

Identity and Theft Prevention

Identity Theft -What is it?

Identity theft is a type of consumer fraud that occurs when a person steals or assumes another person's identity for monetary or criminal purposes. Identity thieves will achieve this by obtaining and collecting vital personal information about their victims, usually social security numbers, birth dates, and credit card/bank account numbers. The thieves then use this information to obtain driver's licenses, state identification cards, credit cards, bank accounts and other legal documents under their victim's names but for their own benefit. In fact, identity thieves have been known to even fraudulently buy cars, houses, and get married under their false names.

Am I a Victim of Identity Theft?

Unfortunately, many consumers don't realize they are victims of identity theft until they are embarrassingly denied for credit, or are contacted by unfamiliar creditors looking for payment on debts that the thieves have run up.

Your Best Defense

To avoid becoming a victim, periodically check your credit with the three big credit bureaus: TransUnion, Equifax, and Experian (see below for contact information). If your credit report shows bogus or unfamiliar accounts, or even applications for credit that you don't remember making, there is a chance you are a victim of identity theft.

Am I Liable for Debts Identity Thieves Run Up in My Name?

Federal Credit Fraud Law protects consumers in these situations. It says that Creditors who wrongly extend credit to identity thieves are responsible for collecting these debts from the identity thief who duped them. Many times creditors will write-off the loss for lack of their ability to collect.

What do I do if I'm a Victim?

If you discover that you're a victim of identity theft, there are several mandatory steps that you need to take:

Report the Crime-File a Police Report

- File a Police Report with your local police and keep a copy for yourself. This will make your case easier to prove to creditors and to clear your name.
- File a Complaint The governmental agency that investigates identity theft is the Federal Trade Commission (FTC). Contact the FTC to report your crime at 877-ID-THEFT or www.consumer.gov/idtheft.
- Notify the Credit Bureaus Contact the three big credit agencies: TransUnion (800-680-7289), Equifax (800-525-6285), and Experian (888-EXPERIAN). Ask the agencies to have your account flagged with a fraud alert. This requires merchants to seek your explicit verbal or written approval before granting any new credit in your name.
- Close Accounts and Notify your Banks, Creditors and Utilities Close down all your accounts that have been used by thieves. Also, change all passwords and PINs for your accounts even if they were unaffected. Notify all your existing creditors and let them know of your situation.

Identity Theft and Bankruptcy

Seven million Americans were victims of identity theft in 2002, and it is the Nation's fastest-growing financial crime. Because of the volume at which the crime has occurred in the past and will continue to in the future, not all identity theft disputes will be adequately resolved for the consumer-victim. This will mean those fraudulent debts will go unpaid and the consumer will be subject to collection activity.

If you find yourself to be a victim, Bankruptcy may be your best course of action. Chapters 7 & 13 will eliminate the fraudulent debt without having to dispute whether or not you were the one who incurred the debt. At the same time, the bankruptcy will eliminate your own debt, and get you the fresh start you are looking for.