

THE CONSUMER
ADVOCATE

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A NEW WAY TO PROTECT YOURSELF FROM IDENTITY THEFT

INSIDE THIS ISSUE:

IDENTITY THEFT 1
PROTECTIONFUNDING UP- 1
DATEHOLIDAY SHOP- 2
PINGCELEBRITY 3
SENSE

WHAT'S NEW 3

UPCOMING 4
EVENTS

SPOTLIGHT 4



According to a study conducted by the Better Business Bureau and Javelin Strategy and Research, in 2005, 8.9 million Americans had become victims of identity theft.

Unfortunately, identity theft can happen to anyone at anytime. A thief can steal your identity by simply taking a bill out of your mailbox, picking up a credit card receipt you left on a restaurant table, using the internet, etc. For thieves, the options are endless. They are always creating new ways to try and steal another's identity to open up credit or use your existing credit card account information fraudulently.

The Federal Trade Commission reports that over the last five years identity theft has been the number one complaint from consumers. In response, state lawmakers are passing credit freezing legislation as an option for consumers to protect themselves from becoming a victim.

Credit freezing allows a consumer to put a hold or "freeze" on their credit report preventing anyone with your personal information (name, date of birth, social security number, etc.) from opening up new credit in

your name without your consent. If someone tries to apply for credit in your name, the lender will try to access your credit report and a message will be returned stating that your credit report has been "frozen". If an account is frozen, the potential lender will not extend the applicant credit. However, credit freezing does not protect the consumer against credit cards or loans that have already been fraudulently opened or your credit cards that have been lost or stolen.

Although your credit report is frozen, there are companies that still have access to it. Your credit report can be viewed by all of your existing creditors, collection agencies trying to collect on uncollected debt, companies that offer pre-approved credit cards, and government agencies trying to collect child support, taxes, investigate fraud, or the court to issue a subpoena or search warrant. *(A common way thieves steal your identity is by taking and applying for pre-approved credit card offers that are sent through the mail. To stop receiving these pre-approved offers call 1.888.5OPT.OUT).*

To put a credit freeze on your credit report you must make a written request to each credit reporting agency (Experian, TransUnion, and Equifax). In the letter of request, include your full name, current address along with any additional addresses in the past two years, your social security number, date of birth, a copy of your license, and a bill verifying your current address. Most states do not charge a fee to freeze your credit if you can validate victimization with a police report. For non-victims fees vary by state, but are generally \$10 per credit reporting agency. In the letter you must include payment by money order or certified bank check.

Credit freezing will prevent others from opening up credit in your name, but what happens when you want to apply for credit or an employer needs to conduct a credit check for potential employment? A credit freeze will prevent these companies from accessing your credit report causing difficulties for the "real you". As a result, there are two ways to unfreeze or "thaw" your credit report so it can be viewed by potential lenders. *(cont. on page 2)*

FUNDING UPDATE

THANK YOU!

CITIGROUP, FOR YOUR GENEROUS AND UNWAVERING SUPPORT THAT HELPS SIGNIFICANTLY FUND OUR OPERATIONS AND EDUCATIONAL EFFORTS THROUGHOUT THE YEAR.

BANK OF AMERICA, FOR YOUR KIND FUNDING, MOST OF WHICH WILL SUPPORT OUR LATEST EDUCATIONAL PROJECT,



A brighter tomorrow...

A NEW WAY TO PROTECT YOURSELF FROM IDENTITY THEFT? (CONT.)

- When you freeze your credit report each of the credit reporting agencies will issue you a personal identification number or PIN with confirmation of your credit freeze. You can contact each credit reporting agency and use your PIN to unfreeze your credit report. Or
- Send a written request to each of the credit reporting agencies.

