

CORPORATE IDENTITY THEFT IT COULD HAPPEN TO YOU OR YOUR BUSINESS

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**IDENTITY THEFT COSTS THOUSANDS OF DOLLARS, HUNDREDS OF HOURS,
AND YEARS OF AGGREVATION TO RESTORE YOUR CREDIT FILE. BE ON
GUARD TO MINIMIZE EXPOSURE AND RISK.**

Identity Theft is a huge problem worldwide. Some say it is the largest financial crime in America and elsewhere, and it is not going away anytime soon. Whether it be personal or corporate theft, Identity Theft is growing at a phenomenal pace, and becoming ever more prevalent. You probably even know some individuals who faced this ordeal, and have some insight as to the amount of effort and resources required to correct the situation. The information presented within will focus on Corporate Identity Theft (CIT), because of extended exposure and risk as opposed to the personal form.

Identity theft is the act of obtaining information about a person and/or corporation and using it fraudulently to obtain credit or other assets in the process. This is very possible due to the vast amount of financial information that is transferred and stored electronically. Culprits have found ingenious ways to compromise security systems to obtain pertinent information. Electronic systems can hold an enormous amount of files and data, thus creating a large liability if security is breached.

On the other hand, this information can be also obtained by improper storage or disposal of paper statements. A common practice is to sift thru garbage for unshredded documents. Regardless of how they acquire the information, this often goes unnoticed by the victim, and the culprits are successful in obtaining goods, money, loans, or other resources of value. By the time it is discovered, it is difficult to pursue, costly to amend, and takes a great deal of time to repair. Your credit history may be adversely affected for years until it is completely resolved.

In addition to that, 39 States have enacted laws requiring businesses to comply with the proper handling of proprietary information, to prevent against such losses. Harsh penalties can be imposed if due diligence is not exercised in this area, not to mention the legal ramifications that coincide with negligence. Without getting into too many details, specifically, the FACTA Disposal rule enacted by the federal government in 2005 outlines measures to protect financial information to thwart misuse. Moreover, Industry-specific legislation such as HIPPA and GLBA apply to financial institutions to further outline their methods and responsibilities of securing critical data. Negligence could cost thousands to incompilant, unsuspecting businesses.

Proper knowledge and awareness about this fraudulent scheme will minimize risk and exposure, but there is no guarantee of this not happening to you. This situation is best

controlled by due diligence. Due diligence is simple, common sense techniques restricting access to such information. Unfortunately, simplicity doesn't mean inexpensive. Considerable thought, time and resources may be required to secure information, and each situation may differ from the size and nature of your business.

Constant monitoring of your credit history is the primary key to safeguard against CIT. Timeliness is of the essence in dealing with this crime. The more time elapsed, the harder it is correct and bring the criminals to justice. Therefore, it is recommended that credit reports be reviewed at least annually, if not more often than that. Additionally, close attention to monthly statements such as credit cards, bank accounts, vendors, and etc. should be scrutinized for possible fraud. Timeliness cannot be overemphasized with this crime, as it is the key to correcting the fraudulent activity in a reasonable fashion.

Banks and other financial institutions are very concerned with loss of proprietary information; it could cost them big money. They certainly do not want to be exposed to the legal ramifications as a result of their negligence. Therefore, protection services are often available for minimal charges, if not for free. Consult with your financial institution on this matter to see how they can help protect your business from fraudulent acts.

Insurance companies now offer separate programs to safeguard against CIT, because CIT is not normally covered under your business General Liability policy (now you know this is a serious event). CIT Insurance or CIP (Corporate Identity Protection) can offer you peace of mind with this modern day crime. CIP makes a great deal of sense. It provides insurance coverage for key elements as described below:

- Legal Liability Damages
- Defense Costs
- Regulatory Action Expense
- Notification Costs
- Crisis Expenses
- Recovery Services for Victims

These coverage's may vary substantially from company to company, but programs are available to tailor your needs. After a review of a proposed policy, the terms and conditions were found to be reasonable, pragmatic, and most of all, very economical. Just imagine if your information was fraudulently used and you had to go through the process of resolution. How much would it cost? How long will it take? How many man hours to resolve? What opportunities would be lost due to this? CIP offers the tools, money and resources to help resolve the situation. It takes much of the burden off the company's shoulders, because funds are available to have the proper entities pursue the crime the way it should be handled. This should provide more opportunity to resolve successfully in an efficient manner.

No one can eliminate the possibility of this occurring. But common sense practices, awareness, and insurance programs insuring against such, can all be an asset to prevent a very surmountable loss. Do not be caught by surprise because you may think it only happens to others. This is the largest growing financial crime in America.