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Inside this Newsletter

June 2007

1 **Identity Fraud Frequency Drops**

2 **A Healthy Dose of Understanding**

3 **Employee Profile**

4 **Vendor Profile: ADT Security Services**

5 **Sly debtors cost you BIG Money**

Identity Fraud Frequency Drops

The 2007 Identity Fraud Survey Report has identified a significant reduction in fraudulent new account openings using a person's private information, traditionally one of the most common types of fraud. The report also confirmed that more fraud occurs in traditional physical channels, such as in-person transactions and by the direct theft of personal data by individuals, rather than online.

The survey found:

- Identity fraud is dropping in the United States-it's down by an estimated 12 percent over the previous year, which translates into a total fraud reduction of $6.4 billion.
- Fraudulent new account openings are down over the previous year, with average fraud amounts also dropping significantly
- Young adults are at the greatest risk for identity fraud. Adult victims between the ages of 18 and 24 are least likely to take easy but important safeguards such as shredding documents and using antivirus software and firewalls, resulting in more than five percent of those surveyed falling victim
- A fraud detection digital divide. Americans earning less than $15,000 are least likely to be victims but take the longest to uncover fraud when it happens. They also react differently to fraud than those Americans earning more than $150,000.

Approximately 500,000 fewer adults in the United States fell victim to identity fraud in 2006 than in 2005. Of America's overall adult population, 3.7 percent were victims, as compared to 4.0 percent in 2005. This demonstrates a continued year-over-year decrease since data was first collected in 2003, when 4.7 percent of the adult population was victimized.

In terms of total dollars, identity fraud in this year's report dropped by an estimated 12 percent over the previous year, from $55.7 billion to $49.3 billion.

Factors that contribute to this decline include better consumer education and awareness, and the increased usage of online banking and financial sites that allow individuals to more frequently monitor their accounts.

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A Healthy Dose of Understanding

As a collection professional, your attentive and inquisitive qualities help make you successful in your collection efforts each day. You know your clients' needs and how they want their customers handled during the collection process, whether you're collecting on credit card accounts one day and mortgage loans the next.

While your position as a collection professional charges you with guiding the consumer to payment in full or, in some situations, settlement in full, one type of account needs special consideration: healthcare.

According to the Centers for Medicare and Medicaid Services, out-of-pocket healthcare spending in 2007 will reach an estimated $262 billion. Clearly, this is a significant market segment.

Why is collecting on healthcare accounts so different? Typically these debts are not incurred intentionally. As a result, healthcare accounts require a unique approach to what you say to the consumer and how you say it. It's important to be mindful of your ultimate goal-to collect on the account-while understanding the complexities of medical debts.

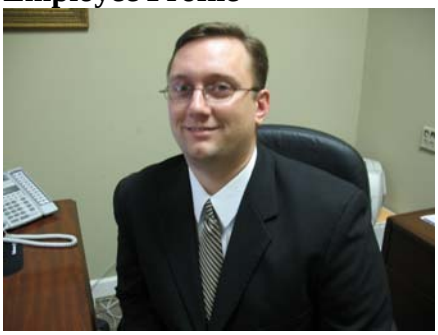
Remember that the consumer did not want to be sick and did not choose to spend the money. In 2007, total healthcare spending in the United States is expected to reach $2.25 trillion. Yes, *trillion*. No luxury spending was involved in most medical debts. The consumer didn't buy a new car or go on the "trip of a lifetime." Consumers could lose, or have lost, employment because of their illness, while simultaneously accumulating large amounts of debt.

Collector Magazine
April 2007

Vendor Profile: ADT Security Services

Our vendor profile this month is Security Services Inc. Security Services is an authorized ADT Dealer. Since opening here in Tupelo they have formed relationships with businesses and residents in and around Northeast MS. They have offices in Cleveland, Hernando, Jackson, Tupelo and coming soon on the coast. Security Services is Mississippi's largest and number one ADT dealer. ADT security monitors all NASA space stations, parts of the pentagon, Fort Knox, 90% of fortune 500 companies and 5 million customers nationwide. They offer services such as burglar alarms, fire alarms, intercom systems, vehicle tracking devices, video camera surveillance and up to 5 monitoring stations. Security Services treats their customers like family and we should know because they have been our security providers since their Tupelo office opened. For further information you can contact Darren Riggs at 662-687-0400.

Employee Profile



Our featured employee this month is Bert Wilson. Bert started with ACS in April 2007 as the Director of Collections. Bert is married with two children. He just moved from Florida where he was Office and Collections Manager of a large collections law firm.

Sly Debtors Can Cost You Money

When ACSI places an account into a "Legal Status", it is a result of exhausting all other means of collection. ACSI pays out-of-pocket attorney fees and court costs therefore saving our clients any additional costs.

If an account is in legal status and a client authorizes arrangements with a debtor there are potential issues for both the client and the agency. If the account was set for suit, the client may have received the full amount due much faster. Instead the client is now under agreement with the patient to pay the account in monthly installments; thus, extending the time that the client has to manage the account. ACSI incurs any costs of attorney fees and the client might not get paid at all if the patient decides to default again.

It is not uncommon for a patient to have a "change of heart" once they receive a legal notice and run to the client for payment arrangements.
Once an account is placed into a legal status, it is highly recommended that the client refer the patient to ACSI's legal department if the client is approached by the debtor to make arrangements.

Ken Dulaney, Sales & Marketing Director
Alliance Collection Service, Inc.