

# Credit Card SKIMMING

consumer *brief*

You hand your credit card to the waiter or waitress at your favorite restaurant. You expect to pay for your meal, but sometimes that's not all you're paying for.

An electronic credit card reader, or "skimmer," is a device that was designed to be used with cash registers and/or credit card machines. The skimmer gathers information including your name, address, telephone number, card number, credit limit and PIN number which is encoded in the magnetic stripe on the back of your card. When used legitimately, this information is collected and telephoned in for approval. When used illegitimately, the process is called "skimming." According to the U.S. Secret Service, skimming is one of the fastest growing ploys used by criminals.

How does it work? During the skimming process your card is swiped a second time, using a small, hand-held device, similar to a pager. The skimmer captures your information and re-encodes it on the magnetic stripe of a plain plastic card or stores the information in the device itself so it can be downloaded later for illegal purposes. With one swipe of your card a criminal can take the information he or she has captured and make unauthorized purchases.

Frequently, individuals doing the skimming are employees of the establishment—often gas stations or restaurants. They will pull the small skimming device out of their pocket, swipe your card and hide it before anyone realizes what has happened. If they don't use the information themselves, they are often paid a flat fee, or on a per card basis, for the information they steal.

Although banks and credit card companies will generally absorb the losses generated by skimming, they usually offset these costs by increasing your interest rates and fees. Be aware of the potential for this type of fraud.

## TIPS

- Try to keep an eye on your credit card at all times, if possible.
- Keep your receipts.
- Review your account statements carefully, and notify your bank immediately about any discrepancies you discover.

## IF YOU BECOME A VICTIM

Contact the four major credit bureaus at:

- Equifax: 800-525-6285 • [www.equifax.com](http://www.equifax.com)  
Experian: 888-397-3742 • [www.experian.com](http://www.experian.com)  
Trans Union: 800-680-7289 • [www.transunion.com](http://www.transunion.com)  
Innovis: 800-540-2505 • [www.innovis.com](http://www.innovis.com)



**800-242-5846** • New Jersey Division of Consumer Affairs  
[www.NJConsumerAffairs.gov](http://www.NJConsumerAffairs.gov)

