

Identity Theft: Avoid Becoming A Victim

Up to 500,000 individuals are victims each year of identity theft, a fast-growing form of fraud. Fortunately, a few simple steps can help ensure you stay out of these statistics.

"Identity theft" or "account takeover fraud" involves criminals stealing people's personal information. The crooks assume a person's identity, apply for credit in his or her name, run up huge bills, stiff creditors and generally wreck the victim's credit record.

According to the American Bankers Association (ABA), banks put a combination of safeguards in place to protect customers, including employee training, rigorous security standards, data encryption and fraud detection. Consumers also should take steps to avoid becoming victims.

- Don't give your Social Security or account numbers to anyone over the phone unless you initiate the call.
- Tear up your receipts, bank statements and unused credit card offers before throwing them away.
- Keep an eye out for missing mail. Don't mail your bills from your mailbox. Use a general U.S. postbox.
- Check your bank and credit card statements as soon as you receive them for unauthorized transactions.
- Protect your PINs (Personal Identification Numbers) and passwords. Use a combination of letters and numbers for your online password. Change them often. Never carry this information on you.
- Order copies of your credit report once a year to ensure accuracy. Call any of the three national credit reporting agencies. TransUnion (800-888-4213), Equifax (800-685-1111) and Experian (888-397-3742).
- Report suspected fraud to your bank and credit card issuers immediately. They will start work right away to close accounts and clear your name.

By law you are only liable for the first \$50 of unauthorized charges against an account—and many lenders will waive even that. Still, restoring your identity can be a tremendous inconvenience. It's worth your while to exercise a little preventive maintenance. Protect yourself against this terrible crime.

For more personal finance tips, visit <http://www.aba.com/> and click on "Consumer Connection."