



Investment Insights

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Identity Theft

Many clients have expressed to me recently their growing concern about the mounting problem of identity theft. Thousands of people, some here in Alameda, have suffered the effects of having their identity stolen and used to establish lines of credit and run up huge debts. Here are a few tips you can implement to protect yourself from this devastating crime.

Check your credit report

The first step in determining where you might be vulnerable, and where you may already be a victim of identity theft, is to order a credit report. Credit reports are widely available: the easiest way to check your report is to go online or call either Equifax (www.equifax.com, 1-800-685-1111) or Experian (www.experian.com, 1-888-EXPERIAN) to obtain a copy of your report. The report will show all of your current open lines of credit, recent balances, and other loan information. Make sure you recognize all of the items listed, as any unfamiliar items may be a tip-off to identity theft. Also, make sure you know where all of your credit cards and checkbooks are stored for all of the accounts listed. You may find, as I did, that you have old accounts still open that you established on a whim or for a discount (Eddie Bauer, Macy's, Target, etc.) that you've lost track of or forgotten about. Either track down your cards for these accounts, and store them safely, or write a letter to the company and have them close that account. It is suggested that everyone go through the process of checking their credit report two or three times each year. Catching a problem early on, before a criminal has a chance to do damage to your credit, makes it a lot easier to tackle the problem.

Buy a shredder

Many cases of identity theft come about by "dumpster divers" rummaging through your garbage to get credit card applications, financial statements, and other important documents you've thrown away. To eliminate this possibility, head down to the local office supply store and buy a shredder. A simple, no-frills shredder will typically cost under \$25, and it could save you a lot of time and grief. Shred the (seemingly) daily credit card offers, your old statements, anything that contains any personal information or credit application information.

Don't give out your personal information

This seems like a simple rule, but an amazing percentage of identity theft comes about as a result of people giving out critical personal information over the phone or through the internet. If someone asks you for your social security number, date of birth, or any other personal information, make sure you know who he or she is and who they represent. If they call for this information, ask for their phone number, write it down, and call them back with the info. Also, don't e-mail this kind of information as unencrypted e-mail can easily be intercepted and read by a knowledgeable computer hacker. Information like social security numbers and dates of birth are increasingly used as the primary way to establish one's identity, and, in the hands of a malicious person, this data can give them free reign to assume your identity. Guard this data vigilantly.

Guard your checkbook

Many people carry their checkbook with them everywhere, often leaving it on their desk, in their car, or in a shopping cart. Be careful with your checkbook, and purse/wallet for that matter, as check fraud is all too common. Also, when ordering new checkbooks, don't have them mailed to your house. Most financial institutions will give you the option of picking up the checks in the local branch: choose this option. It's way too easy for a criminal to walk up to your porch and scoop up the boxes of checks left there for you while you're at work. While you patiently await receipt of your new checks, the criminal is out there buying all kinds of wonderful items on your money.

Secure your computer

Many of us store tax returns on our computer, or check and download account information from the internet, without protection. Computer hackers can easily gain access to your computer, or intercept important data, if you don't take steps to protect your machine. The three indispensable programs you need are firewall software, anti-virus software, and spyware software. Companies like Symantec (www.symantec.com), McAfee (www.mcafee.com), and Zone Alarm (www.zonealarm.com), all offer software to combat viruses and hackers, some of it free. I've also used AdAware software (www.adaware.com) to check for spyware, which can steal passwords and other information from your computer. Install these programs on your computer, and use them vigilantly.

If you're a victim

If you find yourself a victim of identity theft, immediately do the following two things. First, contact the institution where the fraud has taken place (the credit card company, bank, etc.) and inform them of the situation. Make sure they immediately close any affected account. Then, call the local police. The quicker you take these steps, the better you protect yourself from any further liability, and the better the chances the criminal gets caught. Make sure to get the name of the officer who takes your report, and the case number, as you will likely need this information as the investigation proceeds. Reversing the effects of identity theft is a long and difficult process, so be as proactive and involved as possible to expedite the progression of the case.

Like many crimes, identity theft is nearly impossible to completely prevent. By remaining conscious of the problem, and taking simple, thought-out steps to protect yourself, you can considerably lessen the risk that you will become a victim of this 21st century crime. For more information and tips, visit www.consumer.gov/idtheft/.

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