Hackers Now Targeting Free Credit Reporting Sites

March 27, 2012 - Hackers have always gravitated to large repositories that store consumer data. The payoff for successfully hacking into these data troves can be enormous for those who are successful, but devastating to victims who find their most personal information has been stolen. So it really shouldn't come as any surprise that hackers are now targeting web sites that offer free credit reports. And according to a new report from MSNBC, they have found that getting into these sites is a lot easier than it actually should be.

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Once a hacker is able to get his or her hands on personal data belonging to consumers, they can use that information for a variety of purposes. Some may go into the identity theft business themselves. But most will try to sell the data to others. In many cases, stolen information can be sold more than once. Perhaps one buyer is interested in using the information to establish new credit lines. Another might be interested in using it to commit medical identity theft. And then, of course, there is a black market made up of millions of people living in the country illegally who are more than willing to pay to establish a new identity of their own.

Out of all of the sources of information available to hackers, credit reports are probably the most valuable. But typical identity theft scenarios have focused on establishing credit in someone else's name and ruining their credit. The new scenario is a little different. It focuses on gaining access to the victims' credit report and then selling it based on how good the report is. That allows the thief to ask top dollar for people with credit scores in the 800 range, and a much lower price for those with mediocre credit.

And because the range of information on credit reports is very broad, it also gives the thieves access to multiple sales markets.

According to MSNBC's report, there doesn't appear to be much that consumers can do to prevent this type of data theft. Even if consumers place a freeze on their credit - which would prevent any would-be thief from opening up a new credit account in the person's name - it is not clear that a freeze would prevent the thieves from accessing their credit reports. That still leaves the consumer open to the potential abuse of their identity. And a credit freeze wouldnâ€™t prevent a hacker in possession of a consumer's credit report from using an existing line of credit that the consumer already has.

The range of sites being targeted for this type of crime is also wide. In includes sites that are owned by the credit reporting agencies and the AnnualCreditReport.com site which is federally mandated. Thieves have been able to gain access to all of these sites, and consumer credit reports from them are currently available for sale on a wide variety of

black market websites.

Unfortunately, there isn't much anyone can do the stop this type of hacking. Consumers need to watch their bills closely, even if their credit is frozen. If you spot charges on your existing credit card bills that you don't recognize, contact your credit card company immediately. And if you receive notices regarding new credit lines that you have no knowledge of, contact whoever sent you the notice directly.

Consumers also need to be checking their own credit report regularly and disputing any unrecognized items. Consumers are entitled to one free credit report annually from each of the CRAs through AnnualCreditReport. If you contact AnnualCreditReport and find out that your credit reports from each CRA have already been issued for the year, but you know that you have not checked your report over the past twelve months, this is an immediate indicator that your report has been stolen. Anyone who finds themselves in this position should immediately contact the CRAs and have a credit freeze placed on their account.

byJim Malmberg
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