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Commerce Bank Corporate Investigations

IDENTITY THEFT 2011

**Learn to protect your most valuable asset,
your identity.**

Nov. 2005



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What is Identity Theft?

- Identity theft occurs when someone uses your personal information such as your name, Social Security number, credit card number or other identifying information, without your permission to commit fraud or other crimes.

-Source FTC



How are you identified?

- (1) Social Security numbers;
- (2) Drivers license numbers;
- (3) Checking account numbers;
- (4) Savings account numbers;
- (5) Credit card numbers;
- (6) Debit card numbers;
- (7) Personal identification (PIN) code;
- (8) Electronic identification numbers;
- (9) Digital signatures;
- (10) Any other numbers or information that can be used to access a person's financial resources;
- (11) Biometric data;
- (12) Fingerprints;
- (13) Passwords;
- (14) Parent's legal surname prior to marriage;
- (15) Passports; or
- (16) Birth certificates.



How thieves get your information

- Computer transmissions
 - Encryption
- Mortgage applications
- SSN from Drivers License or checks
- Unsolicited mail
 - Pre-approved credit card applications
 - Scam letters



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How thieves get your information

- “Dumpster dive”
- Phishing
- Bank statements
- Pose as telemarketer
- Pretext calling
- Skimming
- Stolen purse, laptop, day planner , etc
- The Steal-Me-Flag



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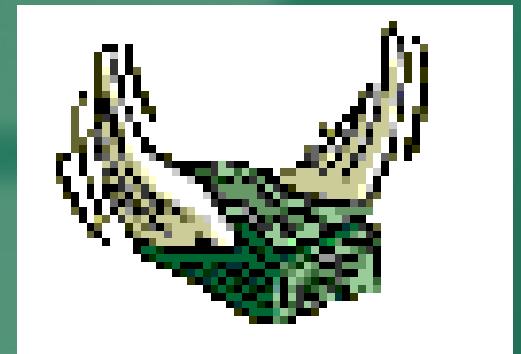
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What do they do with your information?

- Instant line-of-credit
- Open bank accounts
- Order Credit Cards
- Purchase vehicles
- Get a job / avoid paying taxes
- Give your information during an arrest
- Buy or sell real estate



