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Identity Theft: Advice From the FTC Chairman

By *Kimberly Palmer*

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As chairman of the Federal Trade Commission, **Deborah Platt Majoras** is charged with protecting consumers from unfair, deceptive, and illegal business practices. Since her appointment in 2004, she has focused on identity-theft prevention through consumer education campaigns and lawsuits against companies that fail to protect consumer data. She spoke with Associate Editor Kimberly Palmer.

How vulnerable is the average person to identity theft?

The average person is vulnerable enough to identity theft that each and every one of us has to take some precautions in the way we handle our own information. It's difficult to get our arms around the true scope of the problem, but we do know that millions of Americans are victimized every year.

What should people do to protect themselves?

The first thing to know is that you need to be a smart consumer about protecting your personal information both online and offline. Online, you never give account information out unless you've initiated the contact. Don't throw away your bank statements that have your account numbers on them. Make sure you shred them. Make sure your wallet isn't lying around when you have people coming in and out of your home. Check your bank account and credit card statements very carefully to make sure there are no unauthorized withdrawals or transactions, and you need to check your credit reports from all three credit bureaus at least once a year. If you are victimized, act immediately. Report it to the police department, call the credit bureau, get an alert put on your credit report, and report it to the FTC.

Didn't your own credit card information get stolen?

Yes. The breach was at DSW Shoe Warehouse [in 2005]. They had their system hacked into, and my credit card was one of the card numbers that were taken. But to date, the card has not had any unauthorized use on it.

What should a person do in that situation?

You can cancel the card if you'd like. That's being the most cautious, or you can just monitor your statements very carefully. All I've been doing is just looking at my statement every month to make sure the charges are mine or my husband's.

Should people give out their Social Security number when they're asked for it?

I think it's perfectly legitimate for people to ask, "Do you really need to have this?" I've done this in the doctor's office, and I've been told, "Yes, we need to match it up with your insurance and so forth," and I've given it in those kinds of situations. I do think that there are likely places in the economy where we've always used Social Security numbers, but it may not be necessary, and we really should whittle it down to places where it is absolutely necessary.

You've said that you would support a national law against identity theft. What would that look like?

It would be useful if we had a standard across the board for all businesses [that] collect and use consumer information so everyone is subject to the same standard. The other thing we would support is that if there's been a data breach, organizations should have to inform consumers so they can take steps to protect themselves.

Why are those changes necessary?

We've been moving so quickly in this information age with new technology that is so fabulous, but we left some of these safety issues behind. What we're trying to do now is to literally catch up and develop a culture of security. It's important not just that consumer data not be stolen, but it's important that consumers keep confidence in the marketplace and that they know that if they go online and make a purchase, or they go into a store and hand over their credit card, that they're not at great risk. That is really important because the marketplace is all built on consumer confidence.

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