

ISSUE #5 - July 2003

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Credit Cards or Debit Cards?

Should I use my Credit Card or my Debit Card?

Although debit cards are popular, they are more dangerous than credit cards in the event of theft as money is taken directly from a linked account. It is important to know that you must notify your financial institution within 60 days to dispute fraudulent transactions or your liability can be unlimited if you are deemed negligent. If someone steals your debit card and makes a fraudulent purchase, financial institutions are not required to credit disputed funds until an investigation has been completed. An investigation could take weeks. In the meantime, you may not have the money in your account to pay your mortgage, car loan, or cover written checks. As you can imagine this could cause serious problems.

A fraudulent purchase with a credit card, on the other hand, can be disputed and payment withheld until the dispute is resolved.

Both credit cards and debit cards have protections for consumers, but with a credit card you have more financial protection than you do with a debit card.

You can find out more information by reviewing the Fair Credit Billing Act and the Electronic Funds Transfer Act at the FTC's website: www.ftc.gov

Protecting Your Social Security

1. Do not carry it in your wallet or purse.
2. Do not imprint it on your checks
3. Many Department of Motor Vehicles no longer require your SSN as your drivers license#. If this is true in your state, be sure to help effect a change
4. If someone asks you for your SSN, simply resist or ask why it is needed and how they will be using the number. In most cases, it is not required.

How to Pick a Good Password

Picking a good memorable password is tedious. Always use a password that is going to be easy to remember but hard for someone to figure out, even someone that knows you very well.

Some tips to use when choosing your passwords:

- Choose a password with at least 8 characters. Mix up the password with different characters such as letters and numbers
- Be sure to change your password regularly and consider using different passwords for different services.
- Never use a password that is considered obvious – birthdays, spouse's name, children's names, maiden name, last name, place of birth, model of car, or vacation spot. Passwords that hackers first attempt are "blank", "password", and "administrator".
- Never use your login name as your password.

Back To School Protection

Attending College is a right of passage for many high school graduates. For the first time in their lives they are going to be living on their own terms. As soon as they get dropped off at their dorms, they are being bombarded with offers for credit cards and other pay services. Credit card companies set up tables on college campuses across the country and offer bottles of soda, novelty pens, and t-shirts just for filling out an application.

As you can imagine, there is a great deal of importance for students to protect all of their documents with identifying information. We recommend the following tips for students to safeguard their vital information:

- Always keep checkbooks, bank statements, drivers license and student ID under lock and key.
- If your college uses your social security number as your student ID, you should request another number from the school.
- Always lock your dorm room or apartment when you leave, even if it is only for a short time. This type of theft is very common.
- Get a private mailbox. Many colleges distribute mail by room or apartment rather than by name. Everyone living with you has access to your statements and letters.

Vacations and your Identity

When taking a vacation, you must take extra steps to protect your identity.

Vacations may include going to the beach, taking a cruise or taking the family to Disneyland. No matter where you end up, you should always take precautions to avoid becoming a victim of identity theft.

The following are just a few precautions we recommend to protect yourself:

- * Contact your local post office to request your mail delivery be stopped during the time you will be on vacation.
- * Carry only the credit cards you will need. Travelers checks are always a good idea since they can usually be replaced within 24 hours.
- * Keep a list of what items you have in your wallet or purse. You should keep the list in a safe place where you are staying. Do not include the account numbers on the list but do include the name and phone numbers of companies you may need to contact.
- * Put any documents that contain personal information in a secure place in your home while you are away.
- * Do not leave documents containing personal information lying around the hotel room.
- * Do not keep your Personal Identification Number (PIN) with your ATM card.
- * As always, never carry your Social Security Number with you.

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