

Identity theft, fraud and your wealth.
How you can stay protected.

by Nancy Anderson, Senior Financial Planner

Key Private Bank



Prepare and protect

As a growing crime with a hefty price tag, identity theft and fraud place families like yours uniquely at risk. The more you know about the crime, the better prepared you are to prevent theft, protect your family and preserve your wealth.



Identity theft and fraud is one of the **fastest growing types of crimes** in the U.S.



In 2016, **more than 15 million consumers** were victims of identity fraud, representing **\$16 billion** in losses.

Source: Javelin Strategy & Research



High-net-worth individuals and families are at heightened risk.

At risk:

5.0% general population

8.1% of those with more than \$1 million in assets

Source: TheStreet.com



What constitutes identity theft and fraud?

There are various ways in which these crimes can be committed, but each has this in common: someone wrongfully obtains and uses your data to access your personal information or financial assets for their own personal gain.

The **3** different kinds of identity theft



Cyber

Hacking, phishing and other malicious online tactics that reveal personal information, such as passwords and account numbers.

Phone

Falsely acting as a representative of a financial institution, such as a credit card company, or listening in on personal phone conversations taking place in public.



Paper

Appropriating information, such as Social Security numbers, PINs and more, from mail and paperwork that have been thrown out but not shredded.





Gone phishing

There are **more than 100,000 new phishing attacks** reported every month, according to the Anti-Phishing Working Group. Spear phishing—which targets specific individuals or organizations—costs, on average, **\$1.6 million per occurrence**, notes Cloudmark.

With Gmail, for example, you may receive an email that appears to come from someone you know, complete with an image of an attachment you might recognize. When you click on the attachment, instead of opening a preview, you are prompted to sign into your Gmail account again. If the search bar includes “data:text/html,” this is likely a phishing attack. Once you sign in, the attackers will have full access to your account information and the personal financial information stored within.





Can you hear me now?

Did you know the IRS never calls? Unfortunately, this oft-used tactic by identity thieves is very successful in getting unsuspecting consumers to give up sensitive information, such as Social Security numbers and PINs.

According to the IRS, an aggressive and widespread form of identity theft starts with a call from someone claiming to be an employee of the IRS, using fake names and badge numbers. As part of that call, you may be told you owe money to the IRS and must provide personal information and payment information via phone. Once that information is provided, scammers can access your financial accounts.



Tear it up

An easily overlooked method of identity theft is scavenging mail or paperwork, including sensitive information that has not been shredded. The issue is so prevalent that the United States Postal Services has created Informed Delivery to allow consumers to report missing or stolen mail before identity theft can occur.

