ARAG

Legal Insurance

An Overview of Identity Theft

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Identity theft is a serious crime. It occurs when personal information, such as your name, Social Security number or credit card, is used without your knowledge to commit fraud or other crimes. Identity theft can cost you time and money, destroy your credit and ruin your good name. Credit card fraud tops the list of identity theft types reported in 2022. The FTC received 441,882 reports from people who said the information was misused with an existing credit card or when applying for a new credit card.[1]

Identity thieves may rent an apartment, obtain a credit card or establish a telephone account in your name. You may not find out about the theft until you review your credit report or a credit card statement and notice charges you didn't make – or until you're contacted by a debt collector.

While some identity theft victims can resolve their problems quickly, others spend hundreds of dollars and many hours repairing damage to their good name and credit record. Some consumers victimized by identity theft may lose out on job opportunities or be denied loans for education, housing or cars because of negative information on their credit reports. In rare cases, they may even be arrested for crimes they did not commit.

New Partners in Crime: Identity Theft and Artificial Intelligence

A new era of identity theft is on the horizon, as cybercriminals have taken up newly forged artificial intelligence (AI) voice cloning tools to create a new breed of scam. With a small sample of audio, they can clone the voice of nearly anyone and send bogus messages by voicemail or voice messaging texts.

The aim, most often, is to trick people out of hundreds, if not thousands, of dollars.[2]

How Do I Prevent Identity Theft?

To minimize your risk of becoming a victim of identity theft, simply remember **SCAM**.

S

Be STINGY when it comes to giving out your personal information, unless you trust the person asking.

Adopt a "need to know" approach to your personal information. For example, limit the information you provide online or over the phone. Among the most important elements of your identity to protect? Your Social Security number, date of birth or cell phone number.

If someone calls to offer you a credit card, a prize or other valuable item but asks for personal data such as your Social Security number, credit card number or mother's maiden name, ask the person to send you a written application form. If they won't do that, say you're not interested and hang up. If you do receive an application, review it carefully to make sure it's going to a company or financial institution that's reputable. Check to see what businesses have received complaints with the Better Business Bureau.

C

CHECK your financial information regularly.

Monthly statements for bank and credit card accounts should list transactions for the most recent reporting period. Always check these statements carefully. This is the quickest way to find out if unauthorized debits or credits are being made to your accounts.

If you're not receiving monthly statements for accounts you use, contact your financial institution or credit card company. If the statements are being mailed to another address that you didn't provide, let them know right away that someone may be improperly using your accounts.

If someone is making withdrawals, charges or opening accounts in your name, contact your financial institution or credit card company immediately to report these transactions and to ask for the bank to take action.

A

ASK for a copy of your credit report routinely.

The Federal Trade Commission (FTC) encourages consumers to review their credit reports every year. Clear up misinformation as soon as possible to keep from jeopardizing your credit rating or stalling your application for any credit purchase.

You can get one free credit report a year from each of the three major credit bureaus by visiting AnnualCreditReport.com. This is a free site that will not ask for your credit card number or try to sell you additional services.

Your credit report should list all accounts under your name and will provide evidence if someone has opened or used any accounts wrongfully.

M

MAINTAIN careful records of your banking and financial accounts.

Retain monthly statements and checks for at least one year. This way, if you need to dispute any transaction, especially one that claims to bear your signature, your personal records will be more immediately accessible and useful to the institutions.

Tips to Keep Your Private Information Secure

Keep your Social Security card secure.

- Never carry your Social Security card in your wallet.
- Be cautious of anyone asking for your Social Security number. If they refuse to complete a transaction without it, consider taking your business elsewhere.

Keep your credit cards safe.

- Make sure new cards arrive in a timely manner and sign them as soon as you receive them.
- Keep a record of your account numbers, expiration dates and contact information of each company in a secure place.
- Carry only cards you think you'll need, and consider cancelling cards that you haven't used in the past six months.
- Never lend your card to anyone.
- Shred old cards when you dispose of them.

Review credit card statements, phone and utility bills monthly.

- Consider switching to online accounts to recieve statements, invoices, etc., to reduce paper, streamline your viewing process and limit the amount of physical statements, bills, etc. that are saved (and at risk of being stolen).
- Call the company if you don't recognize a charge or phone call.

Keep your mail safe.

- Install a locking mailbox or a mail slot that goes directly into your house.
- Send your mail, especially payments, directly from the post office (don't put it in the mailbox for the postal carrier to pick up).
- If your bank allows, pick up your new checks from the bank instead of having them sent to your home.

