

Identity Theft: When Your Identity is Stolen

Identity theft occurs when someone steals pieces of personal identifying information, which may include a name, address, date of birth, Social Security number, or mother's maiden name to gain access to a person's financial accounts. Armed with this information, an identity thief may open new credit or financial accounts, buy cars, apply for loans or Social Security benefits, rent an apartment, or set up utility and phone service - in someone else's name. Some highly recommended steps to recovering your identity are highlighted below.

First Things First

If you think that you are a victim of identity theft, we recommend that you take the following steps as soon as possible, and keep records of your conversations and copies of all correspondence.

1. Place a fraud alert on your credit reports, and review the reports thoroughly.

Fraud alerts can help prevent a thief from opening any more accounts in your name. Contact the toll-free fraud number of any of the three nationwide consumer reporting companies to place a fraud alert on your credit report. You only need to contact one of the three companies to place an alert. The company you call is required to contact the other two, which will then place an alert on their versions of your report.

- TransUnion: 1-800-680-7289; www.transunion.com; Fraud Victim Assistance Division, P.O. Box 6790, Fullerton, CA 92834-6790
- Equifax: 1-800-525-6285; www.equifax.com; P.O. Box 740241, Atlanta, GA 30374-0241
- Experian: 1-888-EXPERIAN (397-3742); www.experian.com; P.O. Box 9554, Allen, TX 75013

Once you place the fraud alert on your file, you're entitled to order free copies of your credit reports; if you ask, only the last four digits of your SSN will appear on your credit reports. Once you get your reports, review them carefully. Look for inquiries from companies you have not contacted; accounts you did not open; and debts on your accounts that you cannot explain. Check that information such as SSN, address, and name or initials are correct. If you find

fraudulent or inaccurate information, get it removed. See the Federal Trade Commission's comprehensive identity theft recovery guide, "*Taking Charge: What to do if your Identity is Stolen*", at www.ftc.gov/idtheft to learn how to do so. Continue to check your credit reports periodically, especially for the first year after you discover the identity theft, to make sure no new fraudulent activity has occurred.



2. Create an Identity Theft Report

This will include filing a complaint with the FTC, using that complaint as your Identity Theft Affidavit, and filing a police report.

An Identity Theft Report could be helpful in:

- Removing fraudulent information from your credit report.
- Stopping companies from collecting debts for which the thief was responsible.
- Getting information from companies where your identity was fraudulently used.

By sharing your identity theft complaint with the FTC, you will provide important information that can help law enforcement officials across the nation track down identity thieves and stop them. The FTC can refer victims' complaints to other government agencies and companies for further action, as well as investigate companies for violations of law that the agency enforces. Filing a police report allows the police to more readily track activity by the thief.

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There are three methods for which you can file a complaint:

- Online at www.ftc.gov/idtheft
- Phone at 1-877-IDTHEFT (438-4338); TTY: 1-866-653-4261
- Mail to Identity Theft Clearinghouse, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580

Be sure to call the Hotline to update your complaint if you have any additional information or problems.

3. Contact the Social Security Administration

Sometimes more than one person uses the same Social Security number, either intentionally or unintentionally. If you suspect someone else is using your number for work purposes, you should contact the SSA to report the problem. They will review your earnings with you to ensure that the records are correct.

You should review your earnings posted to your record on your Social Security Statement (Form SSA-7005) annually. The Statement can be accessed online to workers over the age of 18 years old. You can also get your Statement at any time by requesting one online or by calling the SSA at 1-800-772-1213.

If you discover any discrepancies, you should ask the Social Security Administration to put a lock on your account. This prevents any changes from being made to your account via the web. This does make it necessary for you to physically go to a local office, but it certainly would prevent any changes to your account that should not have been allowed.

4. Fixing Your Credit

Once you receive your credit reports, comb through them to make sure all of the information is correct, this includes your:

- name
- address
- Social Security number
- and employers

If you find any errors, debt you didn't acquire or accounts you didn't open, you must first dispute the errors with the credit reporting companies and then with the fraud departments within each of the businesses that reported an error.

When calling the businesses be sure to ask for copies of documents the thief used to make charges or open accounts.

As long as the errors were a result of the identity theft and you have an Identity Theft Report the credit companies and businesses are required to block the transactions from being shown on your credit report.

5. Notifying the IRS

NOTE: The IRS does not initiate contact with taxpayers by email to request personal or financial information. This includes any type of electronic communication, such as text messages and social media channels (www.irs.gov).

Therefore, if you receive a notice in the mail from the IRS you should respond immediately.

If your identity has been stolen, you will need to fill out Form 14039, which is the IRS Identity Theft Affidavit.



The IRS strongly encourages completing steps 1-3, along with contacting the IRS, to any victim of identity fraud. If you have been in contact with the IRS regarding your stolen identity, but have not resolved the issue you should call the IRS Identity Protection Specialized Unit, toll free, at 1-800-908-4490.

6. Contact Other Relevant Agencies or Organizations

On top of the SSA and IRS, there are several other agencies that one should contact when dealing with identity theft. Your local postal inspector is a great place to contact when the possibility of mail fraud is present due to identity theft. Contacting your health insurance provider can prevent the identity thief from using your insurance.

Your utility providers (gas, electric, cable, internet, cellular carrier, etc.) should be contacted to ensure that no new accounts have been opened in your name. It is also important to respond to any debt collectors to make sure they are aware of the theft, and that you aren't responsible for any false charges.

Davis & Hodgdon Associates has been assisting businesses and individuals in the Burlington Vermont Metro area for more than 20 years. If you have any questions or concerns please feel free to call 802.878.1963 or email info@dh-cpa.com.

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