Identity Theft – Problem and Solutions

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The views expressed are those of the speaker and not necessarily those of the FTC or any other person.

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Identity Theft in Michigan

Identity Theft Complaints Count from Michigan Victims = 6,880

Identity Theft Types Reported by Michigan Victims

<table>
<thead>
<tr>
<th>Rank</th>
<th>Identity Theft Type</th>
<th>Complaints</th>
<th>Percentage 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Government Documents or Benefits Fraud</td>
<td>1,490</td>
<td>22%</td>
</tr>
<tr>
<td>2</td>
<td>Phone or Utilities Fraud</td>
<td>1,123</td>
<td>16%</td>
</tr>
<tr>
<td>3</td>
<td>Credit Card Fraud</td>
<td>1,073</td>
<td>16%</td>
</tr>
<tr>
<td>4</td>
<td>Bank Fraud</td>
<td>650</td>
<td>9%</td>
</tr>
<tr>
<td>5</td>
<td>Employment-Related Fraud</td>
<td>451</td>
<td>7%</td>
</tr>
<tr>
<td>6</td>
<td>Loan Fraud</td>
<td>306</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>1,339</td>
<td>19%</td>
</tr>
<tr>
<td></td>
<td>Attempted Identity Theft</td>
<td>510</td>
<td>7%</td>
</tr>
</tbody>
</table>

1Percentages are based on the 6,880 victims reporting from Michigan. Note that CSN identity theft complaints may be coded under multiple theft types.

2Includes fraud involving checking and savings accounts and electronic fund transfers.
Identity Theft is when someone uses the personal information of someone else to pose as that consumer, in order to:

- fraudulently obtain goods or services in the victim’s name, or
- conceal their true identity from government and law enforcement authorities or others who perform background checks.

It’s a crime.
How do Thieves Obtain Victims’ Identities
Stealing Identities

Old fashioned ways –

- lost or stolen wallets
- theft by family or friends
- someone going through the victim’s or company’s garbage
- stolen mail
- buying it from a corrupt insider at a bank, hotel, car rental agency, or other business
Stealing Identities

Newer and More High Tech Ways

- Skimming
- Data breaches
- Phishing
- Keystroke loggers and malicious code
- Peer to Peer file sharing
Phishing

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Keystroke Loggers/Malicious Code

Users end up infecting themselves by falling for scam email

- Often look like the phishing emails from above
- Goal is to get a user with a vulnerable system (i.e., most of them) to click a link
  - A program secretly loads which captures any typing that the bad guy wants to capture
- Current economic downturn creating more opportunities
  - Job Search Sites, Economic Stimulus Sites
Peer to Peer File Sharing

Allows users to share files online through an informal network of computers running the same software.

File sharing provides access to a wealth of information, but it also has a number of risks.

Consumers could download viruses.

Consumers could mistakenly allow other people to copy files from their computers with their personal information.
Deter and Detect

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## Deter Identity Theft

<table>
<thead>
<tr>
<th>Information source</th>
<th>Protecting yourself</th>
</tr>
</thead>
</table>
| Your wallet or home | • Carry only cards and information you use  
                       • Don’t carry SSN  
                       • Secure information at home  
                       • Know where to call if card is lost |
## Deter Identity Theft

<table>
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</table>
| Your mail          | • Pick up your mail promptly  
|                    | • Use secure mailbox for outgoing mail  
|                    | • Consider a locking mailbox |
## Deter Identity Theft

<table>
<thead>
<tr>
<th>Information source</th>
<th>Protecting yourself</th>
</tr>
</thead>
</table>
| Your trash         | • Shred personal information  
|                    | • 1-888-5-OPTOUT  
|                    | • (1-888-567-5688) or  
|                    | www.optoutprescreen.com |
## Deter Identity Theft

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| Companies where you’re a customer, employee, patient, student, etc. | • Ask about information security procedures  
• Minimize SSN use  
• Use strong passwords |
Detect Identity Theft

Order your credit reports every year

www.annualcreditreport.com or 1-877-322-8228
Free Credit Reports

What to look for:

- Unrecognized entries on credit report
- Billing or account errors or missing statements
- Unexpected denials of credit
- Contacted about accounts you do not recognize or purchases you did not make
Free Credit Reports

What to do if you find something bad:

1. Call the Credit Reporting Agencies

2. Contact creditors’ fraud departments to notify of loss or theft of and account information and close accounts tampered with or opened fraudulently

3. File a complaint with FTC

4. File police report and get a copy
Free Credit Reports

1. Call the Credit Reporting Agencies

Place a fraud alert on your credit report

- **Option A:** Initial 90-day fraud alert
  Use if you THINK you’re a victim
  One free credit report

  Creditor must take reasonable steps to confirm applicant’s identity before issuing new credit

- **Option B:** Extended 7-year fraud alert
  Use if you KNOW you’re a victim
  Two free credit reports from each CRA in 12 months
  Creditor must call or meet with consumer before issuing new credit
Free Credit Reports

1. Call the Credit Reporting Agencies

   • Equifax
     • 1-800-525-6285 (Report Fraud)

   • Experian
     • 1-888-397-3742 (Report Fraud)

   • Trans Union
     • 1-800-888-4213
Free Credit Reports

2. Contact creditors’ fraud departments

- Report loss, theft, or fraudulent activity
  - Follow up with a letter – usually sent to “billing dispute” or “billing inquiries” address provided by creditor

- Close accounts tampered with or opened fraudulently
  - Creditors may ask for an identity theft report, which usually consists of a police report and information from you about accounts tampered with
3. File a complaint with the FTC

- **Why file:**
  - Provides information that can help law enforcement
  - Provides data for tracking identity theft crimes locally and nationally

- **When to file:**
  - When you have evidence that your ID has been stolen

- **Where to file:**
  - 1-877-ID-THEFT (877-438-4338)
  - www.ftc.gov/idtheft
Free Credit Reports

4. File a police report and get a copy

- Why file a police report:
  - Required to block ID theft information on credit reports and stop creditors from reporting information
  - Required for an extended 7-year fraud alert
  - Required for a security freeze
- When to file:
  - If you have evidence that your ID has been stolen or misused
- Where to send it:
  - To each of the credit bureaus
  - To the fraud departments if you are making a claim

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Check-Up with your Docs

- Detect early, respond quickly
  - You’ll be less likely to lose money and can resolve credit issues more easily

- Be paranoid, it’s really okay!
  - Develop security measures, get your free reports, check your accounts
WELCOME TO THE FTC’S IDENTITY THEFT SITE

This website is a one-stop national resource to learn about the crime of identity theft. It provides detailed information to help you deter, detect, and defend against identity theft.

On this site, consumers can learn how to avoid identity theft – and learn what to do if their identity is stolen. Businesses can learn how to help their customers deal with identity theft, as well as how to prevent problems in the first place. Law enforcement can get resources and learn how to help victims of identity theft.

Read on to find out more about identity theft and what you can do about it.

- If your information has been stolen and used by an identity thief
- If your information may have been stolen, but may or may not have been used by an identity thief
- Learn more about identity theft
Contact the FTC

To file a complaint or to get free information on consumer issues-

Visit us online: www.ftc.gov

Call toll-free: 1-877-382-4357 (FTC-HELP)

Write to: Consumer Response Center, Federal Trade Commission, Washington, D.C. 20580-0001
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