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## Mistaken Identity

### Preventing identity theft

From our own personal experience, we've done a fair amount of research on this topic over the past couple weeks that we wanted to share with you. For all the many benefits of computers, there are also vulnerabilities. We're not talking about a program locking up and data being lost, as annoying as that is. No, we're referring to a new vulnerability much more serious, that is, theft of data. In our current world of passwords and safeguards, data may be hijacked more simply than you would think by those intelligent and sinister enough. Today's deviants may be able to hack into your computer's financial information and pilfer your personal information. After all, who needs to don a mask and hold up a victim at gunpoint when you can rob someone from your own living room? In this edition of *Fiscal Fitness* we'll define identity theft, offer some helpful prevention tips and also provide helpful resources should you be victimized.

### What exactly is Identity theft?

Consider two types:

1. *Account takeover* occurs when a thief acquires your *existing* credit account information and purchases products and services using either the actual credit card or simply the account number and expiration date.
2. *Application fraud* is what some experts call "true name fraud." The thief uses your SSN and other identifying information to open *new* accounts in your name. Victims are not likely to learn of application fraud for some time, because the monthly account statements are mailed to an address used by the imposter. In contrast, victims learn of account takeover when they receive their monthly account statement.

### Prevention

- Limit the amount of personal information you physically carry with you – including credit cards - and avoid carrying your social security card. Consider closing all credit cards you use infrequently.
- Buy a quality safe or rent a lock box and keep a list or photocopy of all your credit cards, debit cards, bank accounts, and investments -- so you can contact these companies in case your credit cards have been stolen.
- Do bill paying online to avoid as much check writing as possible. Also have statements emailed instead of paper mailed.
- Destroy all credit card solicitations – invest in a shredder to discourage dumpster divers (yes they exist)
- If possible, review your credit card and banking activities online at least once a week (at least monthly) to immediately catch any discrepancies.
- Review your credit report annually. Call 877-322-8228 or visit [www.annualcreditreport.com](http://www.annualcreditreport.com) for a free copy. The report is free; the credit score will cost you a nominal fee if you want that.
- Do not have your social security number or driver's license number printed on your checks.
- Install a firewall on your home computer to prevent hackers from obtaining personal identifying and financial data from your hard drive. This is especially important if you connect to the Internet by DSL or cable modem.
- Be creative with your passwords. It's likely a cyber thief could discover your mother's maiden name

### If Identity theft has happened

- Place at least a 90 day fraud alert by calling any of the 3 credit bureaus i.e. Trans Union: 800-680-7289. Remember to renew or extend further upon initial expiration.
- Report the identity theft to the FTC's identity theft clearing house: 877-438-4338 or [www.consumer.gov/idtheft](http://www.consumer.gov/idtheft)
- Report the fraud to your bank, credit card company and any other financial institution.
- If your state allows it, consider putting a security freeze on your accounts – this is much stronger than a fraud alert – [www.consumerunion.org](http://www.consumerunion.org).
- Visit <http://www.privacyrights.org/identity.htm> - this is an excellent source of identity theft information.
- Consider the peace of mind that *Lifelock* <http://www.lifelock.com> and other surveillance software provides. For a relatively small fee, these sites maintain fraud alerts on your credit records and also insure against loss.

Identity theft is uncomfortable because it is a crime of the unknown. You don't know the perpetrator and most likely they don't know you. However, staying vigilant about all your financial affairs and maintaining continual forms of fraud alert should keep you a step ahead of the thieves. Unfortunately, identity theft is not likely to be a passing fad.

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