



Identity Theft Prevention Tips

By our Friends at BestShred

Information and identity theft costs individuals and businesses billions of dollars every year and is the fastest growing white-collar crime in the United States.

No one is fully protected from identity theft, but there are many things you can do to help protect yourself, your business, and your loved ones.

Identity Theft Risks

What Are the True Costs?

The incredible inconvenience and potential monetary costs resulting from a case of identity theft can be staggering.

- 38-48% of victims discover the identity theft within 3 months.
- 9-18% take 4 YEARS or longer to discover.
- Victims average 330 hours spent repairing damages. Some reporting up to 5,840 hours!
- 11-23% report dealing with their case longer than 7 months.

With the stolen identities, victims report the following abuses:

- More than 33% report check fraud.
- 66% report new credit accounts opened in their names.
- 28% have cell phones and cell phone services purchased in their names.
- 12% of victims end up having warrants for their arrest issued for financial crimes committed by the thief.

The monetary costs to business and individuals are daunting.

- The Aberdeen Group has estimated that \$221 Billion is lost by businesses worldwide to identity theft.
- Individuals lose between \$1,820 and \$14,340 in lost wages while dealing with their cases.
- Victims spend between \$851 and \$1,378 in expenses related to their cases.

The practical costs to individuals are also tremendous.

- 47% of victims have trouble getting credit or other type of loan as a result of the identity theft.
- 19% pay higher credit interest rates and 16% pay higher insurance rates.
- 11% say that the theft resulted in a negative impact on their ability to get a job.
- 70% have trouble getting rid of, or never get rid of, the negative information on their records.





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Simple Tips to Help Prevent Identity Theft

The methods the criminals use to steal identities are as varied as the criminals themselves. However, there are several methods that have proven to be very effective. If you can protect yourself from these, you have done a lot to reduce the possibility of your identity being compromised.

Internet 'Phishing' Schemes:

These are schemes that attempt to get you to reveal account numbers, passwords, PIN's, or other information that would allow a thief to directly compromise an account or otherwise impersonate you to commit some sort of fraud. They come as an e-mail telling you your account has been compromised and you need to reset your password, or telling you that you have won or inherited money from a wealthy businessman. The best method for combating this types of schemes is to know that no reputable organization will EVER e-mail you requesting that type of information. Never click on links in e-mail messages asking you to reset usernames or passwords. These links can be faked, taking you to the criminal's website where you unknowingly give them all the information they need. Always type in the web address of the site you wish to visit, and never believe that you have actually won \$1,000,000 from England, or Nigeria, or Canada!

Pretexting or Social Engineering:

This is a method where the criminal will place a call pretending to be a financial institution or some other organization using some pretext to get you to reveal your account number, username, and/or passwords. Be HIGHLY suspicious of such phone calls. Legitimate companies do not make such phone calls.

Dumpster Diving:

The paper stream is still the biggest source of all identity theft. Discarded bills, statements, letters, even catalogs can give a thief enough information to steal your identity. The easiest way to combat such theft is the proper shredding ALL documents with ANY personal information. Strip shredders and even many cross-cut shredders can produce shreds large enough for clever thieves to scan and use readily available software to re-create documents. Your best bet is to use a commercial, NAID AAA Certified shredding company to do your shredding. They follow very strict protocols when shredding your documents. You can also look for area "Shred Days" or "Shred Events" in your town.





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Business Owners Beware!

You Have Significant Responsibilities

Businesses are responsible for protecting the personal information of their clients, employees and vendors. Not only is this good business practice, many times it is federal law. Different legislation such as FACTA, HIPAA, FERPA, Check 21, Red Flags Rule and GLBA make protection of personal information the responsibility of the businesses. Fines for non-compliance can reach into the millions of dollars.

Unfortunately, some businesses either intentionally or not, dispose of protected information improperly. There is a good compilation of such violations that were brought to light by the media on [BestShred's Website](http://www.gobestshred.com/).

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Industrial espionage is very real. Unscrupulous businesses will stop at nothing to gain a competitive advantage in the marketplace. Dumpster diving doesn't just happen in the movies. Unassuming 'garbage' that is tossed out nightly can contain vendor lists and pricing, employee reviews and pay scales, bids, phone numbers and other information that can be used to lure away customers, key employees, and vendors. On bids, if your competitor has information regarding your bid, they are at a distinct advantage when submitting their own bids. From a business owner's perspective, properly disposing of all printed or hand-written information is nothing more than sound business practices. Having the 'low-person' in the organization poses its own set of challenges. You are entrusting your most valuable data with the person least inclined or vested in the company. Again, using a third party, NAID AAA Certified shredding service will not only free up your employees to do what you hired them to do, it will answer the 'Who? What? Why? and Where?' should you ever be audited for privacy compliance.

(Brett Bailey, 2011; <http://www.squidoo.com/easy-identity-theft-prevention>)

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