



# Protection from Identity Theft and Cybercrime

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FIGHTING BACK AGAINST PREDATORY LENDING, SCAMS, AND IDENTITY THEFT



# Goals

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- Encourage open dialogue around finance concerns for consumers in Georgia
- Help participants avoid products and services that, while legal, may be predatory in nature
- Help participants identify red flags in phone calls, emails, or text messages that indicate unscrupulous practices they should avoid
- Help participants understand and sign-up for the FTC “Do Not Call” registry
- Encourage participants to utilize the “opt-out pre-screen” option for the three major credit reporting agencies
- Encourage participants to check their credit reports at least twice per year
- Present compelling reasons for participants to put a credit freeze on their accounts and their children’s accounts for all three credit reporting agencies
- Present compelling reasons to participants for reporting suspected scams and cases of identity theft to the appropriate state and federal agencies

# Consumer Finance Concerns in the Georgia Marketplace



- Payday lending
- Title pawn
- Prepaid cards
- Binding arbitration
- Debt collection
- Tax fraud
- Credit repair
- Homebuyers



**The Problem Solver Loan**  
Get up to **\$10,000** in a day!

The APR for a typical loan of \$10,000 is 89.68% with 84 monthly payments of \$743.99. Credit approval is not guaranteed and is dependent upon underwriting guidelines. See our website or call us for complete disclosures. Some documentation required.

**888-SKY-1224** Call anytime 24/7  
**WesternSky.com**

Western Sky Financial, LLC, is a 100% Native American-owned business operating on a Native American Reservation.



# Total Complaints in Georgia (2017 and 2018)



Type	Number - 2017	Percent - 2017	Number - 2018	Percent - 2018	% Change
Debt Collection	42,590	37%	28,447	23%	-14%
Identity Theft	12,547	11%	23,874	20%	+9%
Imposter Scams	10,064	9%	12,352	10%	+1%
Credit Bureaus, Information Furnishers and Report Users	8,539	7%	9,891	8%	+2%
Banks and Lenders	6,549	5%	5,945	5%	0%
Television and Mobile Services	4,316	3%	4,721	4%	+1%
Auto-Related	4,004	3%	4,470	4%	+1%
Shop-at-Home and Catalogue Sales	3,457	3%	3,727	3%	0%
Prizes, Sweepstakes, and Lotteries	3,704	3%	3,520	3%	0%
Credit Cards	n/a	n/a	2,045	2%	n/a
Television and Electronic Media	1,870	1%	n/a	n/a	n/a
<b>TOTAL</b>	<b>114,202</b>		<b>119,054</b>		<b>+4%</b>

Source: [Federal Trade Commission](#)



## Pick 4

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You can realistically cover only four of the following topics if you are also covering identity theft prevention in a 60-minute presentation. Choose the four issues that are the most present in your community.

# Payday Lending

Short-term loan where lender extends high-interest credit based on borrower's income and credit profile

Principal is usually a portion of borrower's next paycheck

**Banned in Georgia in 2004**

Initial loan: **\$10,000**

What you really owe:

84 monthly payments

X \$743.99 = **\$62,495.16**



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# Pay Day Lending Resolution

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- If the loan was **legally issued**:
  - Unexpected fees, lenders disappearing, or other issues may occur
  - Submit complaint to Consumer Financial Protection Bureau (CFPB)
    - **1-(855)-411-2372**
    - <https://www.consumerfinance.gov/complaint/>
- If the loan was **illegal**:
  - Contact Attorney General Chris Carr
    - **1-(404)-651-8600** or **1-(800)-869-1123**
    - <http://consumer.georgia.gov/consumer-services/filing-a-complaint>





# Title Pawn



- Type of short-term, high-interest loan that uses your vehicle title as collateral to secure the loan
  - Vehicle title kept with lenders until loan is fully repaid
  - If you default on loan payments, lender can take possession of vehicle
- **2012 study found that only 10% of borrowers had their car repossessed (GA, ID, TX)**
- State law caps:
  - 25% monthly interest for first 3 months
  - 12.5% monthly afterwards
  - Combined maximum yearly interest of 187.5%



