Identity Theft

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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
- 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

- ID Theft Concerns: 33%
- ID Theft Victims: 15%
- Privacy Practices: 22%
- Junk: 14%
- Financial: 8%
- General: 4%
- Medical: 2%
- OPP: 2%
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

- Theft: 22%
- Transaction: 13%
- Other: 14%
- Don't Know: 51%

Source: FTC, Identity Theft Survey Report, 9/03
How ID Thieves Use Info

- New Accounts: 18%
- Existing Credit Card Account: 52%
- Other Existing Account: 15%
- Other Fraud: 15%

Source: FTC, Identity Theft Survey Report, 9/03
How ID Thieves Use Info: Other Fraud

- 4% Committing Crimes
- 3% Gov't Documents
- 2% Rent Housing
- 2% Medical Care
- 2% Employment
- 2% Tax Return

Source: FTC, Identity Theft Survey Report, 9/6/03
When Victims Discover ID Theft

- Less than 1 Week: 33%
- 1 Week to 1 Month: 26%
- 1 to 5 Months: 29%
- 6 Months or More: 12%

Source: FTC, Identity Theft Survey Report, 9/6/03
How Victims Discover ID Theft

Source: FTC, Identity Theft Survey Report, 9/6/03
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

- Loan Rejected: 19%
- Collector Problems: 18%
- Credit Card Problems: 17%
- Bank Problems: 11%
- Insurance Rejected: 8%
- Civil Suit: 7%
- Utilities Cut: 6%
- Criminal Invest.: 6%
- Other: 2%

Source: FTC, Identity Theft Survey Report, 9/6/03
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, types 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

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

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