

## CREDIT & BANKING

Don't Let ID Thieves Steal You Blind

by [Cameron Huddleston](#)

Someone stole Bob Schmermund's identity -- twice. The first time it happened, three months passed before he realized someone else was using his credit card account. The thief, who had gotten one of his credit card receipts, had changed the billing address and actually was paying the bills.

"Until (identity theft) happens to you, it's another article in the newspaper," says Schmermund, spokesman for America's Community Bankers. Today Schmermund helps the trade group educate its 1,200 member banks and consumers about identity theft.

Schmermund's introduction to identity theft and fraud is not unique. **According to a 2003 FTC survey, 89% of victims don't realize their personal or financial information has been compromised** until thieves ring up expensive credit card bills or cause other financial mayhem. Nearly 10 million Americans fell prey to identity thieves during the year, the Federal Trade Commission says, the majority through credit card fraud.

Fixing the problems, the FTC says, cost victims an estimated \$5 billion in out-of-pocket expenses. And, on average, calling customer service, filling out affidavits, closing and reopening new accounts and otherwise straightening out the mess took about 30 hours per victim.

Protect your identity

It's the high-tech methods of identity theft that garner the most attention. Recently, consumers have been hit by an increasingly common scam known as phishing. Thieves send e-mails with company logos, such as Citigroup. They tell customers that the company is updating its records, or needs to verify information for a special offer. Customers are then referred to a bogus Web site and asked to input their information. Another tactic is fake ATMs that steal information off debit cards, says Schmermund.

High-tech fraud may be notorious, but it accounts for a relatively small amount of ID thefts. The most common source of obtaining personal information illegally is low-tech stealing (of a wallet, purse, mail and even trash).

The box on the right outlines some common do's and don'ts that can help you protect your information and your credit record.

If you are a victim

Taking precautions will help prevent fraud, but as Schmermund can attest, even the savviest privacy protector can become a victim.

If you find out that someone has stolen your account, act fast, says Shirley Rooker, president of consumer counseling agency Call For Action. Speed is the key element in limiting the damage of ID theft, she says.

Cancel accounts. As soon as you discover your credit card or debit card has been stolen or misused, call the issuer to cancel the account. The same goes for stolen checks. Your liability for unauthorized credit card transactions is limited to \$50 under the Truth in Lending Act. But ATM or debit losses are limited to \$50 only if you report the loss or theft within two business days. Within 60 days, you can be liable for up to \$500. After 60 days, you could lose the money. However, MasterCard limits the liability for unauthorized use of debit cards to \$50. And Visa has zero liability for both credit card and debit card losses.

There is no federal law that limits liability for movie cards. So you could pay the full retail cost of videos or DVDs rented in your name and not returned.

Once you cancel your accounts and request an investigation into any fraudulent charges, you likely will be sent forms, including an affidavit that you must fill out and return within a limited number of days. If you don't return these documents on time, your case will be dropped and you'll be held responsible for the charges. So send forms by certified mail, return receipt requested. Keep copies of all correspondence and write down names of people you talk to.

If your lender participates in a pilot program called the Identity Theft Assistance Center (ITAC), you may be able to stop here. ([See a full list of participating companies.](#))

When you notify your primary financial institution that your identity has been stolen, it would ask for permission to send details of your case to ITAC, which in turn will contact all of your other financial institutions and arrange to get credit-bureau reports.

ITAC will also share data with law-enforcement officials and the Federal Trade Commission. The free service, launched in June, is a project of the Financial Services Roundtable and its business-and-technology group.

File a report with authorities. A police report can help you make your case. In fact, many creditors require one to resolve your dispute. If officials tell you that ID theft isn't crime under state law, ask to file a miscellaneous incident report. And file a complaint with the [FTC online](#) or by calling 877-438-4338. The FTC can't prosecute offenders but will assist in resolving problems.

Notify credit bureaus. Only 22% of victims notified the major credit bureaus, according to the FTC survey. However, you should call Experian (888-397-3742), Equifax (800-525-6285) or TransUnion (800-680-7289) if your credit card has been stolen to put a fraud alert on your account. You only have to call one of the three credit bureaus. It will contact the others for you. The fraud alert requests creditors to contact you before opening any new accounts or making any changes to your existing accounts. Plus, you'll get a free copy of your credit report when you place a fraud alert on your account. For more, see the [Resolving Credit Problems](#) chapter in the FTC's ID Theft: When Bad Things Happen to Your Good Name.

Get help. Visa has partnered with Call For Action to offer free counseling to victims of identity theft. Call For Action has offices across the nation with more than 1,200 volunteers who provide victims with a step-by-step process for dealing with the identity theft. It also will intervene if a victim is having a hard time resolving problems related to the theft, Rooker says. Victims can call 877-IDHOTLINE or visit the organization's [Web site](#).

You also can visit the FTC Web site for [helpful links](#).