



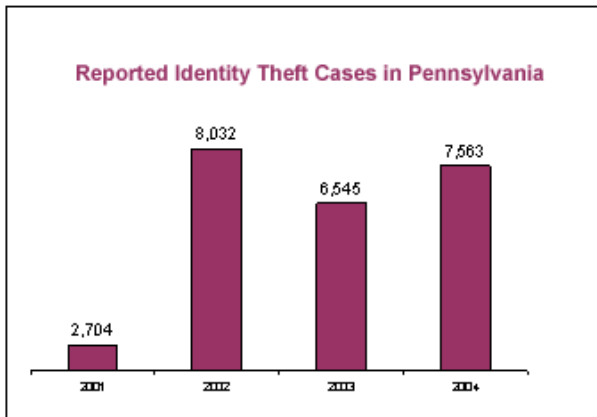
Consumer Issues

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Identity Theft in Pennsylvania

The risk of having your identity stolen is increasing in Pennsylvania; more than 7,500 people were victims of identity theft in 2004, an increase of 1,000 cases from 2003.



Identity theft is a serious crime. People whose identities have been stolen can spend months or years of their time and their hard-earned money cleaning up the mess thieves made of their good name and credit record. Some victims have lost job opportunities, been refused loans for education, housing or cars, or even been arrested for crimes they did not commit.

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Last year more than 246,500 people nationwide were victims of identity theft. Credit card fraud (28%) was the most common form of reported identity theft followed by phone or utilities fraud (19%), bank fraud (18%), and employment fraud (13%).

Compared to the national average, for 2004 Pennsylvania had a higher proportion of credit card fraud (32% vs. 28%) and “other” identity theft types of fraud such as internet, medical, rental property, investments (23% vs. 22%), loans, and attempted identity theft than the rest of the nation.. However, for the remaining categories, Pennsylvania’s statistics were the same as or lower than the national percentages. See the table below:

How Victims' Information is Used		
Identity Theft Fraud Type	Pennsylvania	Nationwide
Credit card fraud	32%	28%
Phone/Utilities	19%	19%
Bank	15%	18%
Government documents/benefits	8%	8%
Employment related	7%	13%
Loan	6%	5%
Other	23%	22%
Attempted identity theft	8%	6%

The cities with the highest populations also had the highest number of identity theft victims.

**Pennsylvania Cities with the Highest
Number of Identity Theft Victims
January 1 – December 31, 2004**

<u>City</u>	<u>Number</u>
Philadelphia	1,871
Pittsburg	453
Allentown	124
Reading	112
York	112

For more information, visit:

<http://www.consumer.gov/idtheft/CY2004/Pennsylvania%20CY2004.pdf> ❖

12 Tips to Reduce Identity Theft

Identity theft is the fastest growing white collar crime in the United States. Each year, 7 – 10 million Americans become victims of identity theft. You could be the next victim! To reduce the chance of becoming a victim, read the twelve tips below:

- Avoid carrying your Social Security number in your wallet.
- Do not respond to internet “phishing” scams where con artists send you e-mails posing as banks, credit card, or other companies. Legitimate companies do not ask you to provide personal data such as PINs, user names and passwords, or bank account information over the Internet.
- Shred paperwork that includes your personal information. A crosscut or “crosshatch” shredder is usually recommended as it cuts into smaller pieces.
- “Opt out” of mailing lists or personal data sharing from your banks, mortgage company, or related companies with whom you do business.
- Protect your computer by using complicated passwords, frequently updating antivirus software and Spyware.
- Surf the Web cautiously, and shop only at trustworthy Web sites.
- Review your bills and credit card statements immediately upon receipt. Look for unauthorized charges or withdrawals and report them immediately.
- Refuse preapproved credit card offers. Call 1-888-567-8688 to opt out of preapproved offers of credit or insurance.
- Ask questions whenever anyone asks you for personal data. How will the information be used? Why must I provide this data?
- Deposit outgoing mail containing personal data in U.S. Postal Service collection boxes.
- Do not leave mail in your mailbox overnight or on weekends.
- Check your credit reports annually. Beginning September 1st, you can request one free credit report each year from the three major credit bureaus, Equifax, Experian, and TransUnion. Call 877-322-8228 or visit www.annualcreditreport.com. ❖

Fraud Alerts and Identity Theft

Fraud alerts are tools to reduce the damage of an identity thief. If you are a victim of identity theft or have a good faith suspicion that you will be victimized, you can include a fraud alert in your credit report file. This means a statement will be added to your credit report which notifies potential lenders that you may be a victim of fraud, including identity theft. The alert requires potential creditors to contact you by telephone (if you provided a telephone number) before extending new credit in your name or making adjustments to existing accounts. Once an alert is placed with one of the three major credit reporting agencies (CRA), that CRA notifies the remaining two CRAs. There are several forms of fraud alerts.



Initial Fraud Alert. This alert is active for 90 days and may be extended to seven years.

Extended Fraud Alert. This alert remains active for seven years. During the first five years of the seven year period, the consumer’s name is omitted from preapproved offers of credit or offers of insurance unless the consumer indicates otherwise at the time the alert is placed or sometime during years one through five.

“Fraud alerts are tools to reduce the damage of an identity thief.”

Consumers may request a free copy of their credit report when placing an alert on their file.

Active Duty Alert. This alert is available to active duty military consumers who may be deployed to another country. This alert remains active for a minimum of one year and may be extended.

