

# Fact Sheet: IDENTITY THEFT

Technological advances have yielded incredible benefits for our society. Unfortunately, these same advances also make it easier for criminals to steal from us.

Identity theft occurs when someone steals some piece of personal information about you to commit fraud in your name, thus ruining your financial reputation. Identity theft takes many forms, but the most common is when the thief uses your Social Security number to open up a credit card account. The costs of identity theft are significant, both to consumers and businesses.

Attorney General Roy Cooper has a strategy to combat identity theft with three major elements:

- Educate consumers about this crime and what they can do to protect themselves.
- Assist law enforcement to arrest, convict and imprison identity thieves.
- Work with the business community to identify ways it can reduce the incidence of this crime.

## **A dramatic increase in crime in North Carolina and across the nation.**

- 9.9 million victims of identity theft in the United States within last year. In North Carolina, 286,000 people were victimized. [*Identity Theft Survey Report, Federal Trade Commission, September 2003, p. 7*]
- The number of victims reporting identity theft between 1-2 years ago doubled from that of 2-3 years ago. [*Identity Theft Survey Report, Federal Trade Commission, September 2003, pp. 18-19*]
- The number of reports of identity theft to the Federal Trade Commission from North Carolinians increased from 1,656 cases in 2001 to 2,899 in 2002 through September 30. [*FTC Report: Figures and Trends on Identity Theft in North Carolina, 2001. FTC Report: Figures and Trends on Identity Theft in North Carolina, 9/30/02.*]
- The Social Security Administration reported a 490% increase in allegations of Social Security number misuse between FY 1998 and FY 2001. [*GAO Report. Identity Theft: Prevalence and Cost Appear to Be Growing. March 2002.*]

## **The consequences of identity theft on consumers and businesses can be devastating.**

- Business lost \$47.6 billion within the last year to identity theft. [*Identity Theft Survey Report, Federal Trade Commission, September 2003, p. 7*]
- Individual consumers lost \$5 billion in out of pocket expenses incurred trying to restore their good names and financial health, or \$500 per victim. The victims of what the FTC considers the most serious form of identity theft – those involving new accounts and other frauds – suffered \$1,180 per victim and devoted 60 hours within the past year addressing the problem. [*Identity Theft Survey Report, Federal Trade Commission, September 2003, p. 43*]
- Another study showed that typical consumers spend \$800 and 175 hours over 23 months to clean up reputation and erase \$18,000 in fraudulent charges. [*CalPIRG. Nowhere to Turn: Victims Speak Out on Identity Theft. May 2000.*]
- Many victims suffer in other ways, including being denied credit, being harassed by creditors, having utility service disconnected, getting sued, or being arrested, for acts they did not do. [*GAO Report, Identity Theft: Prevalence and Cost Appear to Be Growing, March 2002; Identity Theft Survey Report, Federal Trade Commission, September 2003*]
- “This growing crime has a devastating effect on financial institutions customers and a detrimental impact on banks.” – Office of the Comptroller of the Currency. [*OCC Advisory Letter to National Banks, April 2001*]