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Protecting Your Social Security Number from Identity Theft

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Question: I have been reading and hearing in the news media much about the problem of identity theft. I am concerned about this and the possibility of having my identity stolen, particularly my social security number. Who am I required to provide my social security number to and when do I have a choice about whether or not to provide it?

Answer: Identity theft and fraud is a continuing problem. While the Federal Government recently estimated that US adult victims of identity fraud decreased from 10.1 million in 2003 to 9.3 million in 2005, the total estimated one year fraud amount rose from \$53.2 billion in 2003 to \$54.4 billion in 2005. Millions of Americans each year are victims of identity theft.

When social security numbers were first issued in the 1930s, the federal government stated that the use of the numbers would be only for the administration of the social security programs. Since then, that has not been the case. Today, social security numbers are used for a wide variety of recordkeeping functions, including medical records, credit and banking accounts, record-keeping related to employees, and for other purposes. The use, and misuse, however, of social security numbers has always been a concern to consumers, and the evolution of the use of the Internet for electronic commerce has raised these concerns. With the increasingly sophisticated marketing methods employed by credit card issuers, retailers, and others, consumers should be concerned about the misuse of their social security numbers.

There are several methods by which "identity thieves" steal social security numbers. These thieves often acquire them through physical theft of wallets and purses, or through searches of the mail and trash ("dumpster-diving") for credit card statements and tax information. In addition, consumers who provide personal information to an unsecured site on the Internet run the risk of having the information made available to identity thieves. Some basic methods of minimizing risks of identity theft include shredding paper documents that contain any social security card number references, and reviewing web sites' privacy policies prior to purchasing goods on-line. As an added safeguard, the Social Security Administration recommends that consumers not carry their social security cards with them, but store them in a safe place. It is also advisable to shred other documents that may contain personal information such as credit card solicitations or unneeded copies of old personal tax information.

Individuals must disclose their social security account numbers when the disclosure is required by a federal law, such as when applying for a passport. In certain instances, individuals must also disclose their social security number to a federal, state or local agency that maintains a system of records that was operating before January 1, 1975. Federal law also allows state agencies to use social security numbers to administer state tax laws and to provide general public assistance. States may also use social security numbers in issuing drivers' licenses.

Any federal, state or local government agency that asks an individual to disclose his or her social security account number must inform the individual whether the disclosure is mandatory or voluntary and what uses will be made of it. The agency must also tell you under what statutory or other authority the social security number is solicited. In short, it is prudent to carefully review any request for your social security number that is not directly related to your social security benefits or your federal income tax filing.

There are many restrictions on government agencies asking for your social security number, but few on individuals or companies. Employers and banks and other financial institutions require social security numbers for wage and tax reporting purposes. The Federal Trade Commission recommends that consumers ask the following questions if a private business requests a consumer's social security number: Why do you need it? How will it be used? How do you protect it from being stolen? What will happen if the

consumer refuses to provide it? Some businesses may not offer their services or benefits without having the customer's social security number. But by asking these questions, customers can acquire answers that may help them decide whether they want to share their social security numbers with the business.

For more advice and information concerning identity theft, go to the FTC's website at www.consumer.gov/idtheft. For an interactive, multi-media resource for information and tools on how to recognize Internet fraud, to shop securely online, and to handle identity theft, visit <http://www.onguardonline.gov/>.

Answered by Attorney Andrew B. Eills of Hinckley, Allen & Snyder, LLP, Concord.