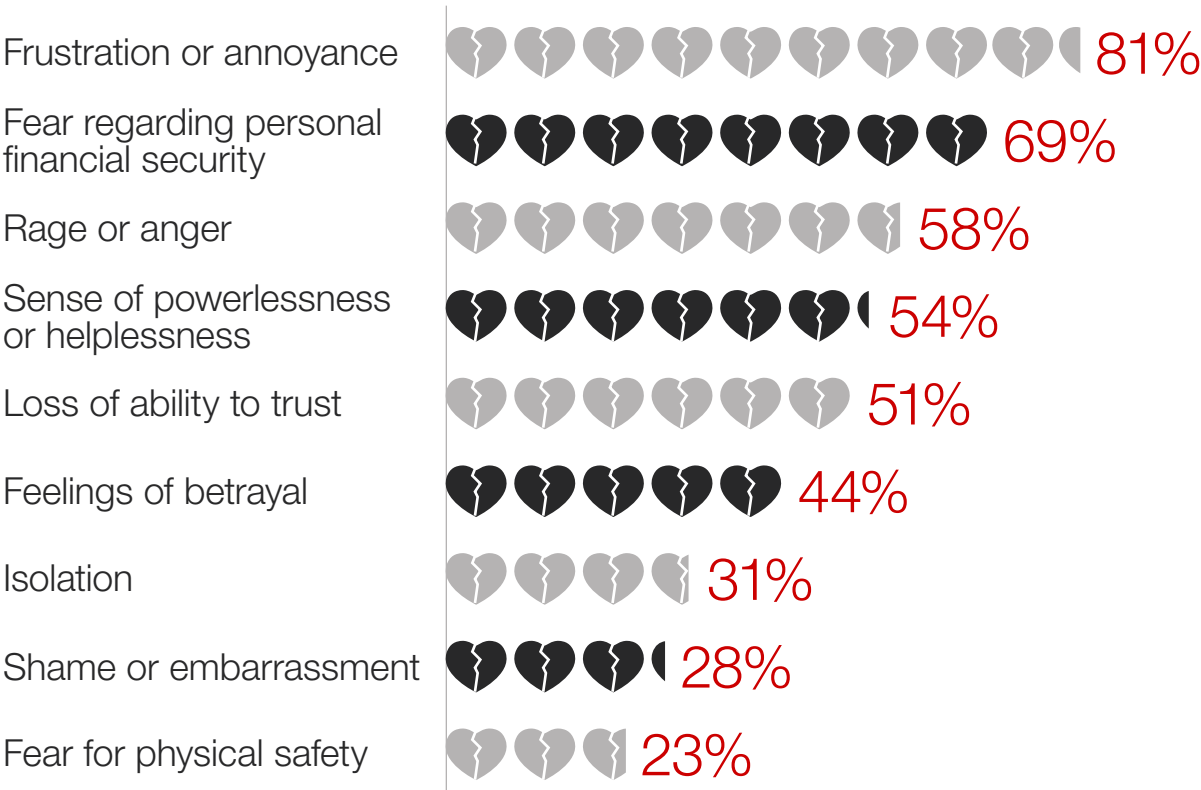
Mail fraud isn't as sophisticated as cyber or phone fraud, making it more widespread and simpler for everyday thieves to accomplish. In a recent case in Austin, TX, one man was found guilty of mail fraud targeting hundreds of victims. In another case in Manteca, CA, police have handled **three identity theft investigations that collectively impacted more than 1,000 consumers.**



The long-lasting financial and emotional impacts of fraud

When it comes to your wealth, identity thieves are targeted and thorough. They can empty financial accounts, max out credit cards, open new accounts and purchase big-ticket items, such as furniture, cars and even homes. For business owners, this can mean a data breach resulting in loss of customer information, income and operating expenses. While this sort of fraud can be recovered, many consumers and business owners spend even more money resolving the theft.

What's more, according to the Aftermath 2016 Report, an annual survey conducted by the Identity Theft Resource Center, after having identities stolen, **consumers feel:**



The power of proper protection

You can actively prevent and protect your wealth from identity theft and fraud by building cautious habits and working with your financial advisor to determine necessary levels of insurance protection.

Identity theft and fraud prevention and protection checklist

In public

- When in public, don't provide credit card numbers or other personal identification numbers (PIN) over the phone.
- Don't carry important documents, including your birth certificate or Social Security card, unless necessary.

At home

- Install a mailbox with a lock, and pick up mail quickly. If mail containing personal information, such as your bank statement, doesn't show up on time, call your financial institution immediately.
- Get a shredder—prior to throwing out financial mail or paperwork, such as preapproved credit card or loan applications, shred them.

Online

- Change passwords and other online credentials regularly, and make sure they are complex—"password" is not a safe password. Don't use the same password and login credentials for multiple financial sites.
- Avoid clicking through to online financial management accounts via emails sent to you. Rather, directly visit the financial institution's website.



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What to do if you suspect fraud

If you believe you have been a victim of identity theft or fraud, report it to local police and your financial institutions before further damage is done. Check government-run sites, including **identitytheft.gov** and **consumer.ftc.gov**, for all channels that might be compromised.

For more information on identity theft resources, please visit **key.com/kpb**.

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