

Identity Theft - Protect Yourself

Most people have heard of identity theft, but not everyone understands how it occurs. The act of committing this malicious and dangerous crime may be simple or complex, and can be fascinating to study.

Identity theft occurs when a thief assumes another person's identity uses confidential information intended only for the owner's exclusive use. Using the stolen name and important confidential data, the criminal commits fraud without the victim ever realizing the transactions have taken place. When the crime finally comes to light, the thief is long gone in excruciating anonymity, leaving behind a tainted reputation and a devastating paper trail of ruined credit and mounting debt.

In some cases, the implications of identity theft can result in the wrongful arrest of the victim. Without proof that identity theft has occurred, it can be assumed that the victim is guilty of the crimes committed under his or her name. Identity theft is a serious crime, and victims can suffer the implications and consequences of the crime for years to come.

The past several years have brought about an alarming wave of identity theft crimes in different areas dealing with personal information and economic transactions.

Banks continue to be frequent targets of identity thieves. Long before there were credit cards, job banks, airlines, medical communities, social security or the Internet, there was bank identity theft. Occurrences of bank identity theft can vary. Some cases involve a thief continuously withdrawing large sums of cash from another person's bank account, until the account is drained. Other cases may involve the thief assuming another person's name and using their personal information to obtain a bank loan.

Armed with the victim's personal data, an identity thief can obtain a driver's license, open new lines of credit and bank accounts, and even buy a car and get a mortgage. Bills and statements from these transactions are diverted to the thief's temporary address, so the victim never knows that a crime has been committed. Once the plan has been established, the thief bilks the victim's credit line for all it is worth in cash advances, loans and credit card debt without intent to pay. All of these crimes occur with the thief hidden in a shroud of anonymity, and when the debts come to light and the walls come crashing down, the victim is left holding the bag and the thief is long gone. It can take years to recover financially and emotionally from identity theft.

Bank and personal identity theft is a nightmare for the millions of people who have fallen victim to this devastating crime. Reported figures of those victimized have reached into millions. Sadly, despite stricter bank transaction processes and the imposition of state and federal laws, the number of identity theft victims continues to rise each year.

In the United States and Canada, many people have reported unauthorized persons withdrawing funds from their personal bank or financial accounts. More serious cases have seen victims reporting a thief who has totally taken over their identities. In these cases, thieves have run up huge debts and committed crimes, all under the name of the victim.

In one notorious case of identity theft the criminal, a convicted felon, incurred more than \$100,000 of credit card debt. In addition, the thief obtained a federal home loan and bought homes, motorcycles, and handguns using the victim's identity. With maniacal pride, the criminal called his victim to taunt him, declaring that he could continue posing as the victim for as long as he wanted. During that time, identity theft was not yet a federal crime. In the end, the thief filed for bankruptcy still using the victim's name.

Although the criminal was caught, he served only a brief sentence for his crime. The victim and his wife however, spent more than four years working to restore their reputation and credit. It cost the family more than \$15,000 of their own money to win back their credit. The criminal did not make restitution for all the damage he had caused.

On a positive note, due to this case and others like it, the United States Congress created a new federal offence against identity theft in 1998.

You can avoid being a victim of bank identity theft. Understand and be aware of the red flags that may indicate that you have fallen victim:

- * You are billed for a credit card that you did not open.
- * There are unauthorized notice charges on your credit card statement
- * Bills or credit statements fail to arrive when you expect them.
- * Unauthorized transfers or withdrawals show on your bank statements.

* Collection agencies call about accounts you never opened.

* You receive calls or notices about merchandise you did not buy.

* Debts appear on your credit reports that you did not file.

Prevention is your best protection. Know the red flags, understand the dangers, and you can protect yourself from becoming a victim of identity theft.