

# FINANCIAL *Fitness*

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## The Fastest Growing Crime in America - Identity Theft

The United States Department of Justice defines identity theft and identity fraud as "... all types of crime in which someone wrongfully obtains and uses another person's personal data in some way that involves fraud or deception, typically for economic gain". Today, identity theft is the fastest growing crime in America and according to the Federal Trade Commission affects almost ten million people a year.

### How to Prevent Identity Theft

- **Do not carry non-essential documents around with you** - This would include items such as your Social Security card, birth certificate, and passport.
- **Do not give out personal information over the phone** - The only time you should give out such information is when you initiated the call. If returning a message, use the phone number listed on the institution's website.
- **Destroy sensitive information before throwing it away** - Shred receipts, credit card offers, bank statements or any other sensitive information before throwing it away.
- **Keep a copy of all of your credit cards (both front and back)** - This will provide you with account numbers, expiration dates and telephone numbers in the event your card is stolen, allowing you to alert your creditors immediately.
- **Consider electronic delivery of all bills and statements** - Stealing your mail is the first step in identity theft. Electronic delivery reduces the chances that your identity will be stolen and is a safer method of sending sensitive information.
- **Create strong password combinations for online accounts** - This will reduce the chances of becoming a victim to an online attack. Never use your birthday or address as a password for any online account.
- **Review your credit report** - Review your credit report for accuracy annually. You are entitled to one free copy of your credit report every year from each of the three national credit reporting bureaus. Items to look for include:
  - o Is your personal information correct? If your credit report lists an incorrect name or address where you have never lived, you could be the victim of identity fraud.
  - o Are there unfamiliar credit accounts listed or is an account that you opened delinquent? If an identity thief gains access to one of your existing credit accounts, they will likely forward the bills to a different address, allowing the theft to go on longer.
  - o Are there inquiries listed on your account for which you did not apply? If possible, sign up for a credit monitoring service that will alert you when changes are made to your credit report. Be sure to use a service that has a theft recovery specialist that will work with law enforcement and creditors to assist with cleaning up the theft.



### Dealing with Identity Theft

If you have been the victim of identity theft it is important that you act quickly to limit the damage. Steps that should be taken immediately include:

- **Notification** - Contact the companies where you know fraud occurred.
- **Fraud alert** - Place a fraud alert on your credit file. A fraud alert is a cautionary flag that will notify lenders that they should take special precautions to ensure your identity before extending credit.
- **Report identity theft to the Federal Trade Commission** - Notify the FTC of the fraud by completing an online complaint form.
- **File a report with local law enforcement** - Provide your local law enforcement with a copy of the FTC Identity Theft Affidavit, along with any additional information they may require. And obtain a copy of the police report.

The reality is that our information is everywhere and we have little control over who gets access to it or how they use it. Your personal information (*which includes your full name, Social Security number, date of birth and address*) can be stolen to open up new accounts, access existing accounts, take out loans, steal tax refunds, or even seek medical services in your name. The smartest thing that you can do to protect yourself is to understand how identity theft occurs and how to deal with it immediately to limit the damage.

**Sandy Carlson has over eighteen years of wealth management experience including income taxation, retirement planning, executive compensation planning, insurance, banking, trust administration and estate planning. She is a Certified Divorce Financial Analyst™ (CDFA) and also holds the QKA designation by the American Society of Pension Professionals & Actuaries. She is President-Elect of the Financial Planning Association, a Tax Instructor in the CFP Program at Queens University, and is a member of the Charlotte Estate Planning Council. Sandy values getting to know her clients and providing creative, integrated solutions for accumulating, preserving and transferring wealth.**

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