

Identity Theft: Getting Back to Square One

How can you fight back if someone steals your name, Social Security number, and credit card number? The keys are to notice the theft quickly, reject the fraudulent charges, and protect against future fraud.

Know the signs.

The first sign of an ID theft may be statements for an unknown credit card account. Expected bills may not arrive. You may get phone calls about unknown purchases. You may get an unexpected credit denial.

Ask for a fraud alert.

If you suspect fraud, alert one of the credit reporting agencies (listed at bottom), and ask for a "90-day fraud alert" on your name, which will require financial firms to get extra identification from applicants. Eventually, you may need a seven-year version of the same fraud alert.

Close compromised credit accounts.

Confirm the action by mailing the Federal Trade Commission's ID theft affidavit for each account. Visit <http://www.ftc.gov/bcp/edu/resources/forms/affidavit.pdf> for more information.

Know your liability.

The Fair Credit Billing Act governs credit card disputes. Usually, liability is limited to \$50 for each credit card--if you contact the issuer within 60 days of the bill's normal arrival date.

For financial institution accounts, federal law governs electronic transfers, while state law governs "paper" withdrawals. Report lost or stolen ATM cards within two business days. The longer you wait, the larger your financial liability. After two business days, your liability jumps to \$500. And, if you don't notify the issuer within 60 days of receiving your statement, you could lose all the money in your account, plus your maximum overdraft limit, if any. Paperwork from the local police will help confirm the theft and avoid liability for fraudulent charges.

Take good notes.

At every step, pay attention to detail and remember that businesses and agencies may want to see paper or electronic files. For each contact, record the name of the person you spoke with, the date and time of the conversation, the address, phone number, and full name of the business, and what was discussed.

Follow up.

Send all important correspondence via registered mail, with return receipt requested, and send copies, not originals. Keep the paperwork on hand for several years. Once you and a creditor have settled a claim, ask the firm to mail a letter confirming that the matter is settled. This letter is your best protection if the same phony claim reappears.

Resources

- Federal Trade Commission Identity Theft Web site: ftc.gov/bcp/edu/microsites/idtheft/index.html
- Credit reporting agencies Equifax: equifax.com Experian: experian.com TransUnion: transunion.com
- Free annual credit report Annualcreditreport.com
Note: The Fair and Accurate Credit Transactions Act (FACT Act) of 2003 requires each major credit bureau to provide one free credit report annually to consumers who request a copy.