

## **Appendix D**

Presentation by Joann McNabb of the California Office of Privacy Protection

This appendix contains a copy of the Power Point presentation as delivered by Joanne McNabb, Chief, California Office of Privacy Protection, on November 12, 2003 in San Diego, California.



# Identity Theft

Joanne McNabb, Chief  
California Office of  
Privacy Protection

Secretary of State's Task Force on Voter Privacy  
November 12, 2003

# Office of Privacy Protection

- CA only state with office dedicated to protecting and promoting privacy of personal information.
- Office functions:
  - Consumer assistance
  - Education and information
  - Coordination with law enforcement
  - Best practice recommendations

# Education & Information

- [www.privacy.ca.gov](http://www.privacy.ca.gov)
- Consumer Information Sheets
- Community Workshops
- Business Meeting Presentations

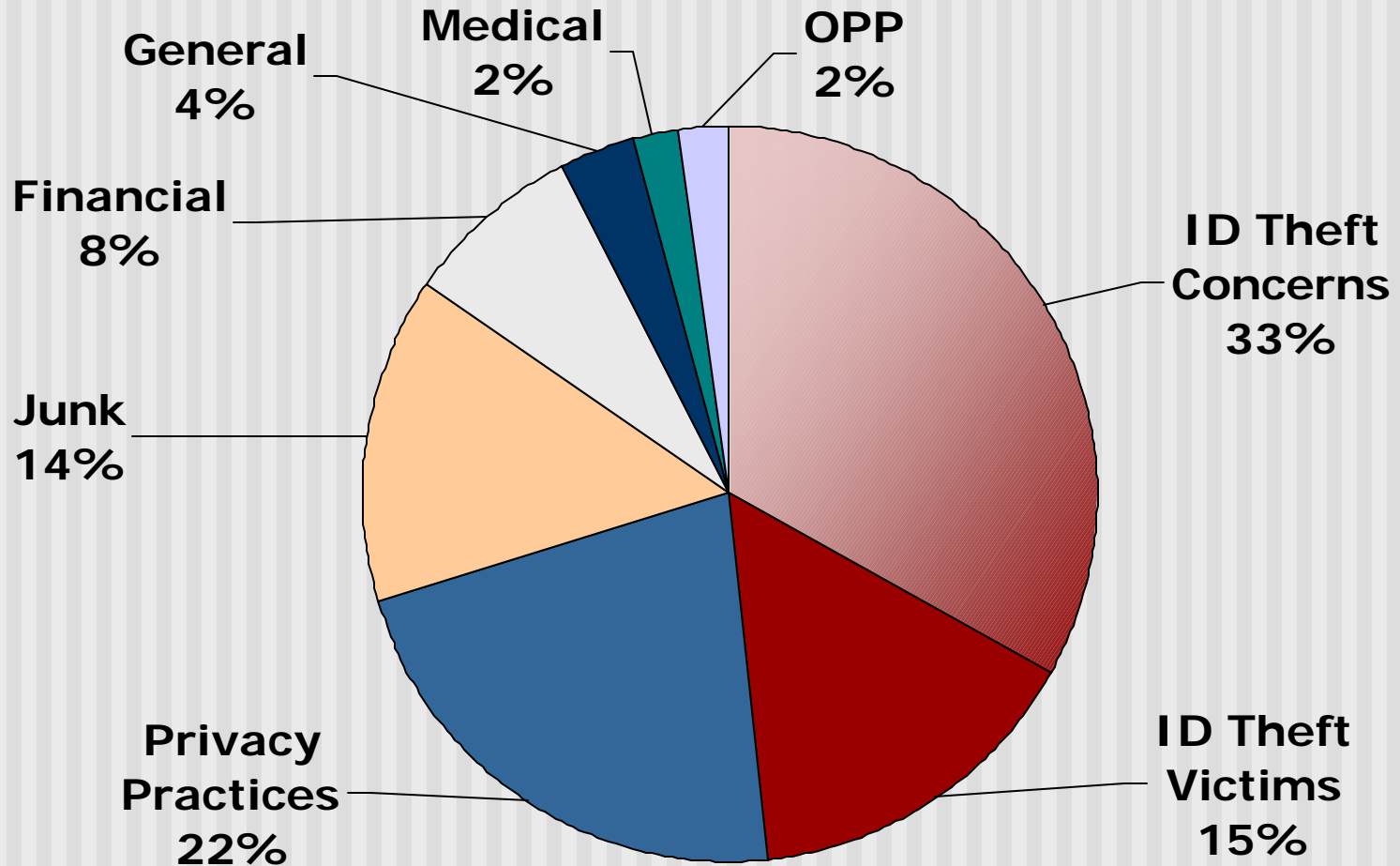
# Law Enforcement Coordination

- Regional High-Tech Crimes/ID Theft Task Forces
- Implementation of new ID theft laws
- ID theft pocket guide

# Practice Recommendations

- “Best practice” guidelines, developed with participation of affected industry and consumer representatives
- Confidentiality of Social Security Numbers
  - Related to SB 168 of 2001
- Notification of Security Breach
  - Related to AB 700/SB 1386 of 2002

# Consumer Assistance: Why People Contact Us



# What is identity theft?

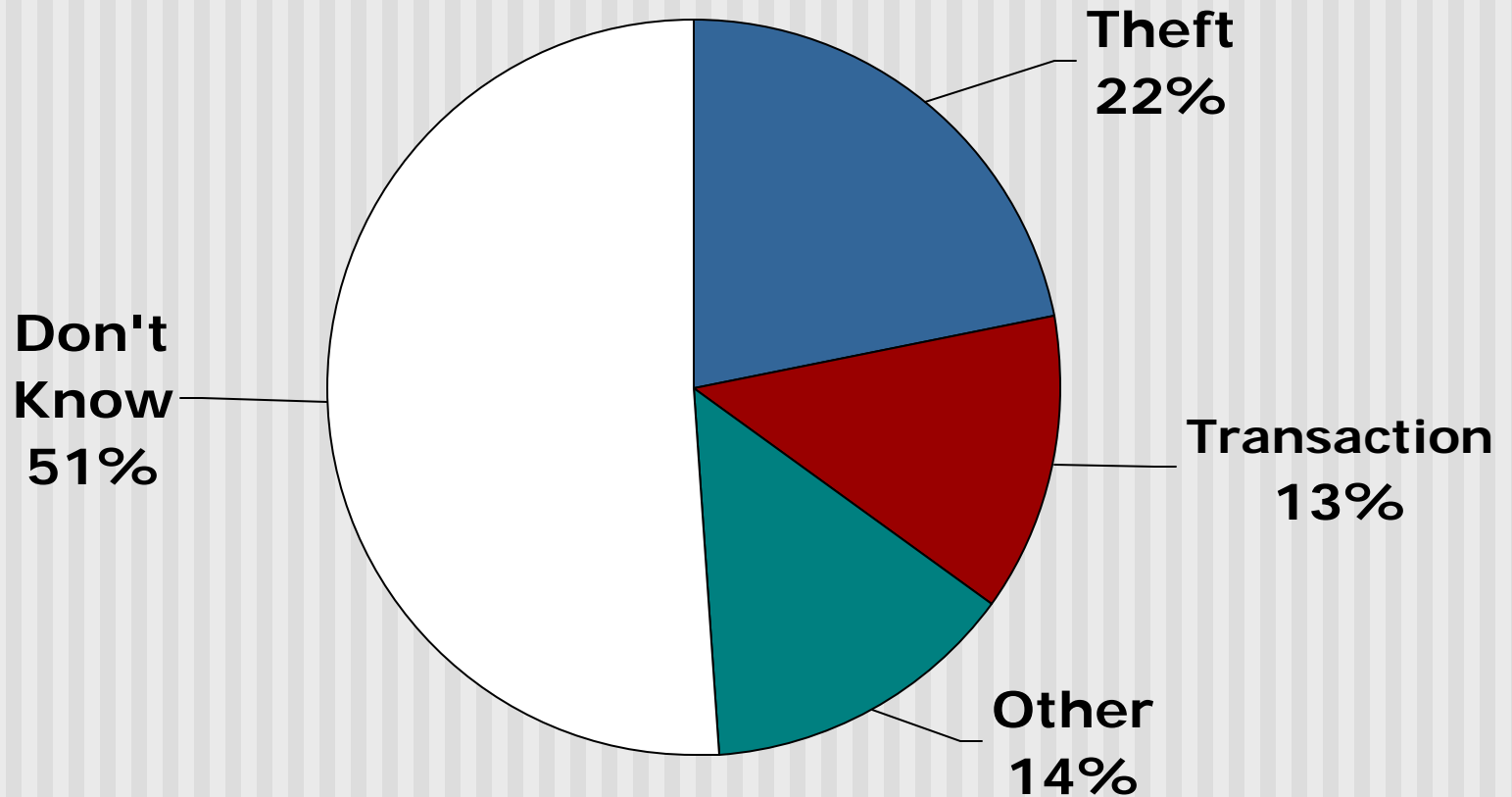
- Obtaining someone's personal information and using it for any unlawful purpose
  - Penal Code section 530.5
- A consequence of lack of control over personal information
  - Growing use of electronic databases



