

FRAUD INCREASING, PRECAUTIONS NECESSARY

Identity Theft Becomes a Rural Crime

March 6, 2008
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Flathead Beacon

Four years ago, Kalispell resident George Colonius received a call from his credit card company asking if he was traveling in Great Britain and South Africa. He'd never been to either country.

But his credit card number had. Turns out, Colonius had spent almost \$14,000 there in just a few days. He still doesn't know who charged his account or how they got his information.

"I thought I was educated enough about that sort of thing. When the bank called about the charges and asked me to verify my number I even told them to verify themselves first," Colonius said. "She congratulated me for that, but she's not the one I needed to worry about."

Montana – insulated from some crime by its rural settings and low population – is hardly immune from what is one of the nation's fastest growing white-collar crimes. In fact, according to a report issued last fall by ID Analytics Inc., a California company that sells fraud-protection products to businesses, Montana has one of the fastest-rising identity fraud rates in the nation.

The company analyzed fraud reports filed throughout the United States in 2006 to determine which areas were experiencing the most identity theft activity, Stephen Coggeshall, the report's author and ID Analytics' chief technology officer, said. Through business reports, the study was able to include information on "synthetic" theft, where bits and pieces of real identity information are combined to form a fake identity, giving it a broader scope than studies like Federal Trade Commission's that rely solely on victim reports, he said.

The results were somewhat surprising.

While identity fraud remained high in many large urban areas, there was a substantial emergence of the crime in more rural areas like Montana and North Dakota. In Montana, six towns made the study's list of the top 10 cities where identity fraud increased most rapidly – Bozeman, Missoula, Whitefish, Lolo, Hamilton and Bigfork.

The jump was largely the result of a ring, Coggeshall said, that moved through the state from Bozeman through Missoula and into the Flathead, using identity information for Montana citizens to apply for and then intercept credit cards. He said a look at last year's information showed little unusual activity after that spike.

There were 434 identity theft complaints made by Montanans in 2006, including 139 cases of credit card fraud, 64 cases of bank fraud and 61 instances of phone or utility fraud, according to the FTC.

"There's nothing going on in the rest of the world, none of these scams, that we haven't seen here," Detective Brian Fulford, of the Kalispell Police Department, said. "If anything, we haven't been schooled by the hard knocks of city life and people here are more trusting, and more susceptible to this type of crime."

Millions of Americans have their identities stolen each year by criminals who use everything from high-tech computer hacking to mailings and phone calls to get their victims' personal information.

The FTC released a study in November showing that 8.3 million Americans, or 3.7 percent of the adult population, were victims of identity theft in 2005. The study was conducted by randomly selecting a

segment of the population to call. The organization has also received an increasing number of identity theft complaints in each of the past six years.

At a meeting at Flathead Valley Community College last week, Fulford and fellow KPD Detective Kevin McCarvel were straightforward with the group of 40 people in attendance: There's no way to totally safeguard your personal information.

"Everybody is vulnerable – we see people of all ages and walks of life – and there are a lot of ways it can happen," McCarvel said. "We can't promise you it won't happen to you, but there are ways to reduce your exposure."

The detectives said one of the easiest ways to limit the risks of identity theft is to check your credit frequently; citizens can receive one free credit check from each of the three major national credit reporting agencies annually, more if they're already a victim of identity theft. When spread over the year, those checks can help people monitor who's checking their credit and catch a popular scam where thieves use personal information to get a credit card under someone else's name in its early stages.

Over 1,000 Montanans have chosen to take a more drastic measure since state legislation enacted last summer allowed them to freeze access on their credit reports for a \$3 fee to each of the three reporting agencies. More tips on avoiding theft and information on the credit freeze program are available on the state's website.

"People shouldn't live in constant fear of this, but it's not something they can afford to be ignorant or flippant about," Fulford said.