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## IDENTITY THEFT– A FACT OF LIFE

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*“Data breaches are a rapidly growing problem.*

*Multinational crime rings with skilled computer programmers are stealing information...Here are some ideas to reduce your risk of identity theft.”*

McCarthy Asset Management, Inc. is an independent, fee-only investment advisory firm that has been helping people invest wisely for over fifteen years. Our mission is to help you better understand and improve your financial situation. We specialize in Retirement Planning, Portfolio Management and Tax Planning.



**Scope of the Problem:** Data breaches are a rapidly growing problem. Multinational crime rings with skilled computer programmers are stealing information. The Federal Trade Commission reported tax identity theft as the most common form of identity theft in 2014. There were a million more incidents of identity fraud in 2013 than in 2012. Twenty-five percent of those receiving a notice of a breach became victims.

**The Anthem Breach:** Last month, Anthem, the second largest health insurance company in the US, reported that its database was hacked, exposing personal information for as many as 80 million customers. The data stolen included names, birthdates, social security numbers, phone numbers, addresses, email addresses, and employment information. Particularly if you are an Anthem policy holder, taking steps to keep information as safe as possible is very important.

**How to Reduce Your Risk:** Here are some ideas to reduce your risk of identity theft:

- Review your credit reports periodically. Check to make sure that all the information is correct, and be on the lookout for any fraudulent activity. You can get a free credit report annually at [www.annualcreditreport.com](http://www.annualcreditreport.com).
- Regularly review your account and billing statements for charges you didn't make.
- When shopping online, check that the website you use starts with **https:** (the “s” stands for secure).
- Stealing mail is an issue. Get a mail box that locks. If you order new checks, pick them up at the bank.
- Don't routinely carry your Social Security card or any document with your Social Security number on it.
- Don't give a business your Social Security number just because they ask – only when absolutely necessary. Find out why they need it and how it will be used.
- Protect your personal financial information at home and on your computer. Shred sensitive documents using a cross-cutting shredder.
- Protect your personal computers by using firewalls, anti-spam/virus software, update security patches and regularly change your passwords for Internet accounts.



- Check your Social Security Administration earnings statement annually (which you can see by setting up and accessing your account online at [www.SocialSecurity.gov](http://www.SocialSecurity.gov)).
- Don't give personal information over the phone, through the mail or the Internet unless you have either initiated the contact or are sure you know who is asking. If someone from your bank calls asking for information, get a phone number from a statement and call them back.
- The IRS does not initiate contact with taxpayers by email or phone. Don't provide any personal or financial information in response to an email or phone call purportedly from the IRS.
- Consider using a credit monitoring service.
- Anthem is offering customers free credit monitoring for two years. They will be sending customers a letter in the mail. Do not respond to an email allegedly from Anthem about free credit monitoring services.

**Don't Forget Your Children:** Children are at risk because parents don't expect a child to have a credit file or credit report. A thief stealing a child's info may use it for years before anyone discovers the theft. Your children's information needs to be protected and monitored just like your own.

### **If You Become an Identity Theft Victim**

If you become a victim of identity theft, you should take action quickly:

- Contact your bank and your credit card companies.
- Notify law enforcement.
- Contact one of the three credit reporting agencies: Equifax, Experian or TransUnion. They share data, so you only need to contact one. Get a free credit report and check it. Put a 90-day alert on your credit.
- Consider a credit freeze, but be aware that a credit freeze prevents anyone from accessing your credit unless you lift the freeze. If you want to obtain a new loan or other credit, you will need to lift the credit freeze.
- Contact the source reporting the fraudulent activity (i.e. your bank, credit card company, store, etc.) for more specific steps to take.

## Our Services

### Investment Management Services:

- MAM creates and manages customized investment portfolios based on each client's investment objectives, timeframe and risk tolerance.

### Financial Planning Services:

- The Net Worth Analysis (NWA) tracks the accumulation of Invested Assets for pre-retirees and the retention of Invested Assets for retirees. Updated annually.
- "Retirement Analysis" a comprehensive analysis of your retirement goals, which produces easy-to-read, interactive working plan, stored in the cloud. Updated as needed for life events.

Tax Services: Clients have the option of utilizing the income tax services provided through the firm Stephen P. McCarthy, CPA. These services are offered at an hourly rate and may include:

- Tax Return Preparation
- Income Tax Projections
- Tax Minimization Ideas
- Tax Authority Representation

Other Services: MAM has retained several outside experts, whose services are available at no cost to our clients:

- Long Term Care Planning— Allen Hamm of Superior LTC Planning Services, Inc.

### **Further information:**

The Federal Trade Commission (FTC) has a publication called "Taking Charge, What To Do If Your Identity Is Stolen". This booklet is a comprehensive step-by-step action guide to dealing with identity theft. You can download it at <http://www.consumer.ftc.gov/articles/pdf-0009-taking-charge.pdf>

Link to the FTC's identity theft page:

<http://www.consumer.ftc.gov/features/feature-0014-identity-theft>

Link to the IRS' identity protection page:

<http://www.irs.gov/Individuals/Identity-Protection>