

New Government Rulings Can Help Fight Identity Theft

By Bruce A. Love

Identity theft is nothing new. In the book of Genesis, Jacob stole his brother's birthright and blessing by deceiving his father into thinking Jacob was actually his brother Esau. This deception proved very fruitful for Jacob, as he later became the pillar upon which all of Israel was built. Maybe Jacob's success has inspired this deceptive practice, which has persisted throughout history.

Today, many of us (with good reason) have become suspicious of people and websites asking for personal information. We hear numerous stories of identity theft, and we're warned to guard our personal information. The intent of this form of fraud is to steal a person's property or lawful rights. Stolen identities can damage personal credit of unsuspecting victims. This can take years to correct, and impact a person's ability to buy a car or house, or result in higher interest rates on loans for which they have applied.

I recently received a question from a reader regarding the legitimacy of a new program being offered. The program in question purportedly allows all who register, to opt out of receiving any more pre-approved credit cards. This sounds very appealing! However, after registering for this service, the reader had doubts, and thought maybe she had just become the victim of an elaborate scheme to steal identities. Fortunately for her, the program is authorized by Congress, and approved by the Federal Trade Commission.

Pre-approved offers of credit are based upon information in your credit report that indicates you meet certain requirements established by the company making the offer. Companies contact the major credit bureaus to obtain lists of consumers who meet their criteria. They use this information to determine which residents get their junk mail.

Junk mail is a timewaster and clutter generator for most targeted recipients. Offers of pre-approved credit cards may even become a source of identity theft if such mail falls into the wrong hands. However, one person's junk is another person's treasure, and establishing credit with a pre-approved credit card can help a young person begin to build a strong credit history if managed properly.

Starting this month, companies that offer "prescreened" solicitations of credit or insurance have been required by law to provide simple and easy-to-understand notices

that explain consumers' right to "opt out" of receiving any future offers of a similar nature. The Fair Credit Reporting Act (FCRA) now limits the circumstances in which consumer credit reports can be used to make prescreened offers.

According to Katherine Armstrong in the Office of Consumer Protection at the Federal Trade Commission (FTC), consumers can visit www.optoutprescreen.com, or call 1-888-567-8688 to opt-out of receiving prescreened loan offers. Consumers may choose to be permanently excluded from such offers, or just for 5 years. If consumers should have a change of heart, they may opt back in at any time. Copies of the FCRA rule and the FTC's brochure, "Prescreened Offers of Credit and Insurance," are available from the FTC's Web site at <http://www.ftc.gov> and also from the FTC's Consumer Response Center, Room 130, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580.

If you sign up to opt out of prescreened offers, you will be asked to provide your name and address, along with (I cringe) your social security number and date of birth. Assuming the website cannot be hacked, the information is securely entered into the opt-out databases, and you should see offers of pre-approved credit cards cease within a few weeks. Be aware that you will continue to receive junk mail from other companies that do not prescreen for credit card offers.

Opting out of pre-screened credit card and insurance offers may reduce your exposure to identity theft. Since these offers will no longer be delivered to your mailbox, thieves that rely on stolen pre-approved credit cards for their dastardly acts (a Federal crime) will lose that modus operandi. Of course, thieves are resourceful and will find other means, but as with other crimes, the harder you make it for them, the more likely they are to leave you alone and pursue easier targets.

With the recent surge of identity thefts by college staff and personnel (mostly professors), it is surprising that at least one local university still uses social security numbers for student IDs. Dumpster divers visiting such negligent college campuses can probably find discarded, and easily identifiable blue exam booklets in campus dumpsters. Since these "Blue Book" exams typically contain names, social security numbers, and even signatures, your campus could be a gold mine for any identity thief!

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