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## Anatomy of an ID theft

After Heather Harding's identity was stolen, she worked full time to reclaim her good name.

November 18, 2004: 3:24 PM EST  
By Joan Caplin, MONEY Magazine





**NEW YORK (MONEY Magazine) -** The first warning sign came last December, although at the time Heather Harding didn't recognize it as such. Instead, when the letter arrived from Capital One asking if she'd requested a credit application, Harding assumed a simple mistake had been made.

Five months rolled by without incident, but then the red flags popped up in rapid succession. A call from her bank, Wells Fargo, inquiring about her application for a line of credit. The same question from Chase, where she had no accounts. Then a message from a local Ford dealer, who said he hoped to see her later that day with the additional paperwork they had discussed.

Harding knew nothing about these transactions. Instead, she realized, she had become a victim of one of the fastest-growing crimes in the U.S.: identity theft.

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In this case, though, Harding received a flurry of unsolicited calls from lenders in May, enough to make her realize that someone was using her identity.

She kicked her damage-control campaign into high gear. She visited the Ford dealer who had left the mysterious phone message about the need for additional paperwork. There, sales manager Othman Ghneim explained that the fraud alert on Harding's credit report had popped up when he ran a check on the young woman who had claimed to be Harding.

His suspicions grew when he perused the report. He says, "I saw some credit there that I didn't think this girl could have. It went back too far -- she would have been about 10 years old."

As she listened to Ghneim describe his encounter with her Doppelganger, Harding got chills.

"She knew everything about me," Harding says. "She knew I was married, where I lived, that I drove a Mercedes. And she had a story for everything."

When Ghneim found no record of Harding having owned the Ford Taurus that the imposter wanted to trade in, for instance, she explained that her husband

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### Stage 3: Grunt work.

Victims of identity theft can spend anywhere from 30 to 600 hours recovering from the crime. Harding's experience was at the upper end of the spectrum. As is typical, most of Harding's time was spent on phone-hold or in repeated attempts to correct or make headway in matters she thought she'd already corrected or explained.

#### Identity-theft fallout

The ripple effects of identity theft are enormous, particularly if the perpetrator gets hold of the victim's Social Security number. Here's a look at what can, and commonly does, happen.

##### Lost or stolen wallet

##### THIEF GETS

Driver's license: Name, address, date of birth

Credit card: Name, card number, expiration date, security code

##### AND WITH THAT CAN...

Go on a spending spree

Create a fake ID

Access public records for Social Security number

Buy Social Security number online

##### AND CAN GO ON TO...

Rent an apartment

Buy a house and take out a mortgage

Apply for student loans

Purchase a car and take out a car loan

Start utilities services

Obtain multiple cell phones

Open new credit-card accounts

##### AND YOU MAY ULTIMATELY...

Fall into credit-card debt

Default on loans

Get arrested

File for bankruptcy

Overwhelmed by the task at hand, Harding began taking time off from her part-time job as the director of marketing for a special-events firm. A month into her ordeal, she decided to quit for good. Reclaiming her good name had turned into a full-time career.

To stay on top of the job, Harding began keeping a log of action she took to set her credit record straight.

"I've worked in the special-events industry for about 15 years," she explains, "and I know details are extremely important."

Harding's records cover 10 single-spaced pages and a spreadsheet with headings such as "date," "company contact," "time spent" and "response."

Harding sent all her correspondence by certified mail, return receipt requested.

Credit agencies, she learned, are required by law to respond within 30 days. If she had her letters time-stamped, in effect, she'd improve her chance of a quick response.

"You need to try to control the situation as much as possible," explains Harding.

Under the circumstances, Harding's quest for control was certainly understandable. In a 2003 study by the Identity Theft Resource Center, 76 percent of the respondents said they experienced "a sense of powerlessness or helplessness." Even more universal was the feeling of rage: 89 percent said they had it, as did Harding.

She began to have trouble sleeping and felt constant anxiety, "One minute, I'd be extremely angry and the next I'd be crying." In time, she even stopped socializing. "People try to understand," she says, "but it's very difficult unless you've been through it."

Creditors began hounding her, demanding payment for goods and services she'd never ordered. Getting out of town with her husband Wes became one of her few pleasures because Harding knew that then she couldn't get any phone calls.

"I was afraid to go to the mailbox or answer the phone," she explains. "I didn't know who'd be threatening me next."

"I asked as many questions as I could, to try and piece together what [the thief] had done," she says. "I was a real reporter."

The most stressful moment: visiting the apartment complex where the suspect lived, after the manager insisted on a face-to-face meeting.

"I was terrified I'd bump into her," Harding recalls. "I was afraid [the manager] would call her down and confront her." Her worries, though, were unfounded. The imposter never appeared.

### Stage 5: Recovery.

One year after Harding first became a victim of identity theft, she has finally managed to clear her name. The fraudulent accounts are closed, the black marks have been erased from her credit record, and some equilibrium has returned to her life.

Charles Juntikka, a New York attorney who specializes in credit report litigation, is impressed with what Harding has accomplished in a short time, but warns that negative data sometimes creep back into the credit reports.

Stay vigilant, Juntikka cautions, and "don't assume that once the problem is fixed, it's fixed for good."

Harding may be in a better position to prevent a recurrence than many other victims because of where she lives. California is one of just two states (Texas is the other) that allow identity-theft victims to put a freeze on their credit reports.

Now the only way a bank or other creditor can run a check on Harding is if she gives her permission via a PIN. Under state law, Harding is also entitled to review her credit reports for free every month for a full year to make sure there is no improper activity.

In the coming year, all consumers will be the beneficiaries of greater protections against identity theft. A nationwide system of fraud detection and alerts that is supposed to take effect Dec. 1 creates procedural standards that CRAs must follow to ensure that future requests for credit are legitimate.

It also allows victims to report the crime with a single call. In addition, between now and September 2005, everyone will be able to begin checking their credit report once a year for free.

Harding will certainly be checking hers. She never wants to feel as out of control as she has this past year; she compares the emotional impact of identity theft to battered person syndrome.

While she hopes her nightmare has ended, she concedes, "Once you've been through an experience like this, I don't think you ever really know if it's over for good." ■

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