
ID Theft: What Consumers and Victim Assistance Providers Need to Know

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Disclaimers

- Views expressed in this presentation are not necessarily those of the Commission or any Commissioners.
- Any answers to questions are my own opinion and not the Commission's or any Commissioner's.



What We'll Cover

- Scope of ID Theft
 - Prevention Tips
 - FTC's Resources for Consumers and Victims
 - Report Complaints to FTC's Website or Hotline
 - FTC's Consumer Education Materials
 - Victims' Rights and Remedies
 - Steps Most Victims Should Take to:
 - Detect
 - Recover
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How Many New Victims Annually?

- 2003 FTC: 9.9 million adults
 - 2005 FTC: 8.3million
 - 2005 Javelin: 9.3 million
 - 2006 Javelin: 8.9 million
 - 2007 Javelin: 8.4 million
 - 2008 Javelin: 10 million
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Ways Thieves Use Victims' Identities

Percent of all ID Theft Victims 2001 - 2005

■ Credit Card Fraud	
□ Total	63.5%
□ Existing	60.8%
□ New	6.8%
■ Bank Fraud	
□ Total	33.2%
□ Existing	32.5%
□ New	2.2%

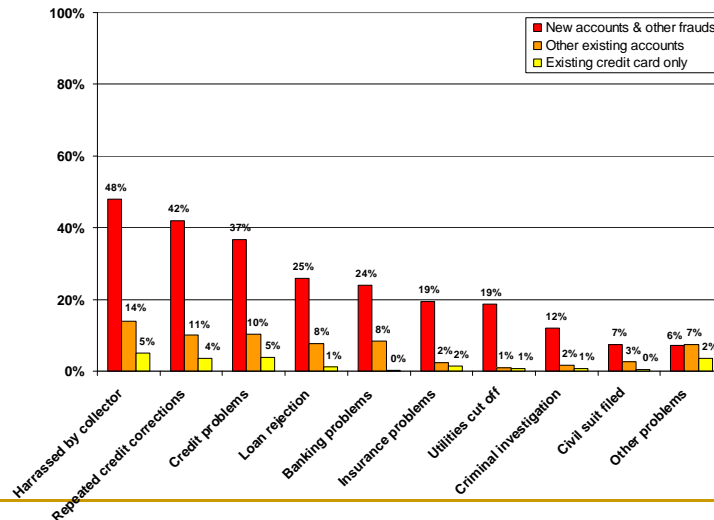
Ways Thieves Use Victims' Identities

Percent of all ID Theft Victims 2001 - 2005

■ Telephone Fraud	
□ Total	15.3%
□ Existing	10.7%
□ New	7.7%
■ Internet Payment Accounts	7.0%
■ Given to Police - Concealment	5.0%
■ Loans	3.0%
■ Medical Insurance	3.0%
■ Employment	1.0%

Selected Problems Experienced by Victims

(2001-2005 Victims, FTC 2005 Survey)



Prevention Tips for Consumers

- Shred financial documents before discarding them
- Protect your Social Security number
- Don't give out personal information unless you're sure who you're dealing with
- Keep your computer virus protection and firewall updated and don't use obvious passwords
- Keep your information in a secure location
- Protect your mail
- Pay attention to Data Breach Notification letters

FTC's Consumer and Victim Resources

The ID Theft Act of 1998 made identity theft a specific federal crime, defined identity theft broadly, and recognized the individual whose information was stolen as a victim of the crime

Centralized complaint and consumer education service for victims

- Section 5 of the ID Theft Act required the FTC to create the “centralized complaint and consumer education service for victims of identity theft” for the federal government, and to
 - Receive complaints from victims
 - Provide information and assistance to victims
 - Log them and refer them as appropriate to law enforcement and the 3 major CRAs

Victims & Consumers can File Complaints using FTC's ID Theft Hotline & Website

- Toll-free phone number for identity theft victims
1-877-ID THEFT (438-4338)
- www.ftc.gov/idtheft
 - Printable ID Theft Affidavit and Complaint Form
- FTC does not investigate the complaints of specific individuals
 - Monitors database for trends, brings civil actions where pattern or practice of violations appear

FTC's Complaint Database



Identity Theft Data Clearinghouse

- Federal government's centralized database of identity theft victim complaints
 - Available ONLY to law enforcement
 - Provided Free through the Consumer Sentinel Network
 - Over 2.0 million searchable complaints

