- If necessary, close your accounts and open new ones with completely new passwords etc. Request that the

accounts be closed via phone initially and then in person to ensure that your request has been acted upon

- Contact the main credit reference agencies (such as Equifax, Transunion and Experian) and place a fraud alert on your file. This will help to prevent further fraud by the criminals who have your information
- Report the fraud to the police who will issue you with a crime number. This number is required to make any claims against insurance etc.
- Contact the Federal Trade Commission (FTC) and report the details of the fraud. This helps the police to keep up with any new methods being used by criminals to commit ID theft and thus helps to stamp it out

An Ounce of Prevention is Worth a Pound of Cure

Identity theft and other types of fraud are all too common and will always be a danger to the electronic banking system we have today. Unfortunately that danger is the price we pay for convenience and ready access to our funds or credit.

Despite these risks however, if you remain vigilant and take some common sense measures to protect yourself from this type of fraud and also act quickly if you do become a victim then you can limit your losses and sometimes escape relatively unscathed. Prevention and vigilance are the keys to protect yourself from identity theft and fraud so follow these steps and you should be as safe as houses.

Obviously, the best way to combat identity theft or other such scams is prevention. By being vigilant regarding transactions made on your credit cards or bank accounts, and taking the necessary action quickly you can limit your losses if you notice any fraudulent transactions.

Using a service such as [ID Watchdog](#) can help you protect yourself from identity theft. ID Watchdog uses patent-

pending technology that scans thousands of credit, social security, driving and other public records and report fraudulent activity.

For an added layer of protection, they will place continuous fraud protection on all your credit records. All of this is backed up by their 100% resolution guarantee: if for any reason you ever become a victim while on their watch, their team of law enforcement pros will go to work on your behalf to clear all items of identity theft from your personal records. Guaranteed.

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