



Identity Theft: *The Aftermath 2007*

Conducted by the Identity Theft Resource Center® (ITRC)

With comparisons to
The Aftermath 2003, 2004, 2005, 2006 Surveys

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Policy makers and law enforcement are hereby permitted to use this survey for legislative and educational purposes.

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EXECUTIVE SUMMARY

Since 2003, the Identity Theft Resource Center® (ITRC) has conducted annual victimization surveys to study the impact of identity theft crimes on its victims.ⁱⁱⁱ The primary purpose of these studies is to identify what the impact of identity theft is to the victim. This year, now that we have five years of information, we are able to analyze the data, draw some conclusions, map trends and itemize areas for further research. While the numbers are expressed as percentages, it is critical that we remember these numbers are people. These are people with lives that have been interrupted, altered, torn apart and/or impacted for years to come. They are people with feelings and emotions whose outlook on life and interactions with others may change due to the invasive nature of this crime.

This study reflects only the experiences of confirmed identity theft victims who worked with the ITRC, and is not a census or general population-based study. It should be noted the responses were given *at the time victims responded to the survey*. Therefore, it does not distinguish between those who are still being affected from those who are not. Thus, certain measures of victimization represent conservative estimates since the assessment was limited to the ending date of the study.

The following are highlights of *The Aftermath 2007* study. Tables and additional data can be found in the full report, where indicated.

- **Prevalence of Types of Identity Theft Crimes:** The “unlawful use of personal identifying information” for only financial identity theft crimes was reported by 78% of the respondents. 2% reported criminal cases only, and 2% reported governmental issues only. The rest were combination cases: financial and criminal (7%), financial and governmental (9%), and a combination of all three types were reported by 3% of those surveyed. (Tables 1A and 1B)
- **Uses of victim information:** More than one-half (57%) of the 2007 sample reported their personal information had been used to open a new line of credit in their name. 13% of all respondents noted their information was used for obtaining new cable and/or utility services. (Table 2) Additionally, check fraud and debit card fraud is increasing. While this may indicate changes due to the sampling taken, for two years ITRC has predicted that criminals will turn to other types of identity theft when it becomes more difficult to open new lines of credit. After *The Aftermath 2008*, ITRC will be able to draw more definitive conclusions about new trends.
- **Non-financial forms of identity theft:** In 2007, 62% of respondents reported thieves had committed financial crimes that resulted in warrants being issued in the victim’s name, more than 2 ½ times higher than in 2006 and double the amount from 2004. All areas of criminal identity theft combined with other issues increased between 2006 and 2007. It should be noted that identity thieves continued to obtain government assistance and benefits using the victim’s information. (Table 4)