Demonstration of FTC's Online Consumer Identity Theft Complaint Reporting System

FTC's Identity Theft Website Provides Educational Materials and Resources



- Online Printable ID Theft Affidavit and Complaint

www.ftc.gov/idtheft

Tools for Victims and those providing Services to Victims: Model Letters, Forms



www.ftc.gov/idtheft

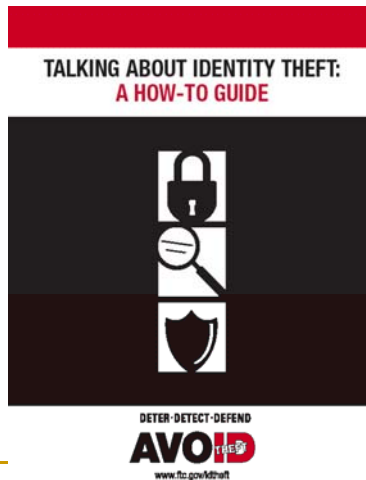
Examples of FTC's Consumer Educational Materials

- Take Charge: Fighting Back Against Identity Theft
- AVOID ID Theft: Deter, Detect, Defend



www.ftc.gov/bulkorder

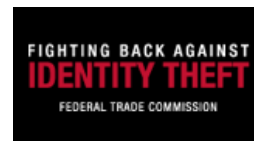
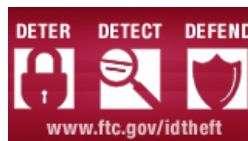
Community Training Materials: Avoid ID Theft: Deter, Detect, Defend Education Kits



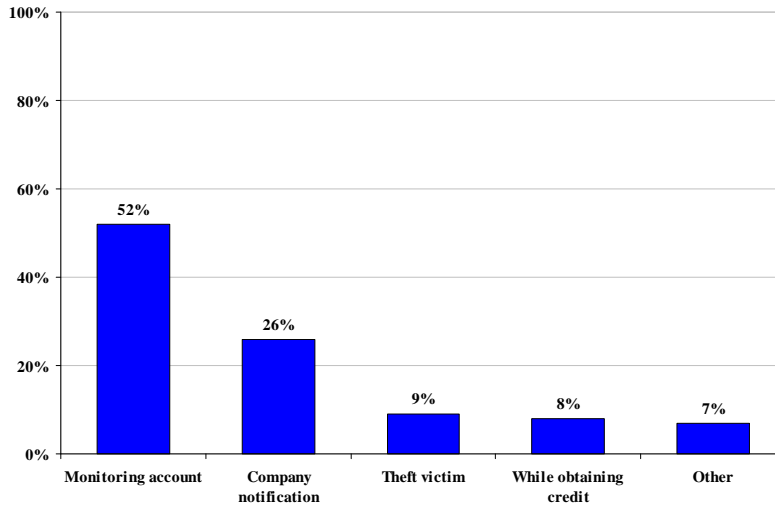
Summary: Educating Others

Help educate others in your community about identity theft.

Education kits, publications, and posters can be printed at www.ftc.gov/idtheft or ordered in bulk from www.ftc.gov/bulkorder.

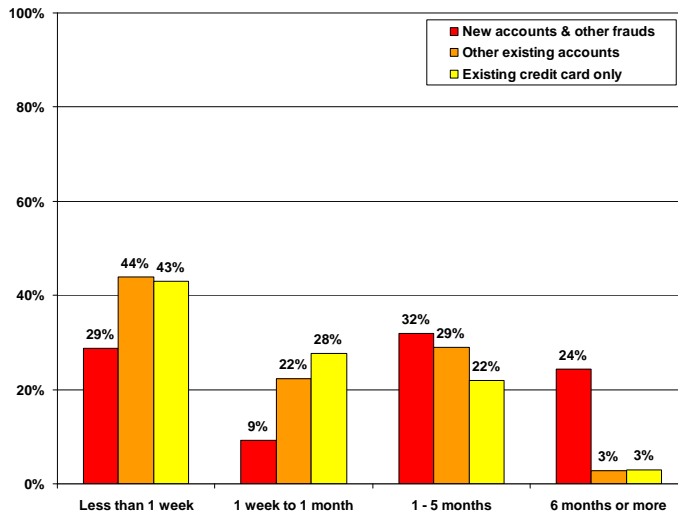


How Victims Discovered ID Theft



Data from FTC 2006 ID Theft Survey Report

Length of Time Required to Discover Misuse



Data from FTC 2006 ID Theft Survey Report

Early Detection Prevents Much Additional Harm

- Be alert for warning signs
 - Mail or bills that don't arrive – especially for elder fraud
 - Denials of credit
 - Inspect your credit report
 - Law entitles you to one free report a year from each nationwide credit reporting agencies if you ask for it
 - Online: www.AnnualCreditReport.com; by phone: 1-877-322-8228;
 - or by mail: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281
 - Inspect your financial statements
 - Look for charges, withdrawals or transfers you didn't make
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ID Theft Victims' Rights and Remedies

Federal Laws Sets Up Ways for Victims to Help Themselves

- Many people can resolve their own financial issues independently
 - Federal and State laws protect victims from losses