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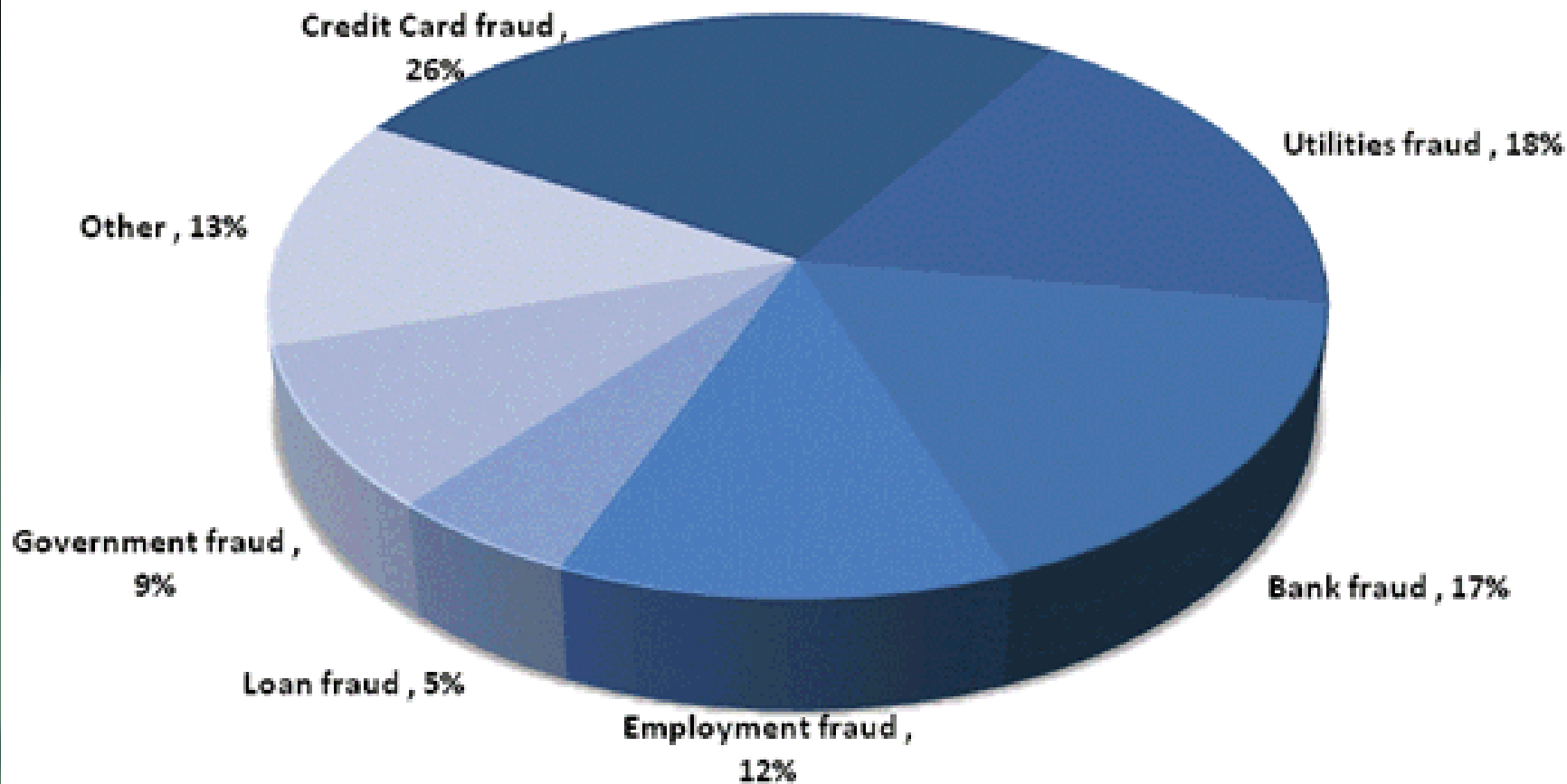
Can it really happen to me?

Nation Wide in 2010

- Nearly 11 **MILLION** victims annually
 - 1/20 Americans
 - Average loss to victim is now as low as \$500.00 due to zero-liability fraud protection programs offered by their financial institutions.
 - 11 M x \$500 = \$5,500,000,000.00
-



Types of Identity Theft



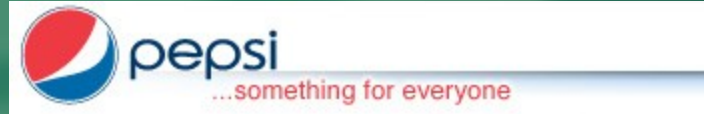
Types of Identity Theft

- **Credit Card fraud (26%)**: Credit card fraud can occur when someone acquires your credit card number and uses it to make a purchase.
- **Utilities fraud (18%)**: Utilities are opened using the name of a child or someone who does not live at the residence. Parents desperate for water, gas, and electricity will use their child's clean credit report to be approved for utilities.
- **Bank fraud (17%)**: There are many forms of bank fraud, including check theft, changing the amount on a check, and ATM pass code theft.
- **Employment fraud (12%)**: Employment fraud occurs when someone without a valid Social Security number borrows someone else's to obtain a job.
- **Loan fraud (5%)**: Loan fraud occurs when someone applies for a loan in your name. This can occur even if the Social Security number does not match the name exactly.
- **Government fraud (9%)**: This type of fraud includes tax, Social Security, and driver license fraud.
- **Other (13%)**



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What do these trusted companies have in common?



Prevention Tips

- Don't use your social security number on:
 - Drivers License
 - Checks
 - Other forms of ID such as Insurance cards
- Don't carry your social security card with you
- Shred all unwanted / unsolicited mail
- Protect your belongings
- Verify receipt of statements every month



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TIPS

- Make a copy of every credit card, front and back
- Know when your statements are due to arrive
- Request companies use a computer generated number instead of your SSN
- Do not preprint information on checks



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What do you do if this happens to you?