Upon receiving the request, each credit reporting agency has three business days to thaw your account. In your request, you can authorize the credit reporting agencies to lift your credit freeze for a designated period of time (ex. December 1 – December 15) or you can request that the freeze be lifted for a specific creditor. Both cost a fee. Fees vary by state, but the cost to unfreeze your credit for a designated period of time generally cost between \$8 - \$18 per credit reporting agency or to unfreeze your credit report for a specific creditor generally costs between \$12 - \$20 per credit reporting agency.

Unfortunately, not all states have adapted laws permitting their residents to freeze their credit report. The following states have credit freezing laws or laws that will soon be brought into effect.

- **California, Colorado, Connecticut, Delaware, Florida, Kentucky, Louisiana, Maine, Minnesota, Nevada, New Jersey, New York, North Carolina, and Vermont** currently permit credit freezing for all consumers.
- Credit freezing is available to identity theft victims with a police report in **South Dakota** and **Texas**.
- Credit freezing will be available to all consumers as of January 1, 2007 who reside in: **Illinois, New Hampshire, Oklahoma, Rhode Island** and **Wisconsin**
- **Hawaii** and **Kansas** will offer credit freezing to all state residents that have been a victim of identity theft.
- **Utah** has passed a law for all residents to freeze their credit report that will go into effect September 1, 2008.

For more information on state credit freezing guidelines, contact your state attorney general.

Credit freezing is designed to help you protect yourself from possible identity theft, but weigh all of the advantages and disadvantages prior to freezing your credit report.

The **advantages** of credit freezing include:

- Prohibiting unauthorized individuals from opening up credit in your name.
- Allowing consumers to feel peace of mind knowing their potential for being an identity theft victim is lowered.
- Prohibiting you from opening up unnecessary credit cards because of the time and cost it take to unfreeze your report.

There are **disadvantages** to credit freezing as well:

- Consumers often loose their PIN numbers which delays having the credit report thawed. If a PIN number is lost, the consumer must send a written letter to each of the credit reporting agencies.
- There is a fee (ranging between \$8 - \$10) for each credit reporting agency each time you want to unfreeze your account.

Regardless of whether your state laws permit or restrict you from participating in credit freezing, it is important for you to monitor your credit report annually to verify all information is accurate and be sure that you are not a victim of identity theft. You can access your credit report at www.annualcreditreport.com or call 1.877.322.8228. If you have any additional questions or would like more information on identity theft, credit reports or credit freezing please contact DCC and speak with one of our Certified Credit Counselors today.

WILL YOU BE SHOPPING ONLINE THIS HOLIDAY SEASON?

According to the National Consumer League, consumers spent over \$26 billion in 2005 shopping over the internet, and as the holiday season approaches many consumers may use the internet for their holiday shopping. Online shopping is convenient, without having to face the hassle of the local shopping malls, but with its convenience it can lead to overspending. Implement the following guidelines to ensure a safe shopping experience while staying within your budget this upcoming holiday season.

- **Start Shopping Now!**
 - Make a list of all the people you want to purchase gifts for, ideas of what you want to purchase, and how much you want to spend. Create a plan to avoid overspending. (cont. on p.3)



WILL YOU BE SHOPPING ONLINE THIS HOLIDAY SEASON? (CONT.)

