



Employee Services Newsletter

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Take Care of Your Cards!

The recent news about credit card safety has not been encouraging. It was announced in June that over 40 million credit card numbers—including MasterCard, Visa, American Express and Discover Cards—had been stolen from CardSystems, Inc., one of the companies that processes merchant requests for credit card authorizations. It was by far the largest breach to date. While banks are held accountable under federal law for compromising your privacy, third-party companies such as CardSystems, which only process the transaction among the purchaser, merchant and card-issuing bank, are not subject to the same penalties.

Once a credit card number has been stolen or compromised, the safest way to prevent problems is for the bank to simply issue a new card. But this process costs the bank about \$35 per card, so the overall expense of replacing all 40 million cards would be more than \$1 billion. Banks figure that since proportionately few compromised numbers are actually used by hackers, the cost of replacement simply isn't worth the expense.

For those whose financial identity is stolen, the cost of repair averages \$1,200 and about 600 hours, not to mention a great amount of stress and worry! Privacy rights specialists such as CardCop suggest several things you can do to minimize the chances of personal financial identity theft:

- Communicate with your card-issuing bank on a regular basis to inquire if breaches have occurred and if your numbers may be compromised.
- Limit the actual number of credit cards that you use so that unauthorized purchases are more likely to show up and be noticed on one or two cards rather than across many cards.
- Examine your credit card statements very carefully. Look closely for purchases that you can't remember making and report them immediately.
- Never make online purchases in wireless "wi-fi" zones. Experts claim that these areas are not protected. The fellow on the park bench nearby could be monitoring your entire transaction.
- Reduce the amount of mail coming into your house bearing sensitive information such as credit card numbers and Social Security numbers.
- Invest in a shredder to dispose of any documents, invoices or statements bearing sensitive data and credit card numbers. Many identity thefts involve information obtained from curbside garbage bags!

If you believe that your credit card security has been breached, your first call should be to the issuing bank. But you then may wish to contact your EAP for emotional support as well as legal and financial guidance in correcting the problem. Credit cards have greatly simplified our lives; however, the privilege of card ownership involves diligence and caution in protecting one's financial identity!