

# INVESTIGATOR INSIGHT

Dispelling Common Misconceptions About Identity Theft

## Identity Theft: Myth vs. Reality

### Introduction:

**What is more detrimental to your identity:** Not understanding identity theft and how it happens, or believing, incorrectly, that you understand the subject based on information you've heard from friends, media outlets and marketers?

Actually, both are dangerous areas in which to dwell. Acting on assumptions about identity theft can be just as dangerous as a complete lack of knowledge of the subject.

The following statements are some of the myths or misconceptions the Investigators at Kroll's Fraud Solutions practice hear from consumers. Each is countered with insight shared by the Investigators.

**Myth:** Identity theft can be prevented.

**Reality:** There is no practice or product that can wholly prevent identity theft. There are several components of your personal identity which are collected and used for many reasons and they can't be locked down in a way that allows only you to authorize their use. Tools such as fraud alerts and credit freezes can help reduce the risk that you will become a victim but these usually reduce only incidents of credit-related identity theft. This means that such tools won't prevent criminal, medical, tax, and other types of identity theft.

**Myth:** If I become a victim of identity theft I will have to pay the debts incurred by the thief.

**Reality:** Laws are in place to protect consumers so the victim of identity theft won't be responsible for the debts incurred by the thief. It is vital that a victim address any incident of identity theft with the entities involved by disputing the unauthorized activity. If you agree to pay a debt you did not incur, you are accepting responsibility for that debt.

**Myth:** The elderly population is the most likely to fall victim to identity theft.

**Reality:** Identity theft affects all ages. The Federal Trade Commission (FTC) has, for several years now, reported that the highest number of identity theft complaints they receive actually comes from the 20-29 year old age group. However, persons in all age groups reported being victimized. Note that since Social Security numbers are assigned early in life and remain affiliated with a consumer even after death, identity theft can strike any age, at any time.

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**A service of the Investigators of Kroll Fraud Solutions**

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## Dispelling Common Misconceptions About Identity Theft

**Myth:** I shred all my documents and subscribe to credit monitoring so I won't become a victim.

Individuals cannot prevent identity theft, but they can take steps to safeguard their information, like shredding paperwork, or not carrying their Social Security cards in their wallets.

**Reality:** Although these are good tools and practices, they can only reduce risk and often for only one type of identity theft. This goes back to the myth that identity theft can be prevented –individuals cannot prevent identity theft, but they can take steps to safeguard their information, like shredding paperwork, or not carrying their Social Security cards in their wallets. Vigilance is a key factor in not only safeguarding information, but also mitigating problems when they occur: You must continue to watch for signs of identity theft because you may still become a victim.

**Myth:** I don't shop on the internet so I won't become a victim.

**Reality:** If you use good computer security measures and are particular about the sites from which you shop, shopping via the internet is probably no more risky than writing a check at your local retailer. All forms of payment are susceptible to misuse by a thief.

**Myth:** I have a low credit score so I won't become a victim of identity theft, or I never use credit so I don't need to worry.

**Reality:** Not using credit or having bad credit doesn't mean you can't become a victim of identity theft. Although we seem to hear more about credit-related identity theft than any other type, it accounts for only 17 percent of identity theft incidents reported to the FTC. For example, someone could use your identity to rent an apartment or give your name and driver's license number to a police officer who stopped them for a traffic violation. If a definitive way to match a person to an identifier is lacking, anyone can create supporting paperwork and assume an identity. As a result, identity theft can occur even if credit is never established.

**Myth:** Everything is in my spouse's name so I don't need to worry about my credit.

**Reality:** The "reality" mentioned above applies here too. In addition, understand that just because you aren't using your identity to establish a credit history doesn't mean an identity thief isn't using your information for credit or other purposes. Having or using credit is not a prerequisite for becoming a victim of identity theft. Even minors who aren't old enough to establish credit can be victims of identity theft. Steps taken to reduce risk of becoming a victim of identity theft are worthy of the effort. However, you must not have a false sense of security. Under the best of conditions, when a consumer follows the best practices of financial, online, and credit safeguards, identity theft can still occur. When victimization is discovered, the same energy expended enacting safeguards should be focused upon discovery of the fraudulent activities and disputing every occurrence.

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