- Notify your bank or credit institutions
- File a report with the credit bureaus
- File a report with the FTC (www.ftc.gov) or call 1-877-IDTHEFT
- File a police report using the victim packet from the FTC website
- Contact the US Postal Inspection Service (if mail theft)



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Credit Bureaus

Get your free yearly credit report
www.annualcreditreport.com

- **Equifax:** 1-800-525-6285
www.equifax.com
- **Experian:** 1-888-397-3742
 - www.experian.com
- **TransUnion:** 1-800-680-7289
 - www.transunion.com



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Request a Fraud Alert

- **Internal (Initial) Alert**
 - Stays on your credit report for 3-6 months
 - Good if your wallet was stolen, you responded to a phishing scam, or suspect fraud may occur
- **Extended Alert**
 - Stays for up to 7 years
 - Good if you know you have already been a victim
 - Companies must remove you from their marketing list for pre-screened credit offers for 5 years



Check Your Reports For Accuracy

According to a survey by the National Assoc. of Public Interest Research Groups of 200 adults in 30 states who checked their report(s) annually for accuracy ...

- ❖ 79% of credit reports contained errors of some kind

- ❖ 25% of those were serious enough to result in the denial of credit.



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Other Key Numbers / Resources

- Social Security Administration
 - Fraud 800-269-0271
 - Earnings Statement 800-772-1213
- Check Rite 800-766-2748
- Chexsystems 800-428-9623
- Telecheck 800-710-9898



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Other Key Numbers / Resources

- **US Secret Service Field Offices**
www.ussc.treas.gov/field_offices.shtml
- **Electronic Crimes Task Force:** Locate a task force at
www.ectaskforce.org/regional_locations.htm
- **US Postal Inspection Service:**
www.usps.com/postalinspectors/
- **E-Information Network**
www.einformation.ussc.gov
- **IDSafety Resources**
<http://www.idsafety.org/enforcement/resources/>
- **The Identity Theft Assistance Center (ITAC)**
www.identitytheftassistance.org



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Federal Laws Related to Identity Theft

- Identity Theft/Assumption Deterrence Act
- Identity Theft Penalty Enhancement Act
- Fair Credit Reporting Act
- Fair Credit Billing Act
- Fair Debt Collection Practices
- Electronic Fund Transfer Act

State Laws:

Missouri Residents

Ref. MO Statute 570.223



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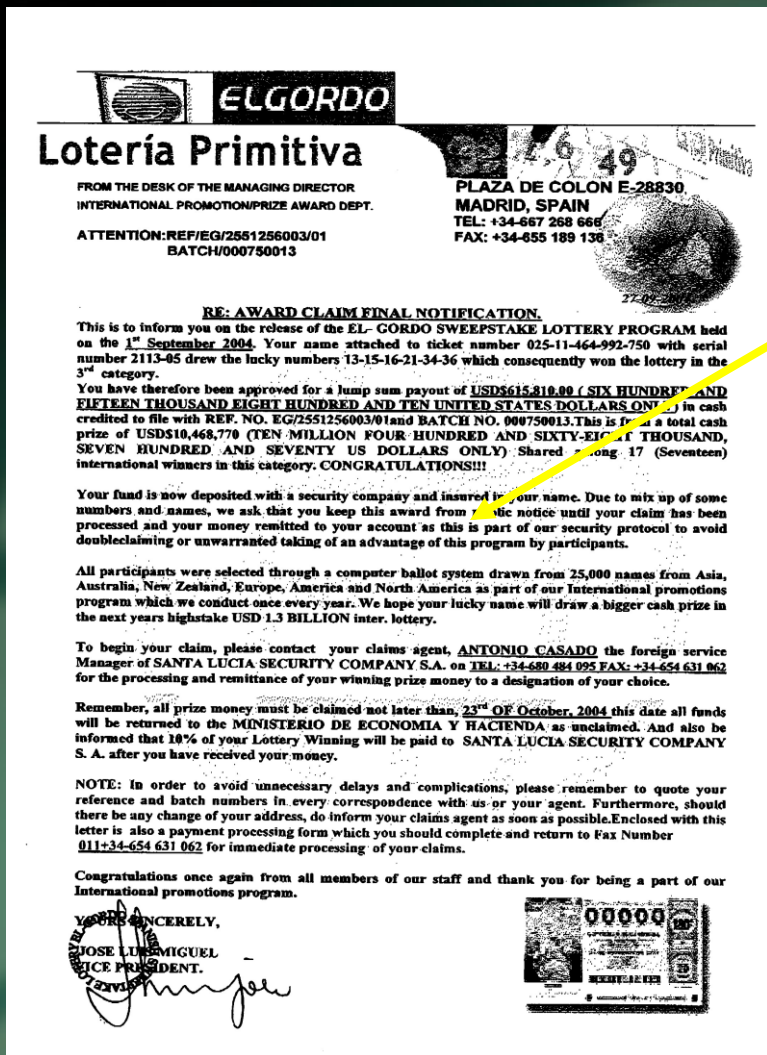
International Lottery Scam