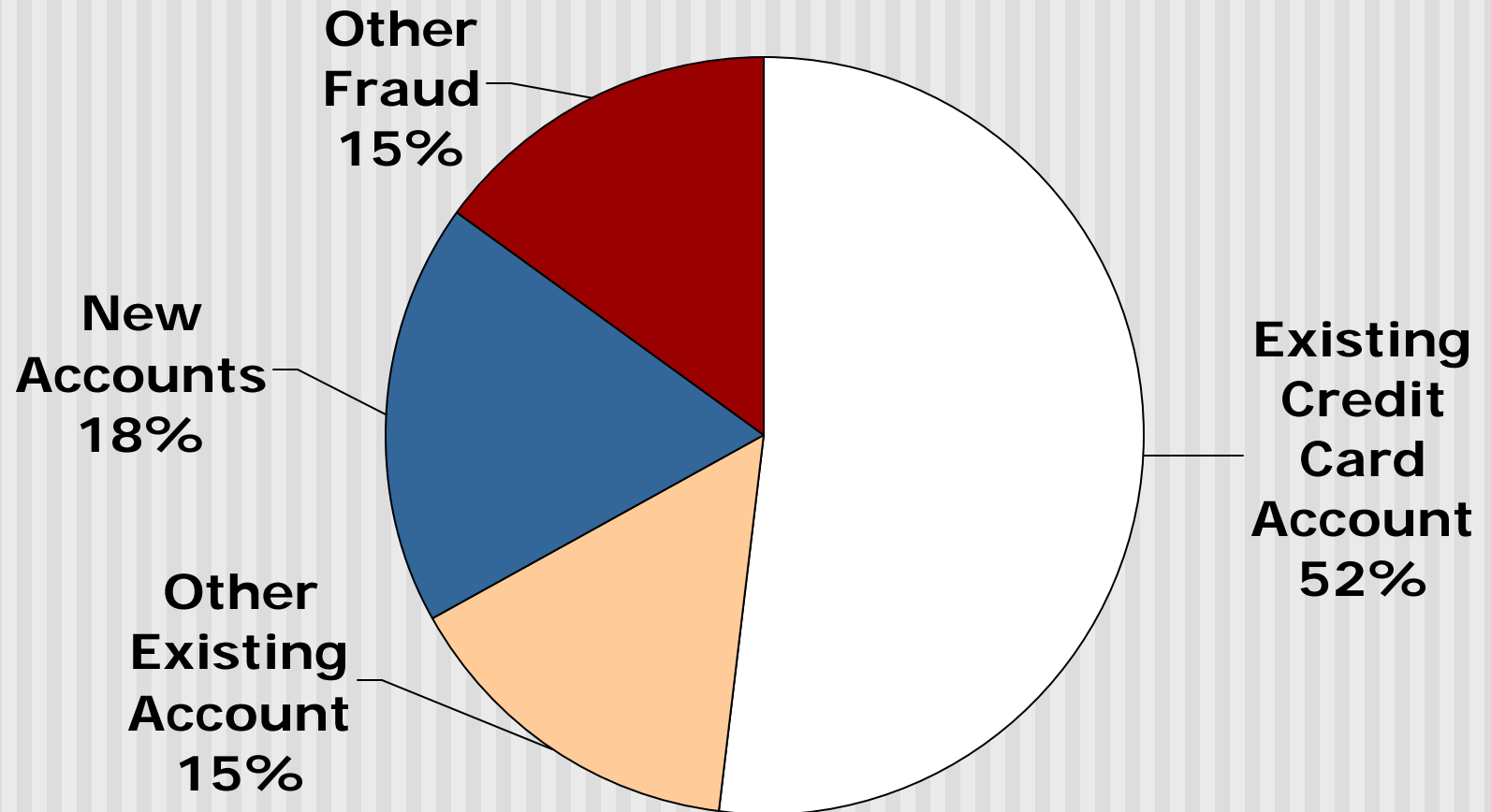
# Incidence of ID Theft

- Per FTC survey, September 2003
- Past Year
  - 4.6% of U.S.adults – 9.9 million
  - =1.1 million CA adults
- Past 5 Years
  - 12.7% of U.S. adults - 27 million
  - =3.1 million CA adults

