Wi$e Up Teleconference Call
November 30, 2006
Becoming Credit Smart, Part II
Speaker 1 - Joell Dickerson

Jane Wastedt: Now, I’d like to ask Dorothy Witherspoon, a program analyst in the Women’s Bureau Regional Office in Kansas City, to introduce our first speaker.

Dorothy--

Dorothy Witherspoon: Thank you, Jane.

It is my pleasure to introduce Joell Dickerson, who is a financial counselor with Mazuma Credit Union in Kansas City, Missouri. She has experience as both a financial coach and trainer.

Joell earned a Bachelor of Science degree in Organizational Communication at Rockhurst University, and she received training at the Institute of Personal Financial Planning at Kansas State University in Manhattan, Kansas.

She previously worked as a financial literacy specialist for the Kansas City Neighborhood Alliance, and she also worked in a national savings initiative known as America Saves, which is a social marketing campaign that promotes the importance of savings. [For more information on American Saves, visit www.americasaves.org.]

She will share her expertise with us today on identity theft.

Welcome, Joell.

Joell Dickerson: Thank you, Dorothy. And I’ll just go ahead and jump right in.
Identity theft is growing fast. It’s a crime in which individuals’ personal information is used for fraudulent purposes. That personal information can be your name, your Social Security number, your date of birth, your mother’s maiden name, or any other identifying information.

And there are several methods that thieves use to retrieve your personal information. There’s a method called dumpster diving -- when they go through your trash looking for bills and other papers.

There’s skimming. That’s when they steal your credit or your debit card numbers by using a special storage device when processing your card.

There’s phishing. We all know about that. They pretend to be a financial institution or some major company, and they send spam or pop-up messages to get you to reveal your own personal information.

And there’s also something that's called voice phishing or “vishing,” so to speak, using the telephone to capture your account numbers or your pin numbers. You are sent an e-mail, but instead of [asking you to] click on a link, the e-mail asks you to provide your telephone number [the e-mail asks you to call an 800 number and provide your account and pin numbers].

Changing your addresses--they do divert your billing statements to other locations by completing a change of address form [for you].

And then there is just the old-fashioned way—stealing. You know, they steal your wallet, your purse, [your] mail, including bank or credit card statements. And if you have pre-approved credit card offers, they take those and get… retrieve information. If there’s a check or tax information…. They [also] steal personal records from your employers or bribe employees who have access to your information.
You know, identity theft is an epidemic. It is a nation-wide problem and has continually picked up over a number of years because, for the criminals, identity theft is a relatively low-risk, high-reward endeavor. [Actually, according to the Javelin 2006 Identity Fraud Survey Consumer Report, for the second year in succession, the occurrences of identity fraud continued to decline—by 11.9% between 2003 and 2005; however, the average fraud amount per victim increased by 21.6% during the same time period to $6,383 in 2005. According to the Report, in the last twelve months, 8.9 million American adults or 4.0% of the U.S. adult population became victims of identity fraud.]

Credit card issuers often don’t prosecute the thieves who are apprehended because it’s not cost-efficient. They can afford to write off a certain amount of fraud as a cost of doing business, but unfortunately, eventually the cost is passed onto all of us—the consumers.

And—believe it or not—in some states identity theft is not even against the law. The victim has to prove his or her innocence. And usually, we do not detect it until we are actually the victim, when it’s too late.

The thieves could be difficult or impossible to recognize. They don’t carry weapons, use force or even have direct contact with the victims. Some thieves do not even know the individual whom they steal from. In many cases, though, the thief is really closely connected to the victim, such as a co-worker, a neighbor, a roommate or a household employee.

But if you do notice that you are a victim of identity theft, these are a couple of things that you can look for. If you are missing a credit card or loan statements, or unauthorized purchases appear on your credit card, or you receive bills or rejection letters for accounts you didn’t open, or calls from
calls or letters from collectors about bills you don’t recognize, [or you’re] being denied credit, a job, insurance or a home rental, you may be a victim.

Your best strategy for avoiding identity theft is to recognize that the crime exists and be alert for all of these signs that I just mentioned.

You can’t totally control the situation, but you can minimize the risk. If you detect suspicious activity -- you could do this by just continually monitoring your financial accounts and billing statements -- if something looks off-center, go ahead and start pursuing some type of action to get those issues resolved.

