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What is Identity Theft, How to Prevent It, and What to Do if You're a Victim

KEUKA PARK, N.Y.—According to the Federal Trade Commission (FTC), some 10 million Americans were victims of identity theft in the past year.

But there are ways to avoid joining that not-so-exclusive club, said Joe Aymerich, director of protective services at Keuka College.

“For example, you should check your credit report on a regular basis and always before making a major purchase using credit,” said Aymerich, former senior investigator for the New York State Police.



He also recommends:

- Carrying as few credit cards as possible.
- Contacting your credit card company when you don't receive a bill.
- Contacting the company that issued the card if it was lost or stolen; the company can cancel your account number and assign you another if you wish.

Measures such as these are necessary because identity theft can take a number of forms, including misusing personal information to open new credit accounts, take out new loans, and make credit card, checking account, savings account, or telephone account transactions.

It can also involve other types of fraud, such as misuse of a victim's name and identifying information when someone is charged with a crime, according to Aymerich.

“A criminal may assume another person's identity when arrested and then jump bail,” he explained. “Meanwhile, an innocent person may be temporarily jailed or held until a fingerprint match is completed.”

Identity theft is not a new crime, although it has become more sophisticated in the Internet age.

“Check forging used to be the most common form of identity theft,” said Aymerich. “Then there were the ‘dumpster divers,’ people who used to scour trash in search of credit card receipts. That's one of the reasons why carbons aren't used anymore.”

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It's also one of the reasons mailbox flags should not be used.

“When people put up the flag on their mailboxes, they aren't just signaling the mailman that they have outgoing mail,” said Aymerich. “They could be signaling identity thefters that they're making credit card payments. That is why you should always use a secure U.S. Postal Service mailbox to send mail.”

Stealing regular mail isn't as sexy or as prevalent as using the Internet to steal credit card account numbers and other kinds of personal information.

“There are plenty of Internet scams going on,” said Aymerich. “One is called the Trojan Horse, where someone sends you an e-mail offering a free service. While you download the information, they check out the bill-paying program on your hard drive.”

Some thieves are less subtle.

“You receive an e-mail from someone claiming to be a representative from your credit card company,” explained Aymerich. “The e-mail informs you that your account will be shut down unless you provided updated credit card information.”

The “Nigerian Scam” is another for which to be on the lookout, said Aymerich.

“You receive an e-mail from someone claiming to have millions of dollars hidden in an account in a foreign country. He or she is trying to transfer a large amount of cash to you but needs your account number to complete the transaction.”

But identity thefters aren't confined to far-off lands or cyberspace. They could be lurking everywhere—around the world or around the corner.

“They could be a terrorist or your next-door neighbor,” said Aymerich, who was a liaison to the U.S. Treasury Department's financial crimes and enforcement network during his tenure with the New York State Police. “Some illegal drug-users have resorted to identity theft to support their habits.”

The cost of identity theft, in dollars and hours, is staggering. The FTC estimates the total annual cost to victims and businesses, including financial institutions, at \$50 billion. In addition, the FTC reported that Americans spend nearly 300 million hours resolving problems related to the crime.

If you are a victim of identity theft, Aymerich recommends taking the following measures:

- Report it to your local law enforcement agency or the state police.
- File a complaint with U.S. Department of the Treasury at 1-800-IDTHEFT.
- Notify the financial institutions and others with whom you do business.