# Pay Day and Title Pawn Lending Prevention

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- **Use alternatives**

- Look for the lowest interest rate from a bank or credit union
- Consider a loan from family or friends
- Ask your present creditors about reducing your interest rate
- Maintain a bank account with overdraft protection
- Make a budget
- Consult a legitimate consumer credit counseling service

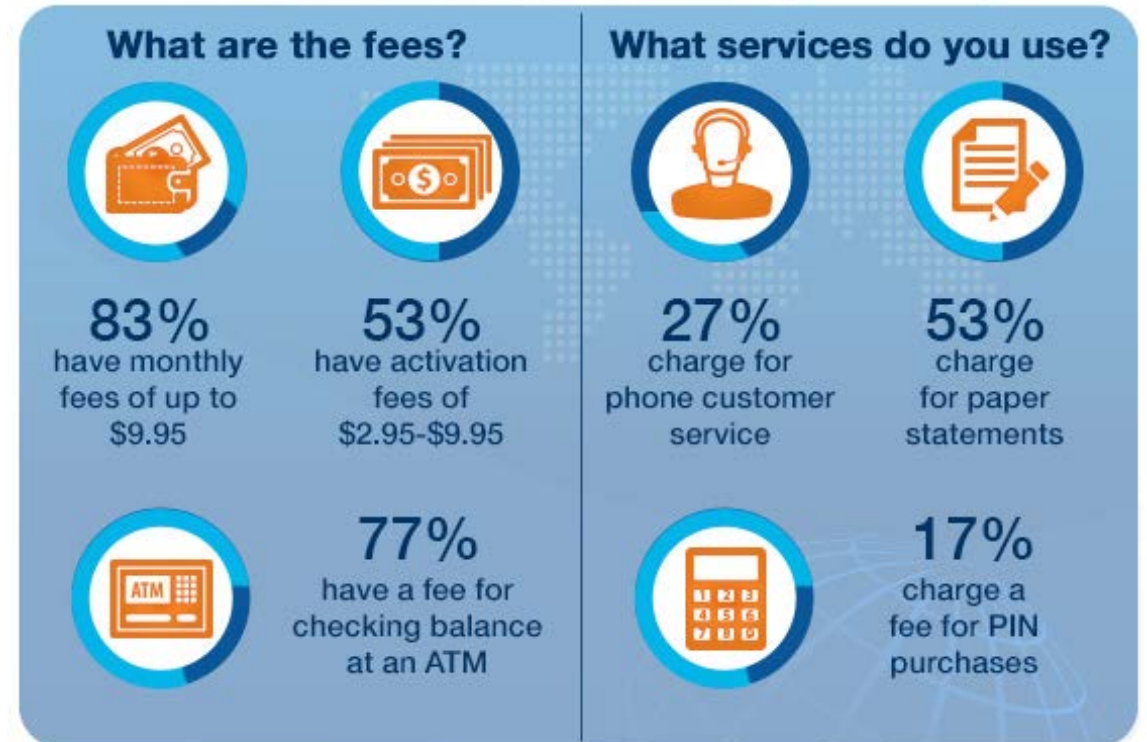
- **Consumer credit counseling**

- Clearpoint: **1-(800)-750-2227**
- National Foundation for Credit Counseling: [www.nfcc.org](http://www.nfcc.org) or **1-(800)-388-2227**
- Association of Independent Credit Counseling Agencies: <https://credit.org/about/aiccca/>

# Prepaid Cards

Credit card that has been secured with a prepayment

Can be used by borrowers with low credit scores



Source: Bankrate's 2014 Prepaid Debit Cards Survey

# Binding Arbitration

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- Means of resolving a dispute that is private, less formal, and less time-consuming than traditional litigation
- Matter is heard in a conference room, not a courtroom
- **Cons**
  - Costs more than filing a claim in court for the consumer
  - Ruling can't be appealed (unlike a court ruling)
  - Lack of transparency – everything happens behind closed doors
  - Objectivity is questionable
  - Many will exclude you from class action suits in the future



# Binding Arbitration in Georgia

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## Legal

- Employment
- Home building
- Car loans and leases
- Service contracts (cell phone, cable, utilities)
- Online agreements (iTunes, Netflix, PayPal)
- Credit cards
- Retirement, investment, and checking accounts
- Nursing facilities

