

CardRatings.com

Your *Source* for Credit Card Information

About Us

Search

Contact Us

CARD REPORTS

CREDIT INFORMATION

CREDIT CALCULATORS

FORUM

ARTICLES

CREDIT NEWS

California Legislation Helps Curb Card Fraud

March Card Tips - By [Rebecca Lindsey](#), CardRatings.com Staff Writer

In the interest of preventing credit card fraud, lawmakers and policy makers throughout the United States are introducing legislation that will make it more difficult for individuals to have their 'identity' stolen from old sales receipts.

In the past, federal laws have been enacted to help protect victims of identity theft; one specific example is the Identity Theft and Assumptions Deterrence Act that was signed into federal law in 1998. This law redefined identity theft by making the theft of *personal information* a crime, whereas previously identity theft was defined as the theft of personal documents.

Although this was a big step, it didn't solve the problem.

California is one of the first states to establish a law that will help prevent identity theft and credit fraud in the first place. As of January 1, 2001, credit card receipts in California will list only the last five digits of a customer's credit card account number, and no expiration date.

Retail stores in California will have until 2004 to phase out all older cash registers that print the entire credit account number. Many newer registers will only require new software that tells the register to truncate the account number on the printed receipt.

Such receipts will thwart the efforts of 'dumpster divers,' those individuals who dig through public and private trash bins in hopes of finding any slip of paper with your personal information, such as your social security number or credit card account number. It may seem unlikely, but criminals can (and do) use this minimal amount of information to steal your identity and make charges on your credit card, or set up new credit cards. Read more about the California legislation by visiting [BankRate.com](#) and [MyCounsel.com](#).

The far reaching impact of credit fraud

According to a briefing report to congress in 1998, officials at VISA USA, Inc. and MasterCard International, Inc. indicated that the overall fraud losses from their member banks was several hundred million of dollars each year. Obviously this problem affects consumers; but it also affects banks and retailers. Because of minimal liability actions for consumers, and because many fraud cases are too hard to investigate and prosecute, retailers and banks must often eat the cost of fraud.

Legislation for the prevention of identity theft is being enacted in several states, advancing toward a national movement against fraud. You can find out if your state is moving on this issue by researching your state's legislative sessions. Most states now have web sites so constituents can be more aware of legislative activities. Be an active constituent! Call, write, or email your representative and let him or her know what you would like to see done.

Until fraud is wiped out completely

Until laws to prevent fraud are mandated in your state, you can take simple actions to protect yourself against credit identify theft.

- Always take credit card, debit card and ATM receipts with you when you leave a cash register. Never throw them in a public trash container. Tear them up or shred them at home when you no longer need them.
- Tear up or shred unused pre-approved credit card solicitations and convenience checks
- Carefully review your credit card statements and utility bills for unauthorized use as soon as you receive them. If you suspect unauthorized use, contact the provider's customer service and fraud departments immediately.

The [Federal Trade Commission](#) has great information and tips on how to prevent credit fraud. Check the following links: [Avoiding Credit and Charge Card Fraud](#) {<http://www.ftc.gov/bcp/online/pubs/credit/cards.htm>}, and [ID Theft](#). <http://www.consumer.gov/idtheft/>

More information can also be found at the [United States Department of Justice](#) website.

[VISIT OUR ARTICLE ARCHIVE!](#)

You are welcome to print a copy of any of our articles and distribute them freely for educational purposes. If you are a webmaster, you are also welcome to post any of our articles on your site provided that you include a link to our site between the title and the body of the article (stating that our staffmembers produced the article).