“we ask that you keep this award from public notice”

References a large sum of money

Had this person ever been to Spain, or participated in a lottery there?

Second page requested info like: SSN, DOB, account number, routing number



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4-1-9 Advance Fee Fraud AKA Nigerian Scam

- Unsolicited letter from company you do not know
- Claims wants business arrangement; someone died and left inheritance; someone died and family is trying to smuggle money out of the country; You just won the lottery!, etc.
- Common themes: they want something in advance, aka taxes, “good faith” gesture, bribery, etc. and they promise a lot of money for little work
- Generally a lot of misspellings, grammar errors, or word choices sound foreign

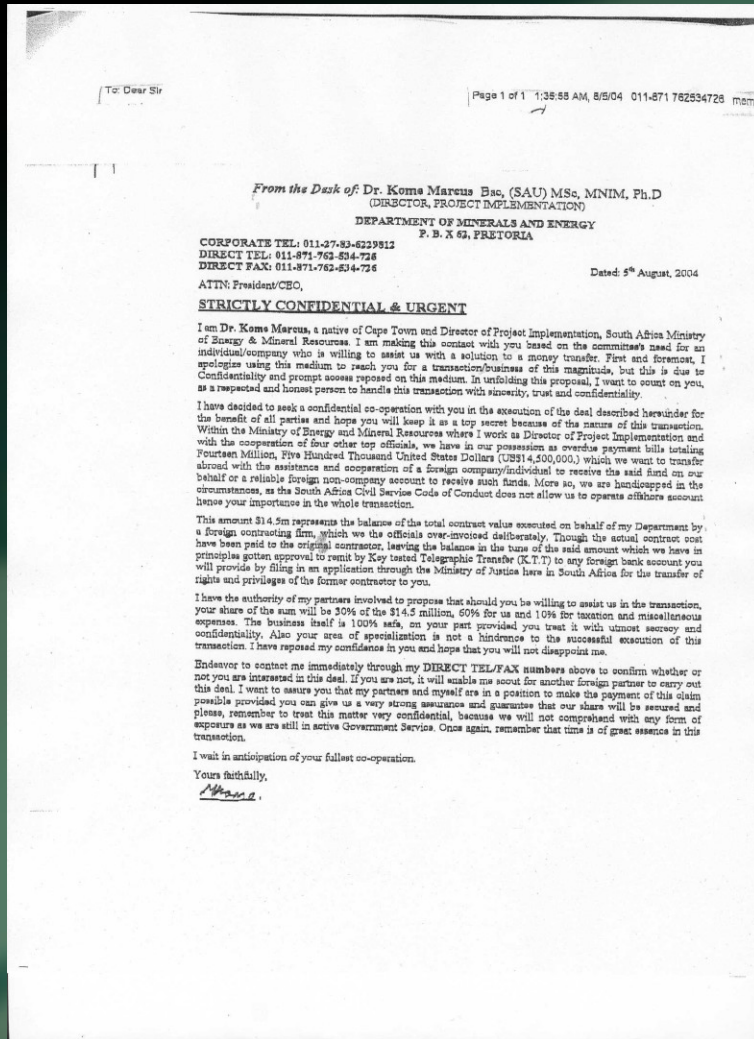


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4-1-9 Advance Fee Fraud / AKA Nigerian Scam

“I have the authority of my partners involved to propose that should you be willing to assist us in the transaction, your share of the sum will be 30% of the \$14.5 million, 60% for us and 10% for taxation...is 100% safe...treat it with utmost secrecy and confidentiality. Also your area of specialization is not a hindrance to the successful execution of this transaction. I have reposed my confidence in you and hope that you will not disappoint me.”



