

Protecting Your Identity

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Whenever there's a lot of fear, there also seems to be a lot of misinformation, and sometimes good information mixed in with bad. This is certainly the case with identity theft, which now, according to a 2007 survey of the Federal Trade Commission, counts some 8 million people a year as victims.

So what can you do? A recent viral e-mail, purportedly sent out by a corporate attorney who had been victimized, offered some advice. The web site "Scambusters" analyzed the advice and did a little research, and found that some of the points were good ones, and clarified others. By combining the attorney's advice with the web site's, we can offer some tips on how to protect yourself. And the good news is that most of it is common sense, and the rest is not that complicated.

First, never have your Social Security number printed on your checks; this puts too much information about you into circulation. If you want to be extra cautious about your privacy, don't use your first name on the checks (use your first initial instead) and for the address, either use your work address or a P.O. Box rather than your home address.

Of course, you shouldn't give out your Social Security information just because a plausible-looking e-mail has asked for it; banks and credit card companies don't request confirmation of your account information by unsecure e-mail. Don't give this information out over the phone to strangers. Also: shred documents that contain personal information like your name, birth date, and/or social security number before you throw them away.

Make a copy of the contents of your wallet--both sides of each license and credit card, so if your wallet or purse is stolen, you'll have the account numbers and phone numbers to call and cancel. Keep the photocopy in a safe place. You should also carry a photocopy of your passport when traveling abroad.

If your wallet or purse IS stolen, report the credit cards as stolen immediately, and file a police report as soon as possible. It proves to credit providers that you were diligent about protecting them as well as you.

Finally, if your identity is stolen in any way, there's a way to find out if the thieves have tried (or succeeded) to open up a credit line using your name, or are using your credit cards to make unauthorized purchases. There are three credit reporting agencies--Experian, TransUnion and Equifax--and they are required to allow you to receive a copy of your current credit report for free once a year. So every four months or so, order a report. You can do this through www.annualcreditreport.com (telephone: 877-322-8228). If you do find something suspicious, place a free 90-day fraud alert with one of the credit reporting bureaus; by law, they are required to alert the others.

Should you buy identity theft protection? Unfortunately, the coverage won't reimburse you for money that is stolen from you, although some will pay for lost wages and legal fees--but the web site About.com says that even here, the lawyer is not required to resolve the case. The burden of dealing with creditors will still fall on you, because the creditors are reluctant to deal with anybody acting on your behalf. Your homeowners insurance policy may already provide identity theft protection, but this is not a standard part of the coverage.

If you want more information, the Scambusters analysis can be found here: <http://www.scambusters.org/creditcardfraudprevention.html>

And the Federal Trade Commission has set up its own web site to help you fight identity theft; you can find it here: <http://www.ftc.gov/bcp/edu/microsites/idtheft/>

Others sources:

About.com: <http://financialplan.about.com/od/insurance/a/IDTheftInsure.htm>