## Illegal

- Contracts for the purchase of consumer goods (e.g. cars)
- Insurance contracts
- Provisions relating to injuries resulting from medical care (i.e. medical malpractice)
- Provisions relating to personal bodily injury or wrongful death based on tort
- Loan agreements in which the amount of indebtedness is \$25,000 or less at the time of execution

# Binding Arbitration Example: Boost Mobile Contract



## The Service Agreement

These Ts&Cs are part of your service agreement with us (the "Agreement") and constitute a contract under which we provide you Services under terms and conditions that you accept. **THIS AGREEMENT CONTAINS A MANDATORY ARBITRATION PROVISION WITH A CLASS WAIVER, A REPRESENTATIVE ACTION WAIVER, AND A JURY WAIVER PROVISION.** In addition to these Ts&Cs, there are several parts of the Agreement, which includes but is not limited to the following: (i) the subscriber agreement and transaction materials that you receive and accept; (ii) the plan(s) that you chose as set forth in our written services and transaction materials that we provide or refer you to during the sales transaction, including on-line and telephone transactions (if your service plan is not specifically set forth in any in-store brochure or printed materials, the requirements and terms set forth in the current written Agreement and transaction materials apply); (iii) any confirmation materials that we may provide to you; and (iv) the terms set forth in the coverage map brochures. **It is important that you carefully read all of the terms of the Agreement.**





# Debt Collection in Georgia

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- Debt collection was the top consumer complaint in Georgia in 2017 and 2018
  - More than 42,000 complaints received in 2017
  - More than 28,000 complaints received in 2018
- **CFPB v. Hanna**
  - High volume of debt collection suits against Georgia consumers who allegedly owed money to credit-card issuers
  - Attorneys typically spend *less than one minute* reviewing each consumer's case before filing for an action in court
  - 2009 to 2013: Hanna & Associates filed more than **350,000 collection suits against Georgia consumers**
    - Firm only staffed 8-16 attorneys, most of the work done by automated systems and paralegals
  - In 2009 and 2010, the firm directed one attorney to sign about 138,000 lawsuits, an average of 1,300 collection suits per week



# Debt Collection: Know Your Rights

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- Statue of limitations (time limit) for when credit card debt collectors can attempt to recover credit card debt is 6 years in Georgia
- **Fair Debt Collect Practices Act**
  - Protects consumers from harassment
    - Repeated phone calls intended to annoy, abuse, or harass
    - Obscene or profane language
    - Threats of violence or harm
    - Publishing lists of people who refuse to pay their debts
    - Calling you without telling you who they are
    - Using false, deceptive, or misleading practices
- **Report complaints to**
  - Federal Trade Commission
  - Attorney General's Office





# Tax Fraud Prevention

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- **Everyone** should file a tax return
- Be aware how the IRS will contact you and request payment (mail only)
- Keep personal documents locked away and shred old documents
- Choose a reliable tax preparer
  - AARP Tax-Aide Program: all ages and all incomes
    - 1-(888)-227-7669
    - <https://taxaideqa.aarp.org/hc/en-us>
  - IRS Volunteer Income Tax Assistance (VITA) program: people making \$55,000 or less, persons with disabilities, and limited English speaking taxpayers
    - 1-(800)-906-9887
    - <https://irs.treasury.gov/freetaxprep/>
  - If you have a higher income or a complex return, find a CPA with experience



# Report Tax Fraud

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- File complaints with
  - IRS: **1-(800)-829-0433**
  - Georgia Department of Revenue: **1-(877)-423-6711**
  - Federal Trade Commission (if identity theft was involved):  
**1-(877)-382-4357**