Shred or tear up personal information when you throw it away.

- Always take your credit card receipts and never throw them away in public.
- Tear up or shred any offers for pre-approved credit cards you don't intend to use and beware of offers from companies you don't recognize.

Don't give personal information over the phone unless necessary.

- Never give personal information unless you made the phone call.
- If someone calls and says they are calling from your bank or credit company, ask for a number to return the call. Make sure it's an official number before calling back.

Limit the information you put on checks.

- Don't preprint your Social Security number, phone number or your driver's license number on your checks.
- Don't pre-print your full name on checks. Use only your initials and last name. If someone takes your checks, they will not know if you sign your checks with just your initials or your full name, but your bank will know. If you have one, list a P.O. box on your checks instead of your home address.

Guard Your Online Information and Identity

Change up your passwords and PINs.

- Ensure that you avoid using the same password or PIN (Personal Identification Number) – or variations of it – which makes it that much easier for a thief to "crack the code" across multiple devices and accounts.
- Change your passwords and PINs regularly.
- Don't use common codes like birthdays or the name of your spouse, child or pet. Memorize passwords and your PIN and shred any piece of paper on which they are written.

Monitor the information you provide online.

- Don't put personal information on a computer home page or personal computer profile.
- Be careful about the type of information you put on social media. For example, be wary of online questionnaires or quizzes that ask for intriguing facts or personal information about you.
- If you find your personal information posted on the internet, demand that it be removed.
- Avoid using public Wi-Fi networks when possible, as it may expose your personal and financial information to hackers and scammers.
- Update your virus protection software routinely. Use a firewall program and a secure browser.
- Don't reply to pop-up or spam messages on your computer.
- Be cautious about opening attachments and downloads.
- Delete personal information when you dispose of a computer. Use a "wipe" utility program that overwrites the entire hard drive and makes the files unrecoverable.

Heads Up! Child, Senior Identity Theft On the Rise

Child identity theft usually involves thieves who are mainly interested in stealing a child's Social Security number, which can then be:

- Sold to the highest bidder.
- Used to apply for things like government benefits, open bank and credit card accounts, apply for a loan, recieve medical treatment or rent a place to live.
- Crafted to create a new identity.

A child is seen as a desirable target for identity thieves mainly because minors are not old enough to apply for a credit card, a loan, etc., so they have a "clean slate" of credit history thieves can take advantage of.

Conversely, criminals see the elderly as perfect targets for different reasons: in general they are trusting, not quite as technologically savvy, and often have large savings or retirement accounts. They can often fall prey to phone and online scams where urgent or fake requests for money or information are demanded. Or they can be victims of insurance fraud, (whether it be for medical, auto, home, etc.) when trying to manage bills, medical records, EOBs (Explanation of Benefits), submitting claims, etc.

Plus, as senior citizens grow older, many of them need help from caregivers (either at home or at assisted-living facilities/ nursing homes) who have access to financial and medical records that include sensitive personal information.

What Do I Do If My Identity Is Stolen?

Take the following steps as soon as you suspect you may be a victim of an identity theft issue.

1. **Place a fraud alert on and review your credit reports.** The alert tells creditors to follow certain procedures before they open new accounts in your name or make certain changes to your existing accounts. You can place an initial 90-day fraud alert by contacting one of the three nationwide credit reporting companies. (A call to one company is sufficient.)

- Equifax: 888-766-0008 (equifax.com/CreditReportAssistance/)
- Experian: 888-EXPERIAN (397-3742) (experian.com/fraudalert)
- TransUnion: 800-680-7289 (transunion.com/fraud-alerts)

Placing a fraud alert allows you to get free copies of your credit reports. Look for inquiries from companies you haven't contacted, accounts you didn't open and debts on your accounts you can't explain.

2. **Close any account you believe has been tampered with or opened fraudulently.** Call the security or fraud department of each company. It's important to follow up in writing, and include copies of supporting documents. Send your letters by certified mail, return receipt requested, so you can document what the company received and when. Other tips include:

- Use the Identity Theft Affidavit at identitytheft.gov to support your written statement.
- Ask the company holding your account to verify in writing that the disputed account has been closed and the fraudulent debts discharged.
- Keep copies of all documents and records of your conversations about the theft.
- When you open new accounts, use new PINs and passwords. Avoid using easily available information like your mother's maiden name, your birth date, the last four digits of your Social Security number or your phone number.

Review other accounts you have, such as credit card and bank accounts or insurance policies: they may include identity theft benefits or services.