- **Sources of Stolen Information:** With a five-year history to study, it is clear that according to the respondents about 1/3 of cases were started by a person known to the victim. The next highest category of identity theft originated from a lost/ stolen wallet or PDA. Scams became more of a problem for victims in 2007 than previous years. Identity theft due to mail theft and theft of information from a burglary of car or home has dropped in the past few years. (Table 5)
- **Moment of Discovery:** In 2007, 82% of victims found out about the identity theft through an adverse action compared to 76% in 2006. Ways listed included: creditor demanded payment on a late bill, contacted by collection agency, noticed missing funds from bank account, denied credit or a loan, law enforcement notification, someone I know saw bills or other evidence of a crime. Only 10% of respondents found out about the crime due to proactive measures taken by businesses and 8% saw something unusual on their credit report. 42% reported that they found out within the first three months of the crime. One analyst believes that people found out more quickly because of the more aggressive nature of collection efforts and the tightening of the credit market. (Table 8)
- **Costs to Victim:** Respondents in 2007 spent an average of \$550.39 dollars in out-of-pocket expenses for damage done to an *existing* account. These expenses include: postage, photocopying, purchasing police reports, travel, buying court records, and childcare. In reference to *new accounts*, respondents spent an average of \$1,865.27 compared to \$1,342 in 2006.
- **Cost to Business:** In 2007, the average loss in goods and services to businesses, as reported by survey respondents, was \$48,941.11 compared to \$87,303 in 2006. Six individuals exceeded \$100,000, with one in excess of \$700,000. This study only includes respondents who contacted the ITRC in 2007 and is not necessarily indicative of a national business loss average.
- **Victim Hours Repairing Damage:** In *The Aftermath 2007*, victims reported spending an average of 116 hours repairing the damage done by identity theft to an *existing account* used or taken over by the thief. Answers included 6,000, 8,640, and 5 years of time (outliers). In cases where a *new account* was created, respondents reported an average of 157.87 hours to clean up the mess with outliers of “endless” and “too many to count.”
- **Extended involvement:** In 2007, 70% of victims indicated that it took up to 12 months to clear issues of all misinformation, compared to 50% in 2006. A moderate amount of victims (12%) stated one to two years. Unfortunately, another 19% indicated that it took two or more years to resolve their case. In studying the four year history it appears to be that identity theft victims are resolving cases faster and may be spending less periods of time to become whole again. (Table 9)
- **Response by Creditors, Utilities and Collection Agencies:** As in previous years, credit issuers, utility companies and collection agencies continue to rate poorly in their handling of identity theft victims.
- **Inability to Clear Negative Records:** Credit agencies, either by putting negative information back in records (31%) or not removing it in the first place (32%), topped the list of reasons for victims’ inability to clear their records. Other prominent responses include Social Security Number tied to another person’s file (22%) and victims’ fraud alerts ignored (19%). An increase was also seen in the sale of credit accounts even though the fraudulent account was cleared by the creditor and the inability to get proof even with a police report. (Table 11)

- **Unexpected secondary effects:** Victims reported a number of additional problems including: higher insurance rates, current credit card interest rate increased and criminal records not cleared. The inability to get credit resonated with the majority of respondents (64%). In addition, 36% reported an increase in credit card rates, 53% have collection agencies still calling, 27% had credit cards cancelled (even though the accounts were being properly maintained), 18% said it affected their ability to get a job, and 14% reported tenancy issues. (Table 10)
- **Relationship of Imposter to Victim:** It is important to note that a large percentage of respondents seem to have been victimized by those who may have easy access to personal identifying information including friends, family members, ex-spouses/significant other, or those in close contact with the victim, such as co-workers. (Table 7)
- **About the Imposter:** Of those respondents who knew something about their imposter, many reported their thief has committed other crimes, experienced financial difficulties, have or are dealing with addictions, and may have committed identity theft against other family members. (Table 6)
- **Child Identity Theft:** In 2007, 47% of this special case group reported that one, both, or a step parent was the thief. Another 12% reported that it was another family member. 18% said that the person had access to information but is not related and 24% did not know how the case first began. (Question 26) The age of the victim when the crime FIRST began varied with 18% under five years old. It should be noted that the crime may have been discovered years later.
- **Victim Response to Family or Child Identity Theft:** Throughout the five year range, we have seen spikes in categories such as family supports victim in trying to force responsibility on the thief (2004). In addition, “the family will turn against the victim if action taken” noticeably decreased from 15% (2005) to 6% (2006) and then increased to 18% in 2007. Family support does appear to be increasing, yet some families are torn or still in denial or want the victim to drop the case. Victims are also torn about filing a police report. Since respondents could answer multiple times, it appears that family support is critical to the outcome of the case. (Table 16)
- **Emotional Impact:** Few significant positive changes have occurred in the feelings of victims and in terms of reported victim symptomology. More than 49% of the respondents reported stressed family life, 22% felt betrayed by unsupportive family members and friends, and 23% said their family didn’t understand. (Table 17)

The strongest feelings expressed were: rage or anger, betrayal, unprotected by police, personal financial fears, sense of powerlessness, sense they were grieving, annoyed, frustrated, exhausted, sleep disturbances, an inability to trust people, and the desire to give up and stop fighting the system. ITRC long term emotional responses included: 8% felt suicidal, 19% feeling captive, 29% ready to give up and 10% felt that they have lost everything. (Table 18)

PRELIMINARY CONCLUSIONS OF THIS STUDY

This study clearly indicates a need for research on various topics including family identity theft, long-term emotional impacts of this crime on victims, child identity theft, and the criminal elements involved in identity theft.