# Credit Repair

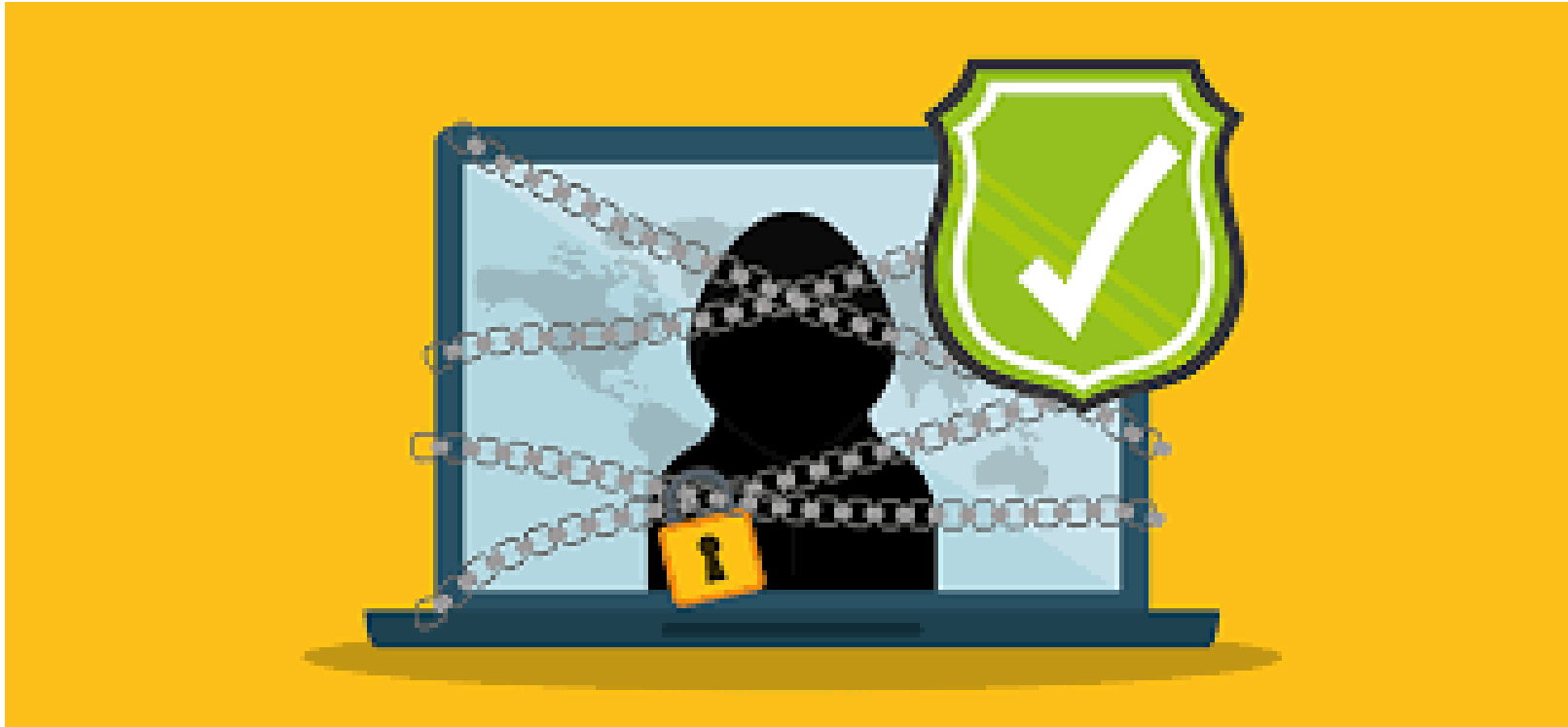
Everything You Need
<b>Credit Repair</b>
<b>\$69.00/mo</b>
✓ Dedicated Credit Coach
✓ Unlimited Bureau Disputes
✓ Unlimited Debt Validations
✓ Original Creditor Interventions
✓ Goodwill Negotiations
✓ Cancel Anytime
✓ Risk-Free Refund Policy
✓ 24/7 Access to Your Account

- Credit repair companies promise to help remove negative items from credit reports in exchange for a fee
- Beware if they...
  - Want you to pay for the service before any are provided
  - Don't tell you your legal rights and what you can do yourself for free
  - Recommend that you don't contact a consumer reporting company directly
  - Suggest you try to invent a "new" credit report by applying for an EIN to use instead of your SSN
  - Advise you to dispute all information in your credit report or take any other action that seems illegal

# “We Buy Houses”

“So yall pay \$\$ fast? Well so do the neighbors in Ashview Heights! Youth get \$2 a sign. Youth get paid every Saturday to keep these signs down! Simple and communal solutions. Youth engagement × Youth Employment × Keeping homes in hands!”