There are several other ways that you can safeguard your information, and I’m going to give you a list of things.

You could shred your information, you know. Buying a shredder could be a huge investment, [especially if] you want to get one of those shredders that actually cross-cut the information because that makes it more difficult for them [identity thieves] to try to paste or glue that information together. You want to shred the documents and paperwork with your personal information before you throw them in the trash.

Protect your Social Security number. Don’t carry your Social Security number card in your wallet. Don’t write your Social Security number on your check. If your Social Security number is on your driver’s license, go to your nearest DMV [Department of Motor Vehicles] and have that number changed. They will do that for you. Give it out only if it’s absolutely necessary, and ask if you can use some other type of identifier.

Don’t give out personal information on the phone, through the mail, or over the Internet unless you know who you are dealing with. Never click on links in unsolicited emails. Instead type a Web address that you know [such as
from your bank statement or credit card company]. Use your firewalls, anti-spyware, or anti-virus software to protect your home or your office computer. Keep those things updated.

Don’t use an obvious password like your birthdate or your mother’s maiden name. And I know this can all be very difficult for us because we have maybe 10 passwords that we have to use throughout the day.

But, in the end, if you don’t use this [an obvious password], it will make it just that much more difficult for the thieves to use this information [to steal your identity]. And don’t even use the last four digits of your Social Security number [as a password].

Keep your personal information in a secured place at home, especially if you have a roommate or you employ outside help or if you’re having work done on your house. Don’t make it easy for the thieves to steal from you. If they’re going to try to steal from you, make it hard for them.

By taking these precautions, you reduce your risk, but unfortunately, you can’t always stop the identity thieves. These are only preventive methods.

But what if you are a victim of identity theft? What measures should you take?

The first thing you need to do is look at your credit report. See if there is any adverse information that’s on there. A couple of years ago legislation was passed, and now, as consumers, we can receive a free credit report [from each of the three credit reporting agencies]. You can go to www.annualcreditreport.com [or call 1-877-322-8228 to request the reports.]
There is no charge. You can only get one free report [from each credit reporting agency] per year. And when you see that report, and if there’s something fraudulent on the report, the first thing you want to do is go ahead and put a fraud alert on your credit report. This alert will last up to 90 days. If you are a true victim of identity theft, you can extend that alert.

The next thing you want to do [if you’re a victim of identity theft], you want to close out all of your accounts. In your purse, anything that you carry in there, make photocopies of them because if your purse or wallet is stolen, you won’t have to go home and rummage through a whole bunch of papers trying to get account information and your creditors’ telephone numbers. You’ll already have a printed copy so it will go a lot smoother and a lot quicker for you.

You want to go ahead and close those accounts that may have been tampered with. You know, call the security or fraud department of each of the creditors, and let them know what actually happened so you can go ahead and attack that issue right away.

Also, you want to file a police report because sometimes in order for an adverse item on your [credit] report to be disputed, they are …they [your creditors] require that you file a complaint with the police.

Also, you want to report the theft to the Federal Trade Commission. You know, our actions will help enforce the laws across the country. And the Federal Trade Commission, their Web address is www.ftc.gov.

And the more complaints they receive, the more this is going to help us reinforce the laws on the conditions that we are experiencing. Because as we go through all of this, it’s kind of like, you know, it’s kind of like, we are learning as we go along.
You know now [that] identity theft is very prevalent. Okay. What steps… what are the next steps that we take so we can stop an individual from being the next victim? Like, you know, when you go to the cashier … people are supposed to ask you for your identification. Most of them don’t do that. They just take your credit card and swipe it.

Go ahead and say, “Do you need my identification?” In that way, we reinforce her, put that in her head. Then it starts becoming a habit for her, and this will start her asking the next person, “Can I see your ID?” to determine that that is the person that actually needs to be using that card.

Thank you.

[For more information on identity theft, see “Fighting Back Against Identity Theft, Deter, Detect, Defend” at www.ftc.gov/bcp/edu/microsites/idtheft/ on the Web site of the Federal Trade Commission.]

Jane Walstedt: That was very helpful information. The survey I mentioned earlier did say that when the source of information breach was known, 63% [of identity theft cases] were initiated by breaches of information that were within the consumer’s control [lost or stolen wallets, credit/debit cards and checkbooks, trusted associates, stolen mail or garbage, and home computers].

Joell Dickerson: Uh-huh.