

CREDIT & CHARGE CARD FRAUD



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INTRODUCTION

The cost of credit and charge card fraud -- to card holders and companies alike -- is in the hundreds of millions, if not billions, of dollars annually. Everyone pays for credit and charge card fraud in higher prices, whether or not they are personally defrauded.

While fraud is usually by theft, it also occurs in other ways. For example, someone may use your card number (not the card itself) without your permission. This may occur in a variety of ways:

- A thief rifles through trash to find discarded receipts or carbons to use the card numbers illegally.
- A dishonest clerk makes an extra imprint from your credit card or charge card for his or her personal use.
- You receive a postcard or a letter asking you to call an out-of-state number to take advantage of a free trip or a bargain-priced travel package. When you call, you are told you must join the travel club first. You are asked for your credit card number so you can be billed for the membership fee. The catch? New charges continue to be added at every step and you never get your free or bargain-priced vacation.

HOW TO GUARD AGAINST CREDIT AND CHARGE CARD FRAUD

Here are some suggested precautions you can take to help protect yourself against credit and charge card fraud. You may also want to instruct any other person who is authorized to use your account to take the same precautions.

- Sign your new cards as soon as they arrive.
- Cut up or destroy old cards before throwing them away.
- Keep your card in view after you give it to a clerk. Retrieve your card promptly after using it.
- Avoid signing a blank receipt. Draw a line through blank spaces above the total when you sign card receipts.
- Void or destroy all carbons and incorrect receipts.
- Save your card receipts to compare with your billing statements.
- Open billing statements promptly and reconcile your card accounts each month, just as you would your checking account.

- Report promptly and in writing any questionable charges to the card issuer.
- Notify card companies in advance of a change in address.
- Keep a record of your card numbers, their expiration dates, and the phone number and address of each company in a secure place. Some authorities also recommend carrying your cards separately from your wallet.

DO NOT ...

In addition, here are some things you should not do:

- Never lend a credit or charge card to anyone.
- Never leave your cards or receipts lying around.
- Never put your card number on a postcard or on the outside of an envelope.
- Never give your number over the phone unless you are initiating the transaction with a company you know is reputable. If you have questions about a company, check with the local Attorney General's office or Better Business Bureau before ordering.
- Don't give out your credit card number online unless the site is secure and reputable.

WHAT TO DO IF YOUR CARDS ARE LOST OR STOLEN

If your credit or charge cards are lost or stolen, call the issuer(s) immediately. Most card companies have a toll-free number for reporting missing cards. Some companies provide 24-hour service. If you report your missing card within 2 business days, you're liable for up to \$50 in unauthorized purchases on a credit card. If you miss the 2 day window but report within 60 days of receiving your billing statement, your liability shoots up to \$500. If you wait beyond the 60-day period, you may be liable for all unauthorized purchases.

WHAT TO DO ABOUT SUSPECTED FRAUD

If you suspect that someone has illegally used your credit card, call the card issuer immediately. Use the special telephone number that many card issuers list on their billing statements. You also may want to follow up your phone call with a letter.

You may be asked to sign a statement under oath that you did not make the purchase(s) in question.

***This handout is general in nature. It is not a substitute for legal advice from an attorney regarding individual situations. (August 2021)**

For additional information on this and other legal topics, see the Air Force Legal Assistance Website: <https://aflegalassistance.law.af.mil>