

IDENTITY THEFT

What is Identity Theft?

Identity theft or identity fraud (true name fraud) is the taking of the victim's identity to obtain credit, credit cards from banks and retailers, steal money from the victim's existing accounts, apply for loans, establish accounts with utility companies, rent an apartment, file bankruptcy or obtain a job using the victim's name. The Impersonator steals thousands of dollars in the victim's name without the victim even knowing about it for months or even years. Recently criminals have been using the victim's identity to commit crimes ranging from traffic infractions to felonies.

How Does the Imposter Take Your Identity?

It is easy. All that is needed is your social security number, your birth date and other identifying information such as your address and phone number and whatever else they can find out about you. With this information, and a false driver's license with their own picture, they can begin the crime. They apply in person for instant credit, or through the mail by posing as you. They often provide

an address of their own, claiming to have moved. Negligent credit grantors in their rush to issue credit do not verify information or addresses. So once the imposter opens the first account, they use this new account along with the other identifiers to add to their credibility. This facilitates the proliferation of the fraud. Now the thief is well on his/her way to getting rich and ruining your credit and good name.

Where Does the Impersonator Get Information About You?

Lots of places—your doctor, accountant, lawyer, dentist, school, place of work, health insurance carrier, and many others have your identifying information. If some criminally minded person is working at the office (or just visiting), decides to use this information to assume your identity, you would not know it. Also if this information is not disposed of with a shredder, a "dumpster-diver" could pick up the information and begin the crime against you. You do not need to lose your wallet or have anything tangible stolen from you for someone to take your identity. If you do not shred your confidential information, utility bills, credit cards slips and other documents, it is easy to "dumpster dive" your garbage. Much of your information is readily available on the internet, at courts, and accessible from public documents. Additionally, if someone obtains your

credit report illegally, they have all the information necessary to become you. Identity theft is now the most common type of consumer fraud complaint in the United States. Last year, more than 750,000 Americans had their identities hijacked—including high-profile victims like Oprah Winfrey and Tiger Woods.

Hijacking of personal information or fraud or theft made up 42 percent of the 204,000 fraud complaints filed with the Federal Trade Commission (or FTC) last year. Identity theft complaints grew from 23 percent of the FTC's Consumer Sentinel database in 2000, when the problem also topped the list of consumer fraud headaches.

According to the director of the FTC's Bureau of Consumer Protection, the majority of identity theft occurred off-line with criminals intercepting mail or skimming data from carelessly discarded credit card receipts. Some scam artists bluff their way past bank tellers and credit bureaus. Armed with Social Security numbers, bank account numbers and other confidential personal information, crooks can then apply for credit cards or bank loans, set up cell

phone service or pass bad checks under someone else's name.

Identity theft is also connected to other crimes, such as bank fraud, credit card fraud or misuse of counterfeit financial instruments.

Results: It costs the average victim more than \$1,000 to clean up the mess left by identity thieves.

Since 1998—Identity Theft Is A Federal Crime

The U.S. Justice Department says it's important to know that identity theft is a federal crime. In one notorious case of identity theft, the criminal, a convicted felon, not only incurred more than \$100,000 of credit card debt, obtained a federal home loan and bought homes, motorcycles and handguns in the victim's name. But also called his victim to taunt him-saying that he could continue to pose as the victim for as long as he wanted because identity theft was not a federal crime at that time—before filing for bankruptcy, also in the victim's name.

While the victim and his wife spent more than four years and more than \$15,000 of their own money to restore their credit and reputation, the criminal served a brief sentence for making a false statement to procure a firearm, but made no restitution to his victim for any of the harm he had caused. This case, and others like it, prompted Congress in 1988 to make identity theft a new federal offense.