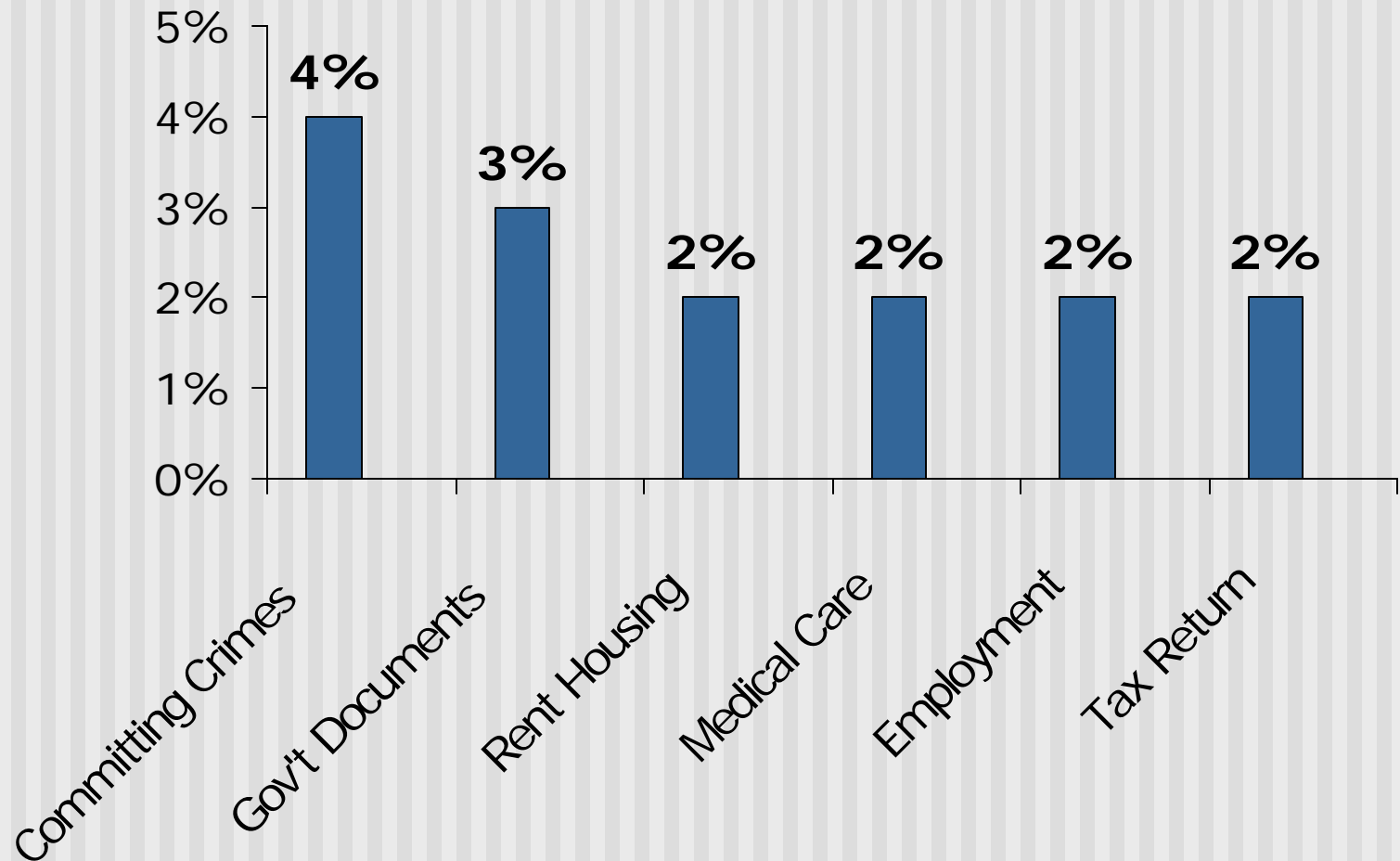
# How ID Thieves Get Info



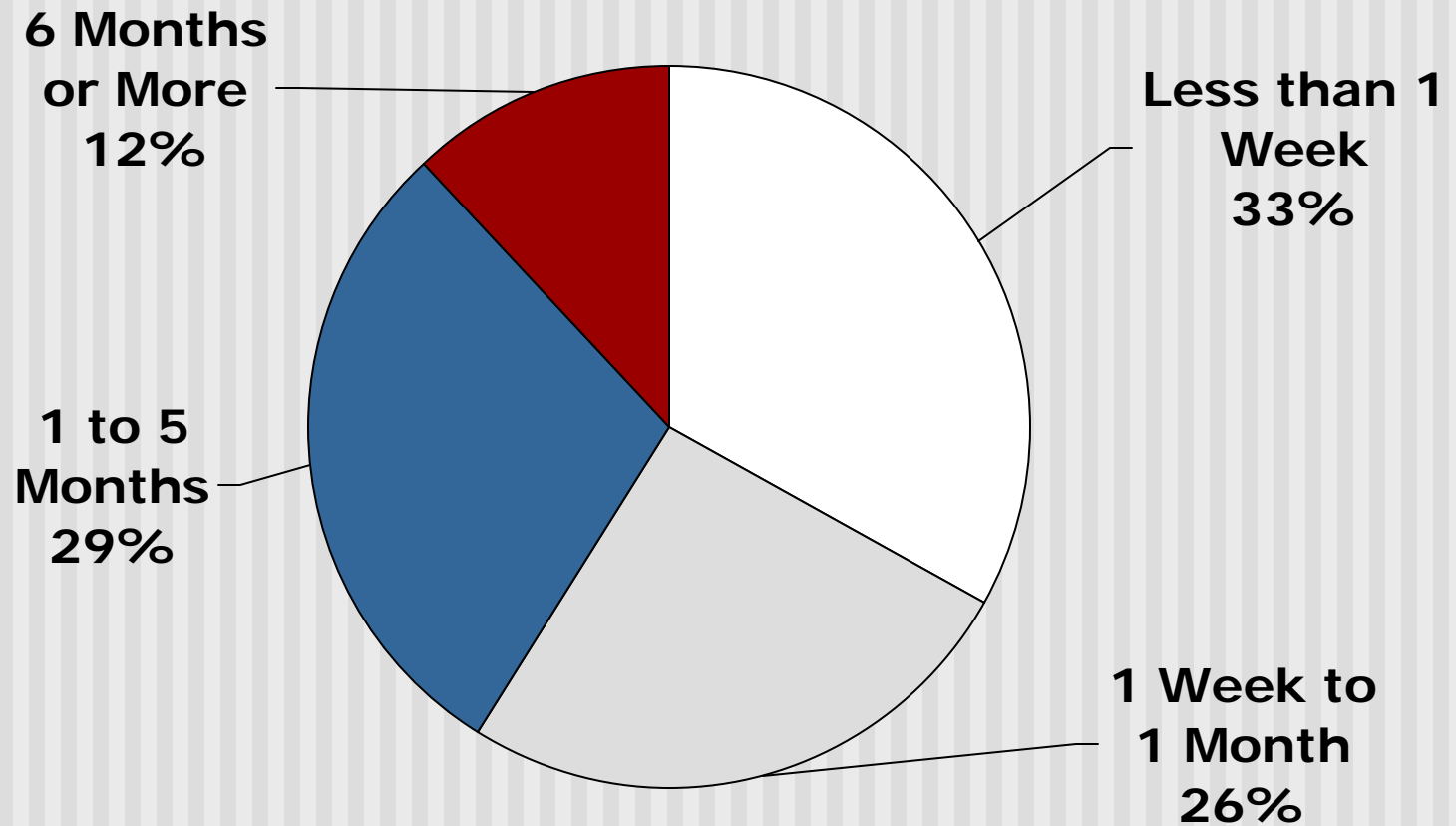
# How ID Thieves Use Info



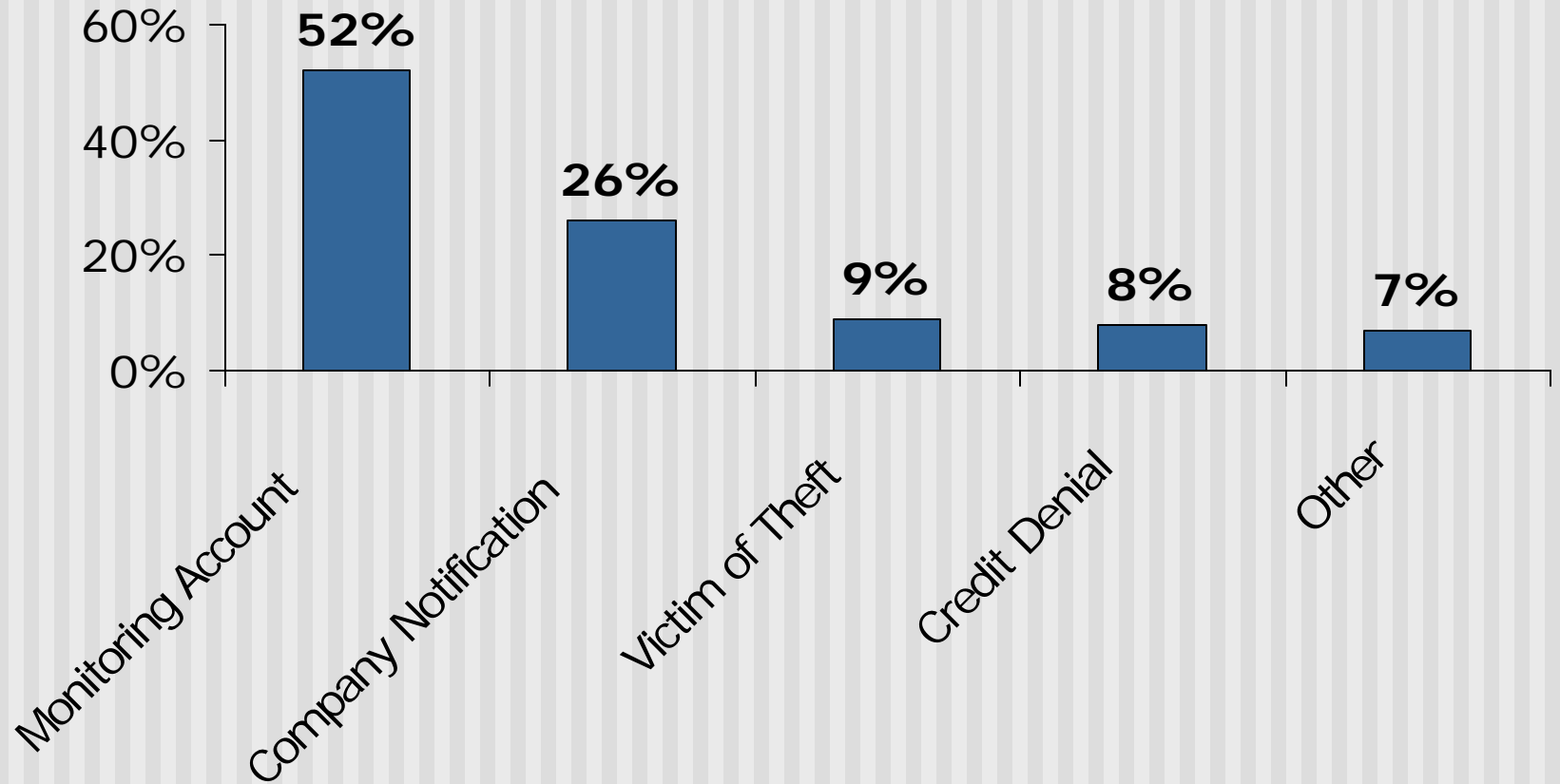
# How ID Thieves Use Info: Other Fraud



# When Victims Discover ID Theft



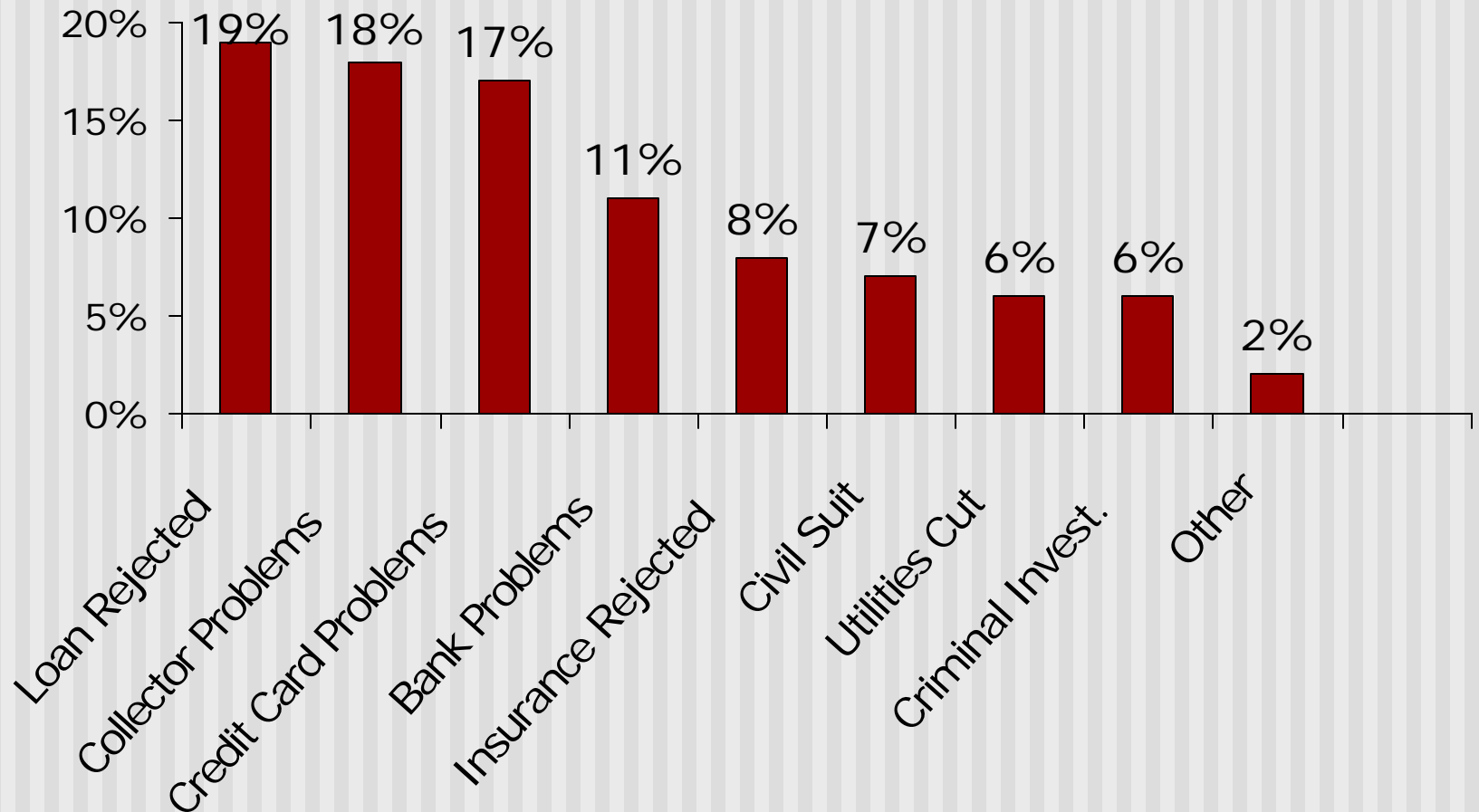
# How Victims Discover ID Theft



# Impact of ID Theft on Victims

- Out-of-pocket costs
  - Average of \$500 per FTC to \$740 per P&AB/Harris.