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# IDENTITY THEFT AND CONSUMER SCAMS: TOOLS AND TIPS FOR PROTECTING YOURSELF



# Georgia Identity Theft Complaints (2018)

Identity Theft Type	Complaints	Percentage
Other Identity Theft*	9,632	40%
Credit Card Fraud	8,563	36%
Loan or Lease Fraud	4,833	20%
Phone or Utilities Fraud	3,435	14%
Bank Fraud	2,010	8%
Employment or Tax-related Fraud	1,870	8%
Government Documents or Benefits Fraud	712	3%
<b>TOTAL</b>	<b>23,874</b>	

*\*Includes theft related to email, social media, insurance, medical services, online shopping, etc.*



# Identity Theft 101

## WHAT DO IDENTITY THIEVES WANT?

- Social Security number
- Date of birth
- Address
- Telephone number
- Driver's license
- Account numbers
- Credit card numbers
- PINs and passwords
- Mother's maiden name
- Financial records
- Email address

## WHERE DO THEY GET IT?

- **Directly from you**
- Family members
- "Dumpster diving" or your mailbox
- Phishing and pre-texting
- Fake job offers
- Fake sweepstakes or lotteries
- Working in your home
- Changing your address
- Shoulder surfing
- Social networking sites
- File sharing
- Large-scale commercial data breaches
- Reading RFID
- Medical identity theft





# Most Frequent Types of Scams

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- **Something good:** you've won something or are eligible for a job
- **Something bad:** you will be penalized or fined for not responding or participating
- **Something emotional:** someone is in need of your help!



# Preventing Identity Theft and Scams

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- **Keep your private information safe and secure at all times**
- **Create strong, unique passwords for your various accounts**
  - Make sure your passwords have a mix of letters, numbers, punctuation, and both upper and lowercase letters
  - Choose obscure security questions
- **Be wary when opening emails**
  - Check the header, any embedded links, and the domain name
  - Read the body of the email carefully
- **Secure your mobile device**
  - Use your device's auto-lock feature
  - Don't broadcast your location
  - Don't share sensitive information via text
- **Travel safely**
  - Keep your electronics in your carry-on luggage
  - Be careful with your Internet connections
  - Be mindful of your surroundings
- **Have bank and credit card alerts sent to your phone**

# Opt-Out Prescreen and Do Not Call Registry

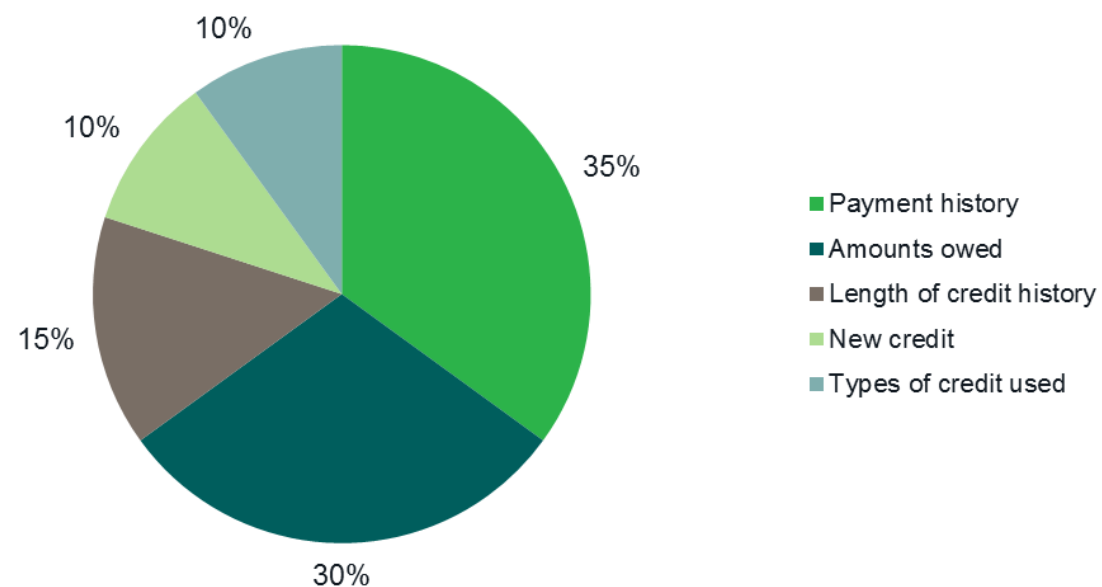
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- Sign up for the “Opt-Out Prescreen” at no charge
  - **1-(888)-567-8688**
  - **[www.optoutprescreen.com](http://www.optoutprescreen.com)**
- Add yourself to the “Do Not Call” registry at no charge
  - **1-(888)-382-1222**
  - **[www.donotcall.gov](http://www.donotcall.gov)**

