



Safeguard Your Financial Life

The Motley Fool

By *Elizabeth Brokamp*

- 1. Shred old documents .** One of the best ways you can protect yourself against potential fraud or identity theft is to eliminate your own paper trail. A basic desktop shredder will work for a few sheets at a time, but for large quantities you may want to contact a commercial shredder who will also handle household needs. I was able to locate a document disposal service in my area that would allow me to drop off up to 250 lbs. of paper for \$50 — not too high a price to pay for peace of mind.
- 2. Use a credit card with a small limit** for mail-order and online purchases. It's all too easy for a dishonest sales clerk to use your credit card information. If the card you use for these purchases has a low credit limit, at least thieves won't be able to rack up many bills before hitting a wall.
- 3. Get it in writing .** Require anyone who solicits you over the phone to first send their information by mail, so you can check its legitimacy. While you can curtail the number of phone solicitations you receive by placing your number on the [National Do Not Call](#) registry, it won't get rid of everybody. Certain organizations, like charities, political groups, telephone surveyors, and companies with whom you already do business, are still permitted to call.
- 4. Review your monthly statements .** Like flossing your teeth, this is a simple thing you can do to ward off calamity, yet it's surprising how many folks neglect to do it. Not only will reviewing your monthly statements alert you to possible fraudulent charges, you may also find legitimate charges for services that are either redundant or no longer necessary. For example, a close friend of mine realized she had been paying for two AAA memberships, one under her maiden name and one under her married name — for four years! Lesson learned.
- 5. Prepare for disaster .** With the recent anniversaries of Hurricane Katrina and Sept. 11 looming large in the American psyche, it's more important than ever to make sure you safeguard your family's important documents in case of a disaster.
- 6. Choose your PIN wisely .** While you want to choose something you'll remember, you don't want it to be something that a clever thief could figure out just by learning your birth date or your child's name. A combination of uppercase and lowercase letters, numbers, and symbols will offer you more security.
- 7. Guard your Social Security number .** Make sure that anyone asking for your Social Security number really needs it. Often businesses that ask for a Social Security number can use an alternative customer identification number if you ask. Make sure not to print your Social Security number on checks or in other highly visible places. For more information on protecting your Social Security number, check the [Privacy Rights Clearinghouse](#).



8. Opt yourself out of all pre-approved credit card offers . If your mailbox is anything like ours, it's littered with pre-approved credit offers and cash-advance checks, all of which could spell disaster in the hands of the unscrupulous. Instead of tossing these in the garbage, call 888-567-8688 to eliminate them for up to five years. I was able to register my name and my husband's in a three-minute phone call.

9. Be vigilant while using the Internet . As the [victim of a phishing scam](#) myself, I can't stress this enough. All it takes is one lapse of judgment, and you may find your accounts drained and your credit tarnished. Independently verify the validity of any requests for personal information before you give out any of your sensitive data.

10. Protect your computer's security . Use as many tools as you can (anti-virus software, spyware, firewalls, and passwords) to guard your computer information from the nefarious. Failing to protect your computer is just as bad as leaving your door unlocked, your windows wide open, and a sign on the mat, saying, "Burglars, come on in."

No need to make the thieves' jobs any easier. Though they're not foolproof, these simple tips will help ensure that your financial data is a whole lot safer.

This article is adapted from the [Motley Fool GreenLight "Money Answers" archive](#), which features more than 100 articles on personal-finance topics from taxes to credit to beginning investing, organized by subject and life stage. For access to this content plus the current newsletter, back issues, members-only discussion boards, and advisor blogs, take a [free 30-day trial](#) to GreenLight today!

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