  - CA victim survey by Identity Theft Resource Center found average expenses of \$1,400.
- Time spent recovering
  - Average of 30 hours per FTC, 600 hours per ITRC

# Other Problems for Victims





# Impact of ID Theft on Business

- FTC estimates annual cost to business of \$47.6 billion
  - Based on average loss of \$4,800 per victim
- ITRC found losses of \$40,000 to \$92,000 per victim
  - \$396 to \$912 billion total loss to business

# Law Enforcement Views

- Survey by CALPIRG in May 2003
  - Interviews with 28 officers who investigate ID theft case
- Questions on nature of crime, type s of thief, victim problems, how to deter, how to solve

# Law Enforcement Views

1. Lenders need to adopt more responsible practices.
  - Stiffer penalties and consumer education alone won't solve the problem.
2. Thieves get personal info from many sources - mail theft is top concern.

# Law Enforcement Views

3. Multi-jurisdictional crimes pose unique challenges.
4. Identity thieves range from opportunists to members of drug rings.
5. Identity theft crimes are often hard to solve.

# Law Enforcement Views

6. Identity thieves often get off easy.
7. Law enforcement coordination may be lacking.

# CA Identity Theft Laws

- CA leads nation in ID theft laws, passed in last five years.
- Consumer defined as victim, not just financial institution.
- Law enforcement where consumer victim lives must take report.
- Victim can get copies of documents on fraudulent accounts.

# CA ID Theft Laws

- AG's "get-out-of-jail" registry for victims of "criminal" ID theft.
- Shift of burden of proof in debt collection.
- Laws aimed at prevention
  - SSN confidentiality
  - Notice of security breach
  - Financial privacy



# Contact Information

Joanne McNabb, Chief  
400 R Street, Suite 3080  
Sacramento, CA 95814  
916-322-4420

[joanne\\_mcnabb@dca.ca.gov](mailto:joanne_mcnabb@dca.ca.gov)

[www.privacy.ca.gov](http://www.privacy.ca.gov)