III. Addressing Account-Related Identity Theft

This Section of the guide deals with identity theft that involves the opening of new or misuse of existing financial accounts. Section IV covers other types of identity theft.

Disputing and correcting fraudulent new accounts or the misuse of existing accounts and clearing fraudulent accounts from credit reports are some of a victim's most critical steps in restoring financial health. This Section of the guide sets out the two processes available to victims for disputing inaccurate information both with the credit reporting agency (CRA) and the creditor, debt collector, or other company that reported the information about its transactions with the imposter to the CRA (furnisher). Under the Fair Credit Reporting Act (FCRA), both the CRA and the furnisher are responsible for correcting fraudulent information in identity theft victims' credit reports.

Identity theft victims have the right to block the reporting of information that resulted from identity theft under section 605B of the FCRA. This provision requires the CRAs not only to block the information from appearing on the victim's credit report, but also to notify furnishers who reported the information it has blocked. This then triggers section 623(a)(6)(A), which prohibits those furnishers from *continuing to report* that information to any CRA, and section 615(f), which prohibits them from *selling, transferring or placing for collection* the fraudulent debts. Unauthorized inquiries on credit reports that were initiated by a creditor or prospective employer because of an application the imposter submitted can also be removed using section 605B. The section 605B blocking process requires the victim to file a police report. The section 605B blocking request procedures are described in **Section III.A** of this guide.

If, however, the victim does not wish to file a police report, or if the victim wishes to correct erroneous identity theft-related information on her credit report rather than blocking the information entirely, she may use the FCRA's standard dispute procedures set out in sections 611 and 623 of the FCRA. **Section III.B** sets out the dispute process with the CRAs and information furnishers under these provisions.

Identity theft may affect consumers in ways that are not covered by the FCRA. The laws covering these situations are described in **Section III.C**. For example, the Electronic Fund Transfer Act and the Fair Credit Billing Act control certain activities of companies such as banks and credit card issuers. **Section III.C.4** covers instances where no specific federal law applies, such as disputes with companies that do not report account activity to the CRAs. For example, many telecommunication providers do not furnish account activity information to CRAs. In these circumstances, your client should, nonetheless, alert the company to the identity theft, and dispute the fraudulent charges or account activity.

Other statutes also come into play. The Fair Debt Collection Practices Act, discussed in **Section III.D**, provides rights that could be valuable to victims of identity theft who face problems with debt collectors. And businesses that have entered into a

transaction with an identity thief are obligated to provide without subpoena the identity theft-related documents to the victims and law enforcement officers investigating their cases under section 609(e) of the Fair Credit Reporting Act, as discussed in **Section III.E**.