



Consumer Corner

by Illinois Attorney General LISA MADIGAN



Two New Laws Help Protect Illinoisans Against Identity Theft

If someone uses your personal information to obtain identification, credit or a mortgage, you may be a victim of identity theft. It can ruin your credit rating, deplete your bank accounts, and destroy your peace of mind. Last year, I proposed two new laws to help Illinois consumers protect their personal information and prevent identity theft.

Q. It seems as if you can't pick up a newspaper lately without reading that another business has failed to adequately protect electronic files containing the personal information of thousands, even millions, of consumers. With identity theft so common today, how can we be sure that the companies we do business with are keeping our personal information safe and secure?

A. You have good reason to be concerned. Last year, electronic files containing the personal information of more than 50 million consumers were compromised in a series of incidents involving companies large and small. While the majority of these incidents did not result in actual identity theft, the resulting press coverage served to underscore that the best way to prevent harm in a data breach is to keep consumers promptly and fully informed.

With this in mind, my office helped draft and pass the Personal Information Protection Act. Under this new law, any organization that collects, maintains, or uses personal customer information must notify Illinois residents of any breach of that data in a timely manner so that they may immediately take steps to protect their identities. According to the law, personal information is considered to be a consumer's name in combination with one or more of the following pieces of information: Social Security number; driver's license number; bank account, credit card, or debit card number; or access codes.

Q. A good friend of mine had her identity stolen last year, and she's had a terrible time restoring her credit history to good standing. Is there a way to minimize the harm an identity thief can do to your credit if you take action quickly?

A. Yes. A new law that I proposed gives victims of identity theft the power to regain control of their credit by allowing them to place a security freeze on their credit reports. Because very few creditors will extend new lines of credit without first looking at the applicant's credit report, this law effectively prevents an identity thief from obtaining credit in a victim's name.

This is how it works: If you find that you are a victim of identity theft, your first step should be to immediately contact your local police department to report the crime and get a police report. Once you have the police report, you should contact the three major credit reporting agencies (Equifax: 1-800-525-6285; Experian: 1-888-EXPERIAN (397-3742); and TransUnion: 1-800-680-7289) to have a security freeze put on your credit history. The security freeze is free, but you must have a police report, investigative report, or complaint you've filed with a law enforcement agency documenting the identity theft to prove you are a victim in need of the freeze. When the security freeze is in place, credit reporting agencies cannot change the name, address, date of birth, or Social Security number in your credit report without your approval, which makes it much tougher for identity thieves to hijack your personal information.

While the law prevents identity thieves from taking out credit in your name, it still provides you with flexibility to make use of your credit history when necessary: if you would like a company to be able to check your credit report, you may authorize the credit reporting agencies to temporarily lift the security freeze for a specific party or period of time.