- Critical for victims to notify companies *in writing* to trigger legal protections
 - ***“Identity Theft Report” is key tool***

General Steps Victims of Financial Account Identity Theft Need to Take

- 1) Contact Credit Reporting Agencies
Place Fraud Alert and then Correct Credit Report
- 2) Contact Companies Involved
Follow up In Writing and Obtain Closure Letter
- 3) File a Complaint with the FTC
Print Completed Affidavit from Website
- 4) File a Police Report
Send to CRAs to block identity theft-related information from credit report

Why Place Fraud Alerts (FCRA § 605A)

- Fraud Alert signals potential creditor that someone else is using consumer's identity
- Creditor *must* take additional steps to confirm the applicant's identity before issuing new credit, adding authorized user, etc.
- Entitles victim to free credit report
 - Follow instructions in fraud alert confirmation letter to get the free credit report – not sent automatically
- Initial: 90-day, renewable, provides for one free credit report
- Extended: 7-year, need ID Theft Report, two free credit reports
- Set fraud alert by contacting *only one* of the three CRAs

Why Correct Credit Reports

- Victims must clear their credit report to restore their credit score
 - Key to Access to and/or Interest Rate Charged for
 - Credit
 - Loans, including Auto, Student, Small Business, and Mortgages
 - Insurance
 - Employment
- Fastest and most comprehensive credit report correction obtained by "Blocking," a new consumer right under FCRA § 605B

Credit Report Information Blocking – CRA's Obligations Under § 605B

- CRAs must block information within four business days after accepting “Identity Theft Report”
 - Identity Theft Report is an official police report with sufficient detail to verify allegations of identity theft
- CRAs must promptly notify furnishers of information that the information they furnished is result of identity theft

Furnisher's Obligations Under § 605B

- When a furnisher receives notice *from CRAs* under § 605B that the information it furnished resulted from identity theft, the furnisher:
 - May not re-furnish that information to any CRA, and
 - May not sell, transfer, or place for collection the identity theft-related debt

Requirements for Blocking Request – Send to Each CRA

- Proof of Identity
- Letter stating individual is victim of identity theft and is not responsible for the fraudulent transactions
- Marked-up Credit Report indicating all transactions and inaccuracies that result from ID Theft
- “Identity Theft Report” –
 - Identity Theft Affidavit may be helpful
- CRAs may request additional information if reasonably necessary to verify allegations, may designate specific address

Contact Companies where Thief Committed Fraud

- Contact company’s fraud department, not customer service
- Instruct company to immediately close or freeze the accounts that have been fraudulently opened or used
- Send written dispute including an “Identity Theft Affidavit” – police report should *not* be required
- Request closure letter from company describing results of their actions
- Consider requesting identity theft-related documents under FCRA § 609(e)
- Ask where to send dispute and document request

Obtaining Documents Relating to Identity Theft under FCRA § 609(e)

- Documents can help victim prove their innocence and can help law enforcement investigations
 - Business must give victim copies of applications and other business records resulting from theft of identity
 - Within 30 days, at no cost, without subpoena
 - Must also provide a copy to designated law enforcement officer, upon victims' request
 - Request must include police report, proof of identity, and Identity Theft Affidavit
 - Victim must send request to the address specified for such requests, if any
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File a Complaint with FTC

- The Complaint is entered into the Consumer Sentinel Database, where it is available for law enforcement investigations
 - After filing Complaint, victim can print an ID Theft Affidavit
 - It can be useful for notifying creditors, and helping police create the "**Identity Theft Report**"
 - Police can incorporate a completed ID Theft Affidavit into their police report
 - provides the detail necessary for acceptance by CRAs
 - Police and victims should sign the ID Theft Affidavit at the in-person meeting with police, if possible
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File a Police Report

- Victim should call the local police as soon as possible
 - Request appointment for in-person report filing, leaving time to collect documents
 - Request copy of Official Police Report
 - Officer may attach ID Theft Affidavit to police report, or department's own police report's details may suffice
 - Goal: to get an ***Identity Theft Report***
 - Some state laws require police to write reports for identity theft victims
 - A map of the states with such laws is at www.idsafety.org/map
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Additional Online Resources

- The FTC's Guide for Providing Pro Bono Legal Assistance to ID Theft Victims
 - www.idtheft.gov/probono
 - Office of Victims of Crimes online tutorial for victim service providers
 - [/www.ovcttac.gov/IdentityTheft](http://www.ovcttac.gov/IdentityTheft)
 - The IACP's online tutorial for law enforcement officers on assisting ID theft victims
 - www.idsafety.org
 - The NFCC's Protect Your Identity Website
 - www.ProtectYourIDNow.org
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QUESTIONS?

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