

Tips to Help In Preventing Identity Theft

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Thieves in a car dealership can use access to customer credit reports to steal from bank and credit card accounts, a consumer advocacy group says.

So-called identity theft is rampant, and it could easily crop up at auto dealerships - particularly those without strict restrictions for handling customers' credit reports, according to the Privacy Rights Clearinghouse, a San Diego-based consumer advocacy group. Dealerships must restrict access to credit reports to curtail customers' exposure to fraud, the group says.

The Privacy Rights Clearinghouse offers tips on how to handle customer credit reports responsibly:

1. Develop a formal, written privacy policy, outlining how to handle customers' personal information. Go over the policy regularly with employees, as part of orientation for new employees and regular company training programs, and include it in employee handbooks and posters. Make it available in customer brochures.
2. Restrict access to, and use of, the information. For example, only the finance manager can access the information on computer, using a confidential access code, and only if the customer wants to obtain financing through the dealership.
3. Train employees not to leave computer terminals unattended when a customer's personal information is displayed. Consider password-activated screen-savers.
4. Forbid employees with access to sensitive customer data to answer questions about a customer's credit history. Teach employees to detect when they are being pumped for personal information.
5. Shred loan applications before putting them in the trash. A thief can otherwise retrieve the applications and use them to commit fraud.
6. Before disposing of them, erase computer records, diskettes, magnetic tapes, hard drives and other electronic media that contain personal information.
7. Restrict access to fax machines used to submit credit applications to lenders. Consider dedicating a fax for credit applications to make the faxes easier to monitor.

The Privacy Rights Clearinghouse says the improved security could win kudos from customers, who are more concerned than ever about privacy. It could also reduce a dealership's exposure to lawsuits. Though such challenges are rare, at least one business -

a health club - is being sued because an employee used customer records to commit credit card fraud, according to the Privacy Rights Clearinghouse.

In 1998, 85 percent of Americans surveyed said they were concerned about threats to their personal privacy, including exposure to theft, according to the Center for Social and Legal Research, a Hackensack, N.J.-based organization that promotes privacy rights. Their concerns are legitimate. Identity theft accounts for as much as 25 percent of credit card fraud losses annually, the Privacy Rights Clearinghouse estimates.