3. **File a complaint with the Federal Trade Commission (FTC).**

- Use the online complaint form at https://reportfraud.ftc.gov/.
- Call the FTC's Identity Theft Hotline 1-877-ID-THEFT (438-4338); TT Y: 1-866-653-4261

4. **File a police report.** This will provide proof of the crime to creditors who may request it. You may want to provide a printed copy of your online FTC complaint form to the police to incorporate into their police report.

5. **Monitor your credit report quarterly, or even more frequently, if desired, until the problem is resolved.** Then return to monitoring it annually.

Tip!

Consider placing a credit freeze, which takes more stringent actions than a fraud alert, with the three major credit reporting bureaus – Equifax, Experian and TransUnion – until the problem is resolved.

What should I do if I've done everything advised and I'm still having problems?

There are cases where people do everything right and still spend years dealing with problems related to identity theft. The good news is that most people can get their cases resolved by being diligent, assertive and organized. Remember:

- Don't procrastinate on contacting companies to address the problems.
- Don't be afraid to go up the chain of command or make complaints, if necessary.
- Keep organized files.
- If you haven't filed a complaint with the FTC or updated it, you should do so and provide details of the problems that you are having.
- If your problems are the result from a failure of a party to perform its legal obligations, you may want to consult an attorney who specializes in such violations.

Other Resources

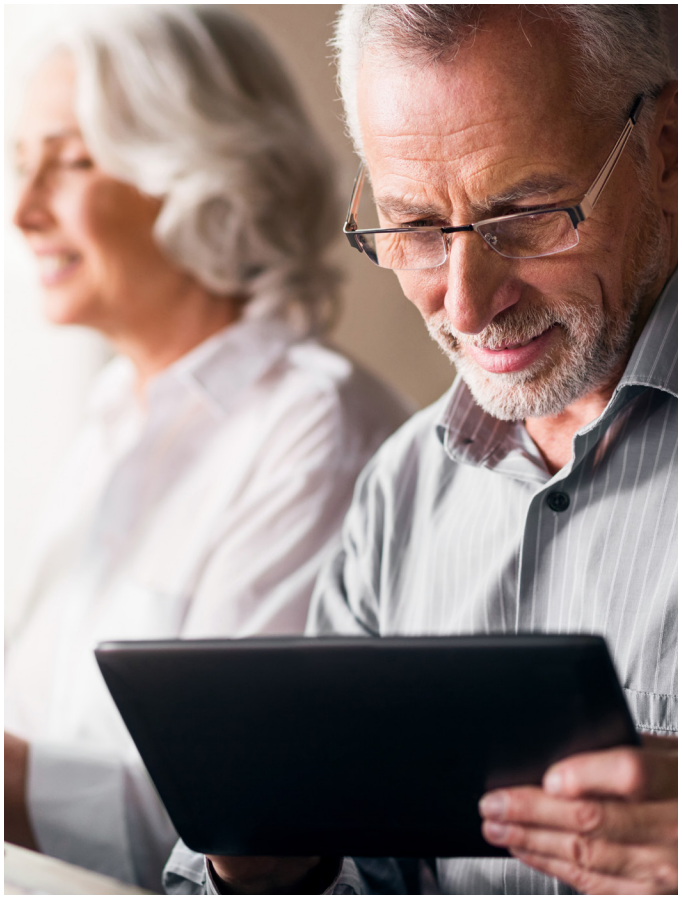
Department of Justice
justice.gov

Federal Trade Commission
identitytheft.gov

Equifax Credit Information Services Consumer Fraud Division
P.O. Box 740241
Atlanta, GA 30374-0241
888-766-0008
equifax.com/CreditReportAssistance/

Experian's National Consumer Assistance
P.O. Box 2002
Allen, TX 75013
888-397-3742
experian.com/fraud/center.html

TransUnion's Fraud Victim Assistance Department
P.O. Box 2000
Chester, PA 19022-2000 8
800-680-7289
fvad@transunion.com
transunion.com/fraud



Take Control with ARAG

If you are the victim of identity theft and need an attorney or have questions about what to do, ARAG can help. Visit ARAGlegal.com to learn more about how ARAG legal coverage gives you an affordable way to manage legal matters.

[1]Federal Trade Commission, Consumer Sentinel Network, Databook 2022, Released February 2023. https://www.ftc.gov/system/files/ftc_gov/pdf/CSN-Data-Book-2022.pdf
[2]https://www.mcafee.com/blogs/privacy-identity-protection/artificial-imposters-cybercriminals-turn-to-ai-voice-cloning-for-a-new-breed-of-scam/