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Active duty alerts also signal the omission of military consumers' names from lists of credit and insurance offers for a minimum of two years unless rescinded by the consumer.

To place fraud alerts on your credit report, contact one of the CRAs below:

Equifax 1-800-524-6285, www.equifax.com.

Experian 1-888-397-3742, www.experian.com.

TransUnion 1-800-680-7289,

www.transunion.com.

For more information go to: www.ftc.gov/ or www.privacyrights.org/fs/fs6a-facta.htm. ❖

What is a DMP, and How They Work?

A DMP, or debt management plan, is an option some choose when they have difficulty paying bills and managing numerous creditors. With a DMP, you deposit money each month with a credit counseling agency. The agency pays your bills (credit cards, student loans, medical bills, or other unsecured debts). DMP agencies hire individuals who negotiate with creditors to decrease your interest rates, waive certain fees, and create a payment schedule.



Before signing on to work with a DMP organization, make sure you are selecting a reputable organization and be aware that services provided by DMP agencies vary. Things you should do while using a DMP agency include:

1. Make regular and timely payments.
2. Read monthly statements to make sure your creditors are getting paid according to your plan.
3. Contact the DMP agency immediately if you cannot make a scheduled payment, or if you discover that creditors are not being paid.

Finally, if you have the time and skills, consider working out a payment plan with creditors yourself before contacting a DMP agency.

For more information, go to:

www.ftc.gov/bcp/online/pubs/credit/debt.htm. ❖

How to Choose a Credit Counselor

Choosing a trustworthy, knowledgeable counselor is an important decision on the road out of debt. Do not make a quick decision about a credit counselor simply because he or she is employed by a "non-profit" agency. Reputable credit counseling agencies hire counselors who are certified and trained in consumer credit, budgeting, money, and debt management. Certifications equip counselors to help clients with other areas that might have contributed to their debt problems. Before selecting a credit counselor, if possible, interview at least three counselors from different agencies.

Ask the following questions before making a decision and signing an agreement:

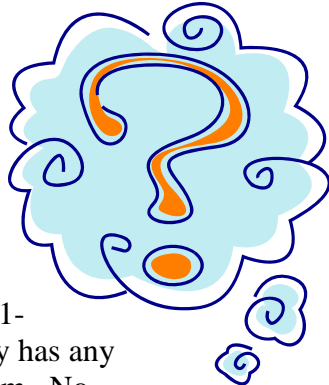
1. What services do you offer? Look for budget counseling, debt management classes, other financial education classes.
2. Are they registered to offer your services in Pennsylvania? To see if they have registered to do business in Pennsylvania, search the following PA Department of State Web site: <http://www.dos.state.pa.us/DOS/site/default.asp>. Click on: 1) Corporations and 2) Corporations Searchable Database (left sidebar).
3. What is the address of your physical location?
4. Do you have an office locally or nearby that offers face-to-face services if needed?
5. Do you offer free information about your services?
6. Will I have a formal written agreement or contract with you?
7. What are the qualifications of your counselors? Are they accredited or certified by an outside organization NOT affiliated with creditors. Get the contact information (name, address, and phone) of the accrediting agency and research their reputation, longevity, and connections to creditors.



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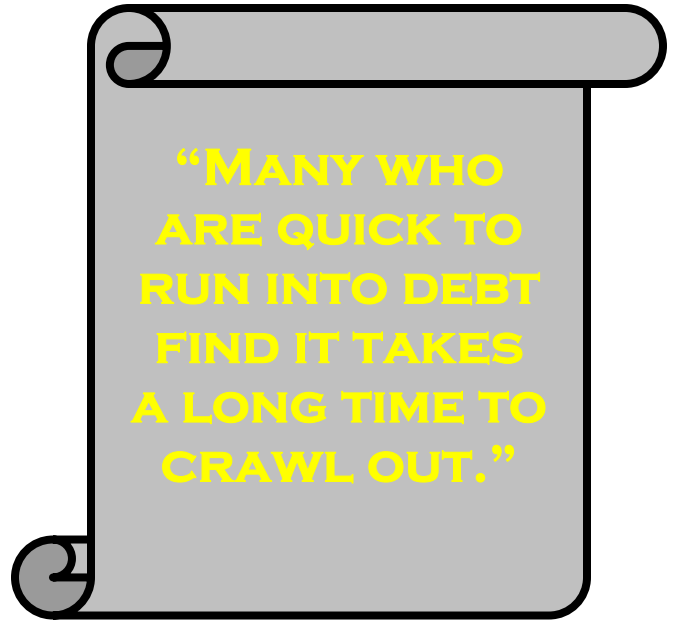
8. Have other consumers been satisfied with the service they received?
9. What are your fees—initial set up and monthly maintenance fees? Are there other fees?
10. How are your employees paid? Are the employees paid more if I buy more services, pay a fee, or make a contribution to your organization?
11. What steps are taken to keep clients' personal information confidential and secure?

Do not be afraid to ask these questions to increase the chance of selecting an agency that will help you through this situation.



Finally, as a last step, call the PA Attorney General's Office (1-800-441-2555) to see if this company has any complaints filed against them. No complaint on a company is no guarantee that the company is without problems. However, if a complaint file is opened on the company that is a sure sign that you probably do not want to give them your business.

Go to: www.ftc.gov/bcp/online/pubs/credit/debt.htm. ❖



"If you're not in style, chances are you're out of debt."

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This file may be accessed electronically at:
<http://consumerissues.cas.psu.edu/newsletter.html>

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