

## Four Habits for Protecting Your Identity

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June 2015



Recent security breaches at well-known companies such as [Sony](#) and [Anthem](#), and even the [U.S. government](#) have raised serious questions about identity theft. Will I be the next identify theft victim? What happens if my personal data gets stolen?

Perhaps we should first ask, “Am I doing enough to prevent an attack on me and my family?” In light of recent cyberattacks, here are preventative measures to reduce the risk of your personal data being compromised.

### **Strengthen passwords**

How do you manage your passwords? Do you use passwords that are easy to memorize or reuse the same one for multiple websites? Neither is advisable. For the sites that are very important to you, such as your financial accounts, you should use complex passwords and include upper and lower case letters, numbers and special characters. Also, avoid using personal information such as names and birth dates.

Furthermore, make sure these passwords are unique for each site. Although this will make it harder to keep track of your passwords, it’s a preventative measure that’s well worth the effort. Fortunately, there are password management sites available that can make this process easier. You could also keep your passwords on a file on your computer, though the file itself should be password encrypted.

Finally, take advantage of “two factor authentication” when available. An example of this is a website that will send you a text message with a one-time use PIN after logging in so both a password and the new code are required to gain access.

### **Review and restrict access to your credit report**

How often do you check your credit report? If the answer is never, it’s time to start. You have the right to obtain your credit report for free once a year; simply visit [annualcreditreport.com](http://annualcreditreport.com) and follow the instructions. You will be prompted to choose one of the three credit bureaus (Equifax, TransUnion and Experian). All are equally reliable. Once your report is generated, review it carefully to make sure there are no unexpected debt balances.

If you believe any of your data has already been compromised, you should flag your account with a fraud alert, or even better, freeze your credit report. That way any application to open a new credit account will be denied unless you unlock your report. To be effective, freeze reports from all three credit bureaus separately.

### **Manage mail and financial documents**

Collect your mail as promptly as possible. If you’re going out of town for more than two days, place a hold order with the post office. You might also consider getting a P.O. box or private mailbox to avoid using your home address for

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correspondence. Also, be careful of the documents you discard and shred all documents that contain personal information.

What do you do with all your receipts from credit or debit cards? Save them until you verify that they match the monthly statements from your financial institution to catch unauthorized activity. Software programs like Quicken can help make this process easier.

### **Tread carefully on your computer and mobile devices**

When we receive emails from friends or colleagues sharing interesting content, we're naturally inclined to click the links they send. The 30-second dancing kitten video will be fun, but be careful of getting routed to suspicious websites and exposing yourself to phishing attacks, which allow hackers to gain control of your computer. Be especially careful of emails that have little or no content, aside from website links. Also, before clicking, hover over the link to be sure you know where it will take you.

Never send confidential information via email - use secure portals or file exchange services instead. If you must, at least password protect it and make sure you have firewalls and antivirus software installed and kept up-to-date.

Make sure smartphones and tablets are password protected in the event of theft. Newer devices have fingerprint scanners, which are much more convenient but accomplish the same thing.

In summary, the bad news is that we must be more diligent than ever before to protect ourselves in this digital world. The good news is that most of the things we need to do are fairly simple and require just a few good habits. As financial advisors, we're always looking for the best ways to protect our clients, so if you have found particularly effective methods, we'd love to hear [your feedback](#).

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