- It may seem like it's a little early to begin your holiday shopping, but if you spread your expenses out over a period of time, you will generally feel less of a financial strain, than making all of your purchases at once.
- Time also allows you to hunt for the "perfect gift". You can search a variety of online stores to find gifts at the best price. Research competitors prices at websites such as www.bizrate.com, www.amazon.com or www.pricegrabber.com.
- When shopping on the internet, consider the time and cost for the product to be shipped.
 - Shopping early will allow you to avoid urgency for package delivery. You can opt for a standard mail delivery, which always costs less. If you need the item to be delivered immediately, make sure that the online store has the product in stock.
 - Generally, products advertised on the internet cost less than they would in the actual store. You may believe you are getting a great deal, but the online stores often compensate for their low prices with shipping costs. Research all shipping costs before purchasing an item online. Throughout the holiday season, many stores offer free shipping or the option to make a purchase online and pick it up at a local store. Take advantage of these offers to save yourself a few dollars.
 - Investigate how to return gifts purchased on the internet. Can you bring the item back to a local store or do you have to send it back to the original vendor? What will it cost you for shipping if you need to return the item? In addition, some stores have a "restocking fee" for a returned online purchases.
- Shop Safely!
 - Be sure you are shopping on a secure website. An easy way to check if your site is secure is by locating the lock icon on the website or the "https" at the beginning of the internet address. If neither of these security features are on the website, do not make the purchase.
 - Purchase items from reputable stores. If you are unfamiliar with the store, be sure that they have valid telephone numbers on their website in case you need to speak with a customer service representative.
 - If the online stores offer a lower price, purchase a gift card at your local store and use it on the internet. Gift cards will also prevent you from overspending on a credit card.
 - If you make a purchase online using a credit card, only use one card with a low credit limit in case your credit card number is stolen. Open up your credit card statements each month to ensure all of your purchases are accurate. If there are purchases on your statement that you did not make, contact the credit card company immediately. Also keep track of your purchases so you do not overspend!
 - Reputable stores will not send an email asking for transaction confirmation, but will email *you* a confirmation. In addition, they will not ask for your social security numbers, date of birth or anything other than your billing address and credit card numbers. If they do, it is not a reputable site.

Celebrity \$ense

**"The only
wealth is life"**
**Henry David
Thoreau,**
author of
books, essays,
and journals.

Enjoy the holiday season! Just be sure to stay within your budget to avoid the January blues.

WHAT'S NEW AT DCC

Did you know that DCC conducts monthly seminars on a variety of financial topics? We welcome our local client's as well as consumers in the surrounding area to attend. Each month a new financial topic is introduced to assist individuals managing their finances.

We are also introducing a **new Educational Incentive Program** for all of our clients who attend our monthly seminars. In the month **after** you attend a DCC seminar, DCC will redirect the monthly maintenance fee to a creditor of your choice. This will help you pay down your debt faster and save you a few dollars in interest! Please come join us at our Hauppauge office to discuss a variety of financial topics.

Mark your calendars for our upcoming seminars.

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| * October 24, 2006 at 12:30 PM: | Don't Break the Bank this Holiday Season |
| * November 21, 2006 at 12:30 PM: | Senior Citizens be Wise! Don't Lose your Hard Earned Money to Scam Artists |
| * December 19, 2006 at 6:30 PM: | Identity Theft—How to Avoid It and What to Do If You Become a Victim |

Seating is limited so please call 1.888.354.6332, ext. 315 to reserve your seat today. Refreshments will be served at all seminars.

Visit us on the web!
www.debtcounselingcorp.org

DEBT COUNSELING CORP.

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UPCOMING DCC EVENTS

- This November, DCC will be partnering with the National Girl Scouts to kick-off this year's cookie campaign "Step It Up!". Our education staff will work with various troops on goal setting and budgeting to promote their Cookie and Fall Product sales.
- DCC has also been invited back to C.W. Post College for the Fall 2006 semester to speak with numerous freshman seminar classes. We will discuss the benefits and pitfalls of credit cards, how to use them responsibly, how to budget responsibly and stay out of debt throughout college.

AT DCC, WE'RE HERE TO HELP.

SPOTLIGHT IN THE COMMUNITY LEAGUE OF LONG ISLAND

URBAN

This past summer DCC worked with the Urban League of Long Island's summer camp teaching kids of all ages about money and financial management. We introduced the young campers to saving and spending through art projects such as making sun visors and painting piggy banks. Through these projects the campers learned to identify the value of coins as well as the fundamentals of saving for a larger goal. The older campers discussed a variety of topics preparing them for their financial future as they begin earning money. They produced skits illustrating possible money scams they may encounter, successfully balanced a checkbook, and learned how to comparison shop on a budget. DCC looks forward to partnering with the Urban League on future projects.



Campers Joshua, Josiah, and Jakob



Camper Joshua