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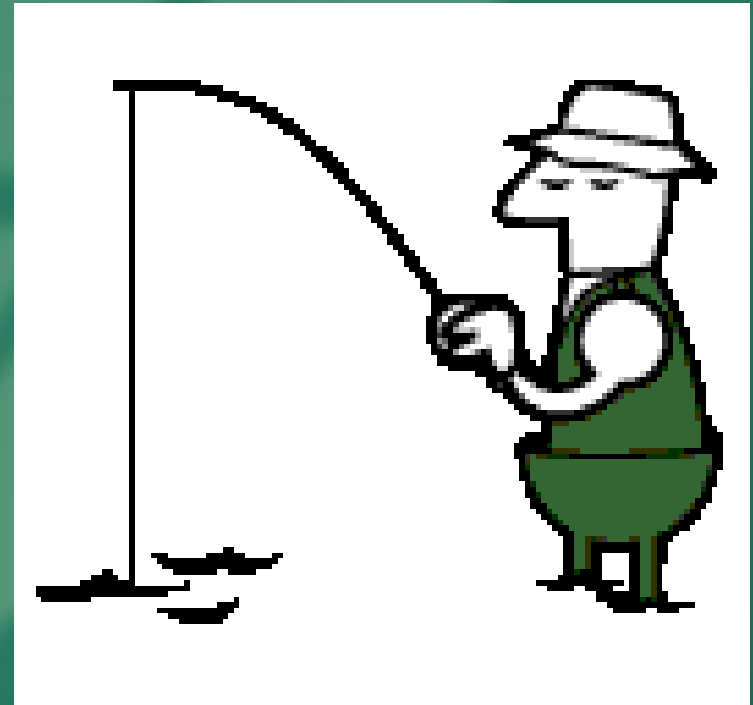
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“Phishing”

Unsolicited E-mail which requires:

- Social security number
- Date of birth
- Account number
- Credit card number and PIN
- User name / password



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“Phishing”



- Claims located fraud or trying to protect from fraud
- Generally well known company name
- Threatens to close accounts
- Spyware

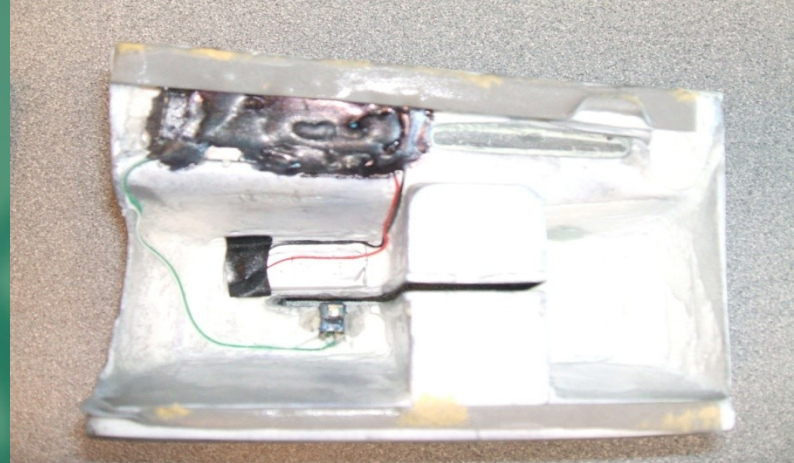


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“Skimming”



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“Skimming Devices”



- Most battery-operated skimming devices are no bigger than a pager, but they can read and store the magnetic stripe data from 200 to as many as 3200 accounts.



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Is this the number I dialed? – Social Engineering aka Pretext Calling



“Hello, my name is...and I’m with...What is your name?”

- winner of gift certificates, plane tickets, trip
- selling discount prescription cards
- claim to be from bank or credit card co. – found fraud and will not replace until you give them acct # and 3 digit security code

“All we need is a credit card number to see if you qualify...”

Yes, most likely a scam as well...



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Thank You!!!



Questions?

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