

As ID theft rates soar to all-time high, banks urge customers to be cautious



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By Natalie Hayes
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Western Suburbs, IL -

Last year's soaring identity theft rates and skyrocketing losses have banks urging clients to be more cautious about the No. 1 consumer complaint in Illinois in 2006.

A report issued earlier this year by Gartner banking security analyst Avivah Litan estimates 15 million Americans will become victims of identity theft in 2007, up 50 percent from 2005.

About 15 million Americans were victimized by some sort of fraud related to identity theft in the 12 months ending in mid-2006, according to a survey by Gartner Inc., an information technology research and advisory company. That's more than a 50 percent increase since 2003 when the Federal Trade Commission reported 9.9 million American adult identity theft victims.

Thom Rooney, bank manager at the Harris Bank in Huntley, said criminals operate from all over the world and use a variety of methods to steal identities.

"Some of the crimes were coming out of Florida or New York and when they were traced further they had ties in Africa, Canada and other countries," Rooney said.

One common way thieves obtain private information is through fraudulent e-mails claiming to be from banks, Rooney said.

"Anytime an e-mail is sent to you that says its from a bank, its fraudulent," Rooney said. "They're fake 100 percent of the time."

A financial institution will never contact a customer and ask them to provide personal information such as Social Security numbers, checking account numbers or other personal information.

Protecting yourself from identity theft

According to the Gartner survey of 5,000 online U.S.

Colleen Kalter, security officer for First National Bank in Marengo, said a common type of fraud occurs when a person posing as a bank employee calls an unsuspecting person and asks them to verify their account or routing numbers.

"They'll call and say they have your routing number and in order to protect yourself from identity theft, they ask you to verify it over the phone," Kalter said. "We've seen this several times."

Another type of security threat living on the Internet are online sweepstakes scams, Rooney said.

In this type of scam, a person receives an e-mail or letter in the mail notifying them they have won an amount of money, and promises they will receive a check if they send in a lesser amount.

People have been told they won a cash prize and they will receive a check for \$10,000 in the mail after they send in a check for \$2,000, Rooney said.

Victims usually receive fake but real-looking checks within a few weeks. When they go into the bank to cash them, the teller spots them immediately.

"People will come in excited because they think they won all this money, and we have to tell them we can't take it because it's a scam," Rooney said. "They look very real."

The elderly population has been particularly susceptible to this type of fraud, Rooney said.

"This has been a problem in the Del Webb community (in Huntley)," Rooney said.

But Kalter disagrees. In this area, younger people fall victim to this type of crime more than retirees, she said.

"A lot of elderly people are more savvy and aware of what's going on," Kalter said. "I've seen it more in the younger crowd."

Rooney advises his customers to keep close tabs on their personal information, so if they notice anything unusual they can report it immediately.

"Balance your account," Rooney said. "Open up all your statements and make sure they make sense."

Keeping checking account numbers private is vital to safeguarding from identity theft. Once scam artists get a victim's checking account number, scammers can go out and get a fake identification card in that person's name, Kalter said.

All they have to do is purchase a check-making machine, which is available on the Internet or at Best Buy, and then scammers can start writing fake checks using a victim's account number, Kalter said.

Harris Bank allows clients 60 days to report discrepancies.

"Check your statements often," Rooney said. "After 60 days there's nothing we can do."

GateHouse News Service reporter Katie Micik contributed to this report.

adults in August 2006, the average loss was \$3,257 that year, up from \$1,208 in 2005.

- Review your credit report annually
- Balance your checking account often
- Shred all documents that contain personal information
- Only shop online at secure web sites you can trust
- Never give out private information if asked over phone or e-mail

