



HOW I DO IT!

Avoiding business identity theft

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Special to the Business Report

Business identity theft, also known as corporate or commercial identity theft, is a relatively new peril affecting business owners.

It is essentially the same as personal identity theft except it involves the unauthorized use of the business identity rather than the personal.

According to the Florida Division of Corporations, 60 percent of businesses that suffer identity theft close within a year of being victimized. Although sometimes a high-tech crime, the majority takes place offline. To avoid what could be a death knell for the business, owners should be vigilant and proactive. To that end below are some measures you can take.

GUARD YOUR PAPER DOCUMENTS:

Offline identity theft occurs by thieves stealing wallets, intercepting mail, and rummaging through garbage. Keep only the hard copy of documents that you need to operate your business. Shred documents that are no longer needed. Limit employer identification number disclosure, and keep hard-copy documents with sensitive information in a secure location not accessible to unauthorized users.

MAKE A BUSINESS PROTECTION PLAN:

Incorporate a security plan as an essential component for success in your business plan. As part of the security strategy, have a plan for both prevention and mitigating damage in the event there is an incident. Educate employees on scams and what steps to take when seen.

REVIEW COMPANY CREDIT AND

ACCOUNTS: Monitor your business credit report and credit statement for accuracy and for suspicious activity. Avoid mixing personal and business related expenses and transactions as doing so will leave you vulnerable to both business and personal identity theft. If your business is small consider placing a freeze on personal credit to the business, such as through a personal guaranty. This will deprive thieves the information they might use to open a new account in the name of your business and also will deprive those who you give the guaranty information they could use to your detriment or that of your business.

BE DILIGENT:

Regularly review your business record with the Division of Corporations and

keep the email address of record updated to ensure receipt of notifications of any changes to records. Thieves target companies that are classified as inactive or in default, naturally assuming those companies that fail to maintain basic quarterly or annual business filings will likewise fail to realize their information has been modified. The same step may be taken regarding your business bank account; enroll for email alerts to monitor activity.

KEEP YOUR COMPUTERS, NETWORK

SECURE: Secure your business' wireless network. Use a firewall, and keep all protection software up to date. Use complex passwords and change them frequently. Avoid using networks that are not secure and restrict online activity to only business activities. Monitor your Web presence for imposters. Using Google Alerts is one simple method of monitoring.

It's your business identity. Do what you can to keep it. ■

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