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## Scams

### Identity Theft

Bill's first hint that something was wrong was when he applied for a new car loan. Although his credit was always excellent, he was turned down for the loan. When he asked why, the auto dealer told him that he had too much debt to take on any more.

Shocked, Bill checked his credit report to find out what was going on. His credit report showed that in the past month he had charged \$29,000 to his credit cards for new appliances and furniture and \$4,000 for clothes. He also had applied for a line of credit on his house and charged an expensive trip to it. Stunned, Bill stammered that he had charged almost nothing the previous month.

Five years later Bill is still fighting the effects of identity theft. It's taken him more than 100 hours to clear his name and retrieve his excellent credit rating. "Although I didn't lose a penny," he said, "it cost me hours of frustration and anxiety and even today companies still turn me down when I apply for a new credit card. It's a nightmare."

Identity theft is big business. Losses to businesses total \$50 billion annually, the Federal Trade Commission reports. In the last five years, 27 million Americans have had their identities stolen. To those whose identity is stolen, the aftermath is aggravation, confusion and hours of wasted time.

You, too, could be a victim of id theft. It occurs when someone pretends to be you, using your Social Security number, your credit cards and your bank account numbers to borrow money, open new credit card accounts or charge thousands of dollars to buy cars, clothes or vacations.

#### **Stealing Your Good Name**

The identity thief gets your personal information in many inventive ways. Rings of identity thieves often go to city dumps or apartment dumpsters to comb through trash to get receipts with names and financial information.

Email fishing expeditions are another way. Pretending to be eBay users or businesses you have used, the crooks email you saying that a question about your account has come up and they just want to make sure your information is correct. Identity thieves are skilled liars.

Identity thieves also do the following:

- Steal your purse or wallet
- Pilfer information from your mail box such as bank statements and pre-approved credit card applications
- Act as your employer, loan officer or landlord to get your credit report
- Watch your transactions at automated teller machines and phone booths to capture your ATM card personal identification number (PIN)

## Guarding Yourself

In the face of the increasing epidemic of id theft, what can you do? The first thing is to get as much information about identity theft as you can. Read articles in the newspapers and magazines. Watch TV programs that discuss identity theft. Check your credit report at least once a year and correct any errors.

Next, don't give out your Social Security number unless it's absolutely required, for example by the federal or state governments. Don't have your number printed on your checks. Get a new driver's license that doesn't show your number. Some businesses routinely include Social Security numbers on their application forms, for example, a well-known video rental chain. Ask any business why it needs your number. When customers resist, managers usually waive it.

Other steps you can take include:

- Carefully get rid of papers with personal information. Tear up or shred charge receipts, bank statements, expired credit cards, credit offers.
- Cut back the number of cards you carry. Don't routinely take your Social Security number, birth certificate or passport with you.
- Be aware of others who are nearby when you're using your PIN. Don't throw your ATM receipt in the wastebasket.
- Don't give your credit card or bank account number over the phone, through the mail, or over the Internet unless you confirm you are dealing with an actual representative of a legitimate business.
- Secure personal information in your home, especially if you employ outside help or are having work done in your home.

## AARP Resources

### [Online Seminar on Identity Theft](#)

Learn how to protect yourself against identity theft in this free seminar.

### [An identity theft victim's "living hell."](#)

Read about one victim's firsthand experience.

### [Resources for recovering from identity theft.](#)

Visit these organizations' web sites for helpful information.

### [Check Your Credit Report](#)

How to contact each of the credit reporting companies and what to do to fix mistakes.

## Additional Resources

### [FTC: National Resources for Identity Theft](#)

Where and how to get help.

**[When Bad Things Happen to Your Good Name.](#)**

Tools for beating identity theft and how to order your credit reports.

## **Books**

Find these books online at [Barnes & Noble.com](#).

[The Guide to Identity Theft Prevention](#)

Johnny R. May, AuthorHouse, September 2001

[Preventing Identity Theft for Dummies](#)

Michael Arata, Wiley, John & Sons, Incorporated, June 2004

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