One Person’s Story of Identity Theft

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Eighteen months after moving in with his fiancée, Joe Tremba received a collection letter about a past due credit card account that had been assigned to a collection agency.

“I was confused,” said Tremba, who always pays his bills on time. “I have only one credit card—an American Express card that I pay in full every month. The letter referred to a Visa card with a $5,000 balance.”

Tremba immediately called both the collection agency and the original creditor. After hours of detective work, Tremba discovered that an identity thief forged a credit card application sent to Tremba at his previous address.

Tremba explained the situation to the collection company as well as the Visa card representatives. Trouble was, the creditors had no way of knowing whether Tremba was telling the truth.

Twelve months later, Tremba still answers calls from creditors trying to collect the debt. Though Tremba wants to buy a house, the collection account wreaked havoc on his credit score. He wonders whether he should keep fighting to have the collection account removed from his credit report; sometimes he thinks he should pay the entire $5,000 bill and be done with it. Either way, he knows he must delay the purchase of a home for his new family because his credit score is too low to receive the best interest rates.

“I have heard of this sort of thing happening to other people, so I have always been careful,” said Tremba. “I check my credit card and bank statements thoroughly. I don’t know how I could have prevented this.”

Indeed, Tremba follows almost all of the rules of identity fraud prevention. He shreds important documents, never uses roadside mailboxes to send important information, and keeps his Social Security number under lock and key.

Could Tremba’s situation have been prevented? What could he have done?

Aside from “opting out” of credit card offers that arrive via postal mail (call 1-888-5-OPT-OUT), the best way to nip credit card fraud in the bud is to catch the thief early, preferably within the first thirty days.
Identity theft victimizes about 11.1 million Americans each year and the average amount stolen is $4,841, according to the 2010 Javelin Identity Fraud Survey Report. But if suspicious activity is reported within the first 30 days, creditors can efficiently track fraudulent purchases, and consumers have a faster, cheaper resolution.

Take Tremba. If he had known about the fraudulent activity eighteen months ago, he could have called the creditor immediately and cancelled the account. He would have remembered details on certain days, possibly offering proof that he was not physically present at the location and time certain charges were made to the Visa account. The account would never have been sent to collections, nor would it have harmed Tremba’s credit score. And most likely, after initiating a speedy investigation, the creditor would have concluded that Tremba was not responsible.

But Tremba did not know about the activity until eighteen months after the account was opened. Until the collection company finally tracked him down, the monthly statements from Visa, late payment notices, and collection alerts were all sent to another address. Now the creditor has no way of knowing whether Tremba’s story is true or just another tall tale by a deadbeat debtor who wants to weasel his way out of paying a bill.

What should Tremba have done differently?

Philip X. Tirone, author of 7 Steps to a 720 Credit Score, says consumers should pull their credit reports at least quarterly. By monitoring their reports regularly, victims may catch identify theft early.

Consumers often worry that by pulling their own credit reports, they will hurt their scores. Not true, said Tirone.

“The idea that pulling your own credit report will hurt your score is a myth,” said Tirone. “When you pull your own credit report, the activity appears as a soft inquiry. Unlike hard inquiries—those initiated by outside creditors such as mortgage brokers, automobile companies, or credit card companies—soft inquiries are not factored into the equation that determines your score.”

“A person’s credit report can show a new soft inquiry every month, and the score still will not drop a single point,” assured Tirone.

When reviewing your credit report, be sure to check for:

- **Accounts that do not belong to you.** If you do not recognize an account, call both the creditor and the credit bureau, whose phone numbers will be included on your credit report.

- **Personal information, such as names, phone numbers, date of birth, addresses, or Social Security numbers that do not belong to you.** Often, mistakes in personal information are just that: mistakes. This misinformation could be as simple as an innocent typo, but it might
also be an indication of identity theft.

- **Outdated or incomplete information.** You might notice a previous address on your credit report, or your name might be listed as John Latimer Funston instead of John Latimer Funston Jr. Though these might seem like small details, the more accurate your credit report is, the harder it will be for would-be thieves to intercept your personal information.

And finally, if you are a victim of identity theft, be sure to follow some simple steps to mitigate the damage. These include placing a fraud alert on your credit report, filing a police report, and filling out an Identification Theft Complaint with the Federal Trade Commission.

Unfortunately, you might not always be able to ward off identity thieves entirely, but you can make it as difficult as possible for these criminals to steal from you and your family. By remaining vigilant and aware of all items in your credit report, you can minimize the risks of having your identity compromised and nip fraudulent behavior in the bud before it becomes a disaster.

To help protect yourself and your family, consider investing in an identity theft protection product, such as ProtectMyID™, which will monitor your personal information and alert you to key changes.

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