# Your Credit Score and Report

- Freeze your credit immediately if you think you may be a victim of fraud
- Monitor your credit report at least **twice per year for all three agencies**
  - Equifax: **1-(800)-525-6285**
  - Experian: **1-(888)-397-3742**
  - TransUnion: **1-(800)-680-7289**
- FICO score makeup
  - Percentages to the right indicate how much each category determines a typical FICO score





# Free Credit Report

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## AnnualCreditReport.com

The only source for your free credit reports. Authorized by Federal law.



Georgians get **two free** reports per year!

# Freeze Your Credit!

- Anyone can freeze their credit for free
- Freezing your credit prevents people from using it
- You can unfreeze at any time when you're ready to take out a new line of credit
- Credit freezes are free at all three bureaus
  - Transunion
  - Experian
  - Equifax





# What to Do if Your Identity Was Stolen

- **Replace missing documents**
  - Missing driver's license: contact your state DMV
  - Missing passport: contact U.S. Department of State
  - Missing SSN or card: contact Social Security Administration
  - Missing credit/debit card or checks: contact financial institution or credit card issuer
- **Create an Identity Theft Report**
  - Create an Identity Theft Affidavit with the FTC
    - **1-(877)-438-4338** or [www.ftc.gov/complaint](http://www.ftc.gov/complaint)
  - File a police report
    - Bring a copy of your FTC Identity Theft Affidavit, a government-issued photo ID, proof of address, and additional proof of theft
- **Create an initial fraud alert**
  - Contact one of the three reporting agencies and ask for a fraud alert to be put on your account
  - Completely free and lasts for 90 days
- **Request an extended fraud alert**
  - Good for 7 years
- **Consider a credit freeze**
- **Clear compromised tax records by contacting the IRS**
- **Dispute fraudulent activity on financial accounts**
  - Reset all PINs and passwords
  - Contact any businesses involved
- **Keep all documents related to the theft and your report**





# Reporting Suspicious Activity

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- If you were targeted by a scam or received any suspicious communications, report it immediately
- If identity theft may be involved:
  - FTC: **1-(877)-FTC-HELP** or **<https://www.ftccomplaintassistant.gov>**
- Other reporting agencies
  - CFPB
  - Law enforcement
  - Office of Consumer Protection Georgia
  - Banks/credit unions
  - Creditors
  - Involved retailers or companies



# Resources

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Cash1 Loans. “What Is a Title Pawn?” Found at: <https://www.cash1loans.com/frequently-asked-questions/pawn-car-title.aspx>.

Insight Employment Mediation. “Frequently Asked Questions– Arbitration.” Found at: <http://www.insightemployment.com/pg15.cfm>.

Kagan, Julia. Investopedia. “Payday Loan.” Found at: <https://www.investopedia.com/terms/p/payday-loans.asp>.

Kagan, Julia. Investopedia. “Prepaid Credit Card.” Found at: <https://www.investopedia.com/terms/p/prepaid-credit-card.asp>.

The University of Texas at Austin- Center for Identity. “Spotting a Phishing Email,” “How to Secure Your Email,” “Secure Communications While Traveling,” “How to Manage Your Social Media Privacy Settings.” Found at: <https://identity.utexas.edu/everyone>.