



You've Been Hacked!

The Motley Fool

By Dayana Yochim

A week at Speed Metal Band Boot Camp for Teens sounds delightful. But you're no longer a teenager. Come to think of it, you're really not that much into speed metal anymore, either. So when the charge for the tuition shows up on your Visa bill, you figure it's either a karmic hint to expand your musical horizons or that a rock star wannabe is using your credit card to finance his creative pursuits. (The charges for the leather pants and hair products quickly clear up that cosmic question.)

Kids these days. Actually, make that: Crimes these days.

This unauthorized, hormone-charged shopping spree on your credit card bill is but one sign that your financial life has been hijacked. Unlike time-honored crimes, such as bar fights, vandalism, and mimicking email accounts to send out obscene missives to your entire address book, identity theft is like a poison gas bomb — nearly undetectable until after the real damage is done.

The fallout of ID theft makes some victims long for the days when a quaint computer virus messed up their work day. Identity theft is the closest thing to having your entire life hacked. Your credit history is how everyone from your mortgage lender to your employer to that pimply kid behind the counter at the Best Buy credit card kiosk sizes you up. (That, and by your shoes.)

Your credit report is the adult report card of how you've handled your finances, with your overall GPA expressed in your three-digit credit score. When the sanctity of your well-cured credit record is compromised, life comes to a grinding halt as you wait for new account numbers to be established, new cards mailed, new PINs memorized and new mnemonic devices created to remember the PINs.

What ever happened to the good old art of wallet snatching? I'll tell you what: Sedentary crime pays. Why bother grabbing a purse that might net just a few gum wrappers and some lint, when selling Social Security numbers and other personal data can bring in anywhere from \$10 to \$60 a pop? It's a lot easier to walk out the lobby door with a computer disc than it is to rifle through trash cans or dash through traffic and tourists with a handbag that clearly does not match your ensemble.

Oops, they did it again!

High-tech thievery is in the headlines more and more — so much so that it is finally making the comedy circuit. Take humor columnist Andy Borowitz, for example, posing as an identity thief: *"Everybody's running around worried about identity theft these days. All I can say is, don't flatter yourself by thinking you have an identity that's worth my time."*



How can you tell whether someone's monkeying with your financial identity? Here are seven potential warning signs that you've been hacked:

1. Strange charges on your credit card or bank debit card statement: Charges for Speed Metal Band Boot Camp would be a standout on most people's credit card bills. But purchases at places like Target, Home Depot, and Petco (the stores of choice for the perp who stole one friend's identity a few years ago) could go unnoticed. (This is particularly common in households where two or more people share accounts and one or more of those people aren't really good about putting the receipts in the envelope clearly marked "All Receipts Go HERE!" — leaving the other person, or other people, to reconcile the statements without the huge gratitude that this chore deserves ... but we're not naming names.)

2. Missing bills: It's not uncommon to misplace a bill. (Check the bottom of your purse and then your back issues of *People* to see whether you used it as a bookmark.) What is uncommon is when several months go by without a service provider requesting payment. Yes, it would be lovely if our lenders occasionally forgot to charge us for a month's mortgage, but such oversights tend not to happen in these enlightened days of automated billing. If an expected invoice fails to materialize, that could mean a crook has changed your address. This happened to a man I interviewed a few years ago when he noticed that he stopped receiving statements from his bank about his home equity line of credit. The bank informed him that it had — at his supposed request — changed his address and mailed new checks and all account statements to the Bronx. In the meantime, 90 grand worth of checks had been written against his home equity. The theft could have gone on indefinitely since the thieves kindly made minimum payments on the account to avoid suspicion.

3. Snubs from lenders: If you haven't checked your credit rap sheet in a while (and if you live in certain areas of the country where the free credit report legislation has been activated, there's no reason you shouldn't have done so by now), the first sign of trouble may come in the mail in the form of a rebuff from a lender to whom you've applied for credit. The good news? Being denied that Puppy Palace MasterCard earns you a free credit report! The bad news: It may be a sign that something's awry (and if you discover you have been a victim of identity theft, the Fair and Accurate Credit Transactions Act allows you to get another two free credit reports for the next year).

4. Brain freeze at the ATM: When your PINs and other access codes stop working, that may mean that either (a) you neglected to crack the windows enough when you were painting the walls; or (b) someone changed the codes on you.

5. A case of mistaken identity: You know who you remind me of? That other guy named Joe Smith Jr. Not all identity mishaps are part of an evil plot to besmirch your reputation. Those with common names — or are a Jr. or II to a Sr. or I in the family — often find other people's information in their file. To prevent this from happening, make sure to always use your middle name or initial on applications.



6. Dramatically different credit scores from bureau to bureau: There are a lot of reasons your credit score might seem wacky, some of which are quite innocent. Don't immediately assume that something's amiss. ("Honey, the score is falling! The score is falling!") But occasionally a big difference (50 points or more, according to TrueCredit.com) in your score from one credit reporting agency to another may be a sign that something's fishy. Not all lenders report all account activity to all three credit bureaus. So an account opened in your name may not be on everyone's radar.

7. Angry phone calls: No, not from your ex. These will come right at the climax of 24 from someone demanding that you cough up the payment on that mod new powder blue Vespa you apparently purchased at Zippy Rides 'R' Us (or for lumber at Lowe's, which is how a co-worker learned of a bounced check for \$1,023.23 from a bank account he did not open). Gather all the information you can from the demanding party and start investigating. (But first, check the garage to make sure that someone in your household didn't merely forget to tell you about the purchase of a new scooter.)

When it comes to credit violations, it's the same as with disease and crummy boyfriends: Early detection is your best defense. It's not difficult to create a Fort Knox around your credit file (here are some easy-to-follow tips); and if you're willing to shell out some extra dollars for an electronic guard dog, the credit monitoring agencies are happy to oblige with an ever-growing array of ID-theft-watch products — including one from Fool Credit Center sponsor TrueCredit.

For more credit-related Foolishness, check out these articles:

White Lies That Boost Your Credit Score
Who Has the Keys to Your Credit File?
Paris' Privates Exposed
Avoiding ID Theft

Dayana Yochim has plenty of experience with grand theft auto, but so far she's kept her identity intact. The Motley Fool's disclosure policy is secured by The Club.

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