

# **ID theft a concern for new year**

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Forget about losing excess pounds -- what consumers really should resolve for the New Year is protecting their identity, security experts warn. The rise in identity theft has brought the issue to the forefront for both businesses and consumers alike and is driving the demand for stronger federal and state rules to protect personal information.

Identity theft has increased as a concern especially for consumers, as recognized by the Federal Trade Commission when the problem topped the agency's list of consumer complaints again last year. Nearly 10 million Americans become victims of identity theft each year, costing as much as \$5 billion, according to the Better Business Bureau in its 2005 January survey, an update to the Federal Trade Commission's 2003 Identity Theft Survey Report.

"Identity theft is one of those topics people say, 'I'll deal with it later,'" said Al Villamil, president of Bensalem, Pa.-based ShredStation, which provides business and consumer-level document disposal and recycling.

ShredStation produced a set of "New Year's resolutions" as a way for people to start thinking about measures to protect their identities early on in the year. These include taking extra precautions with credit and debit cards, shopping securely on the Internet, only using secure ATMs, awareness of shoulder surfers and shredding receipts.

According to Villamil, ID theft will continue to grow unless consumers become more vigilant, saying more extreme cases of identity theft have surfaced in recent years including thieves using other people's personal

information to take out second mortgages or even steal health insurance.

Of the resolutions suggested, Villamil says most consumers are unaware of the dangers that occur by thieves dumpster-diving for personal information.

"It's surprising how much information, once it's put outside on the curb, becomes public domain," he said. "Taking information out of the garbage isn't illegal, but using the information is."

He suggests that consumers should shred all documents that contain personal information; this includes bank statements, credit-card applications and documents containing barcodes.

"Individuals should be properly destroying all personal information before disposing of it," Villamil stressed.

He also recommended that consumers should never give out their personal information over their cell phones, for fear that thieves could steal information by picking up the conversation; rather he instructs them to wait until they reach home to make transactions on a secure land line.

In addition, he encouraged consumers to shop on secure Internet sites that encrypt information they send, despite only 11 percent of personal information being obtained online vs. 60 percent via paper.

According to the same 2005 Better Business Bureau survey, conventional methods such as "lost or stolen wallets, misappropriation by family and friends, and mail theft" were common ways thieves gained access to information, recommending that consumers check statements, monitor account balances and pay bills online, use e-mail-based alerts to notify such changes and review credit reports.

The survey found that the average losses of victims of identity theft who discovered the crime by monitoring online accounts was \$551 compared to \$4,543 in losses detected from paper statements.

However, as a result of more online transactions and record-keeping, consumers have stressed concern for their personal information over electronic channels.

In the December 2005 Online Safety Study conducted by America Online and the National Cyber Security Alliance of the security of 354 computer users, it found that while more consumers were using their computers for sensitive transactions and storing personal records, 81 percent of households lacked at least one of three critical protections -- updated anti-virus software, spyware protection and a secure firewall.

Seventy-four percent of respondents said they used their computers for sensitive transactions such as banking, stock trading or reviewing personal medical information, and 68 percent said they kept sensitive information on their computers such as health, financial and professional information.

Moreover, it found that phishing attacks aimed at identity theft affected roughly one in four Americans each month, and more than two-thirds of consumers who received such "scam e-mails" thought they were from legitimate companies asking for personal information such as credit-card numbers or passwords, putting them at high risk for identity theft, the study said.

It also reported that its results demonstrated a need for consumer education on such threats, finding that only 42 percent were familiar with the term "phishing" and 57 percent could accurately define it. And one in five respondents said that a friend or family member was a victim of online identity theft.

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