

Identity Theft

The Problem
and
How to respond

The Problem of Identity Theft

- What it is
- The harms it causes
- Identity theft facts
 - How criminals do it
 - Why they do it
- Police response
 - Enforcement
 - Prevention
 - Victim assistance

Identity Theft: A New crime

- The Identity theft and assumption deterrence act of 1998 made identity theft a new federal crime for anyone who:

...knowingly transfers or uses, without lawful authority, any name or number that may be used, alone or in conjunction with any other information, to identify a specific individual with the intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of Federal law, or that constitutes a felony under any applicable State or local law.

Identity Theft: An Old Crime

In reality, identity theft is made up of many different crimes:

- credit card fraud
- forgery and counterfeiting
- computer fraud
- impersonation
- terrorism, and more

The Harms it Causes

- About 10 million victims a year in the USA
- Victims experience harassment from debt collectors, banking problems, loan rejection, utilities cut off, even arrest for the identity thief's other crimes.
- The total annual cost of identity theft to its victims was about \$5.0 billion in 2003. Businesses, including financial institutions, lost another \$47 billion in identity-theft related costs.
- Costs \$15-25,000 per case investigated.
- People are in fear of being victimized.

How do we know?

- Government sources. The Federal Trade Commission, the U.S. General Accounting Office, the Social Security Administration, the US Postal Service, the Department of Homeland Security, the FBI, the United States Secret Service, the US Sentencing Commission and Congressional hearings.
- Popular and trade media reports that provide mostly anecdotal information and reinterpret reports from government sources.
- Data from credit reporting agencies,

Identity Theft Facts

- The longer it takes to discover the theft, the greater the loss and suffering to the victim.
- Low income, less educated individuals take longer to discover or report their victimization
- It is typically not discovered by the victims until some time after it has occurred – in some cases years.
- About 15% of victims know the offender

Why so popular a crime?

- Opportunity abounds
- Identities are “hot products”
- Anyone can do it.
- Easy to get away with
- Do it alone or in groups

Identities are poorly guarded

- Individuals give away personal information every day
- Criminals know where to find and retrieve victims' identities
- Businesses and agencies trade in identity information
 - Credit cards
 - Social security numbers

How Identity Thieves do it

- Pick pocketing, mugging or burglary to get wallets, purses, or other personal info.
- Mail interception
- Dumpster diving
- Computer hacking
- Corrupting employees
- Purchase on black market
- Fraud and trickery (fraudulent web sites, telemarketing, email requests)

What they do with stolen identities

- Use one ID as a breeder document for more
- Open new credit card accounts
- Manipulate bank accounts, new accounts, write checks
- Open utilities, telephone accounts
- Receive social security payments
- Take over insurance accounts and make false claims
- Submit tax returns and collect refunds
- Take out auto loans and mortgages
- Immigration fraud
- Conceal other crimes, avoid arrest

Do you have an ID Theft problem?

- Scan your crime incident reports for ID related info. Is such info collected?
- Check the Sentinel database for your jurisdiction
- Do victims seek police reports?
- Do local businesses report ID Theft related crime? (e.g. hotel fraud, card fraud)

Consumer Sentinel Information:

<http://www.ftc.gov/sentinel/>

To join Consumer Sentinel:

http://www.ftc.gov/sentinel/cs_signup.pdf

Choose your problem

- Select a specific ID theft problem to work on. E.g., mail interception, retail fraud, card fraud, hotel fraud, home burglaries etc.
- Collect data: look for hot spots and patterns according to time and place
- Identify specific risks: e.g., poor ID authentication, employee theft, poor guardianship by individuals.

Police response

- Prevention
- Victim assistance
- Enforcement

Prevention

- Raise business responsibility awareness
- Educate citizens on protecting their personal information
- Collaborate with government and service organizations
- Partner with local banks
- Work with delivery companies to track stolen packages

Victim assistance

- Work with the victim: keep victim in picture, provide incident report
- Prepare a response plan in case of massive identity theft incident

Enforcement

- Federal Trade Commission (FTC)
- F.B.I.
- U.S. Secret Service
- Multi-agency task forces
- Work with prosecutors
- Solve cross-jurisdictional problems

Myths about ID theft

- Using a credit card on-line is more risky than off-line
- The social security number is the most secure form of identity
- Biometric measures are the only sure means of identification
- Most identities are stolen by computer hackers