

## Five Types of Identity Theft

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By now, every adult should know that identity theft is the fastest growing crime in America. It has become an epidemic, leaving everyone at risk, including children, adults, the elderly, those with good credit, bad credit, or no credit. And, to make matters worse, most people do not know if their identity has been stolen.

The biggest misconception is that identity theft only affects or involves your credit. If you, too, believe that identity theft only affects or involves your credit, then you might want to keep reading.

In addition to credit related identity theft, there are at least four other categories of identity theft that will not necessarily affect your credit, but can ruin your life. The following are real life stories.

1. Character identity theft. Someone impersonates you and commits a crime in your name resulting in warrants issued in your name, arrests made, and time spent in jail.

Someone with a criminal record stole “Harry’s” wallet. Unbeknownst to “Harry,” the thief then committed several crimes in “Harry’s” name. Unfortunately, this criminal activity was entered into the database of a background check company that provides data to potential employers. “Harry” lost his job and has been unable to find work because of the false information.

“John,” a man from San Diego, traveled to Mexico to visit his relatives. On his way back home, he was stopped and told that there was an arrest warrant issued in his name. Apparently, someone had been committing crimes in his name and using his Social Security number. “John” was arrested and taken to San Francisco where he spent 10 days in jail. After finally convincing a police office that he was not the criminal, “John” was released and left stranded without any money.

2. Social Security Number (SSN) identity theft. Someone steals your SSN and obtains employment in your name. The thief’s employer reports wages earned to the IRS under your SSN leaving you to pay income taxes on these earnings. Further, an identity thief’s use of your SSN can cause you to lose life sustaining benefits.

“Paul” received a letter from the IRS stating that he had earned additional income in 2003. “Paul” never earned this additional income. An identity thief used “Paul’s” SSN and earned wages in “Paul’s” name. Now “Paul’s” credit is ruined, and the IRS wants to be paid.

Someone has been using “Mary’s” SSN to earn wages. “Mary,” who had been receiving AFDC (Aid to Families with Dependent Children) benefits, lost her benefits because income records show her as having a salary.

3. Medical identity theft. Someone steals your identity and either obtains medical insurance in your name or uses your current medical insurance policy to obtain treatment or prescriptions. You can be denied health coverage or lose your current health coverage because of false information placed in your medical record.

An identity thief received treatment for an injury to his hand using a stolen identity. Now, the identity theft victim has been receiving letters demanding payment for drugs and services rendered to the thief.

4. Driver’s license identity theft. Someone commits traffic related offenses in your name. When the identity thief fails to appear in court, warrants are issued in your name.

In 2003, “Alex’s” driver’s license was revoked because he had another driver’s license in another state revoked due to criminal charges. In addition, “Alex” had warrants out for his arrest in the other state. After about a year of working to clear his name, “Alex’s” driver’s license was reinstated.

5. Credit identity theft. Someone uses your information to obtain loans, goods, or services and does not pay the bills. The accumulating unpaid bills end up going to collection, which can affect your credit.

For over six years, “Kate” has been a victim of identity theft. Even a fraud alert placed on her credit report has not stopped the identity thief. As a result, “Kate” can not purchase a home because of bad credit.

An identity thief wrote bad checks and opened several credit card accounts in “Erica’s” name. Consequently, “Erica’s” application to open her own bank account was denied. “Erica” has had to hire an attorney to clear her name. This has cost her over \$4,500.

Your personal information is not safe. As long as others (employers, credit card companies, medical facilities, etc.) have your private information, you are always at risk for identity theft. All it takes is for an employer to lose your information or to give your information away or for someone to steal the information.

When it comes to protecting your identity, being proactive is the only practical way to go to avoid the frustration, time, and expense of restoring your identity and name. Some things you can do to prevent identity theft include not giving out your personal information, shredding financial documents and unwanted mail, not carrying your SSN card with you, using strong passwords, and using firewalls, spyware and anti-virus software on your computer. Don’t think you are immune. According to the FTC, over 27,000 people per day have their identities stolen in America.