

# **POLICING PRIVACY**

Law Enforcement's Response to Identity Theft

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## EXECUTIVE SUMMARY

In 2001, the *Los Angeles Times* dubbed identity theft “the fastest-growing crime problem in California.”<sup>1</sup>

Indeed, California has the highest per capita rate of reported identity theft in the nation.

This report summarizes interviews CALPIRG Education Fund held with law enforcement officers from California and other cities with high identity theft rates.

These officers are on the front lines of efforts to slow the identity theft crime wave. Their unique and often unheard perspective results from their contact with every aspect of the crime, as well as the multiple players involved—the victims, the credit lenders, the thieves, and the prosecutors.

From their observations and conclusions, we hope to shed light on policies that can help prevent the identity thief from striking.

The key findings from CALPIRG Education Fund’s survey are:

### **1. Identity theft is on the rise:**

Almost every officer (27 out of 28 interviewed) claimed to have witnessed a rise in identity theft cases within his or her department during his or her time on staff.

### **2. Identity theft crimes are often unsolved:**

On average, law officers surmised that only 11% of identity theft cases received by their departments are solved.

### **3. Law enforcement officers feel new policies are necessary to help deter identity theft:**

More than 85% of officers responding felt that credit lenders should meet stricter requirements to ensure that credit is not extended to identity thieves.

More than one officer also made the following recommendations:

- Ensure lenders cooperate with police investigations;
- Set stiffer penalties for identity thieves;
- Further develop interagency databases to facilitate multi-jurisdiction cooperation;
- Facilitate investigation and prosecution of identity theft by clarifying and standardizing jurisdiction issues.

These findings may provide additional guidance to policymakers seeking to provide new legal and administrative tools to those whose job it is to tackle this quickly evolving field of consumer fraud.

Criminalizing identity theft is not enough. According to the Federal Trade Commission, identity theft complaints doubled in 2002, even though Congress acted to criminalize identity theft in 1998. Credit agencies, banks and other issuers of credit need to end the sloppy practices that aid and abet the identity thieves at the front end.

## INTRODUCTION

Each year, more and more people are grappling with the harrowing and frustrating experience of having their identity stolen.

Numerous reports and surveys have helped shed light on the experiences of identity theft victims. These victims of consumer fraud must deal with unhelpful credit bureaus and collection agencies as they attempt to restore their credit history. Often complicating their efforts to clear their names is the lack of conclusive evidence that fraud has occurred. Yet all too often, even in the face of significant evidence, the criminal who committed the identity theft is never brought to justice.

Identity theft crimes pose unique challenges to law enforcement officials. As Detective Berardi of the Los Angeles Sheriff's Department explained, "in an ordinary theft case police can isolate the neighborhood and go door to door to talk to witnesses, in an identity theft case the traditional way no longer applies."

With this report, for the first time ever, CALPIRG Education Fund has sought to capture the unique perspective of law enforcement officers.

Investigating identity theft is a daunting task. When a detective receives a case, the victim will often have no idea who the thief was or how the thief gained access to his or her identity. After filling out a report, the detective will seek information from the central processing houses of the banks that lent the credit to the thief (usually in a different state). Although the officer

will explain that the credit file includes fraudulent information and will be needed for the investigation, the lending institution often refuses to share this information without a search warrant. Even with a search warrant, the bank could refuse to cooperate if it is issued from a state different from the one in which its headquarters are located.

The detective is out of luck.

And so is the victim.

Identity theft has exposed an archaic rules and cooperation system that was developed to deal with old fashioned and straightforward theft. It has left detectives and investigators grappling with the hassles of tracking down an identity thief. Their frustrations are as real as the hassles and frustrations a victim faces. This survey probes these hassles and starts to rethink the archaic system that essentially encourages identity thieves to commit their crimes.

## BACKGROUND

*“Identity theft has replaced bank robbery as the favorite crime. It is much easier and less risky.”*

– Interview with Detective Galindo,  
Ontario (CA) Police Department

In January 2003, the Federal Trade Commission (FTC) announced that in 2002, for the third consecutive year, identity theft was the nation’s leading consumer complaint.

Complaints received by the FTC’s national consumer hotline increased more than 80% from 2001 to 2002, rising from 220,000 to 380,000. The financial impact of the crime (as measured by reported dollar losses) doubled to more than \$343 million over that year.

The FTC data ranked California first among the fifty states in the number of identity theft victims per 100,000 people. Only residents of Washington, D.C. reported identity theft at a higher per capita rate.

Perhaps because identity theft is rampant in the state, California has become a national leader in promoting policies to curb identity theft.

In 1997, California became one of the first states to criminalize identity theft.<sup>2</sup> Since then, state laws have been established to protect consumer privacy by preventing businesses from posting customers’ Social Security numbers and enabling Californians to safeguard their credit reports.

California has helped lead the way, and the nation has followed. More than 45 states have now passed laws criminalizing identity theft.

Congress followed the states’ lead by passing the federal Identity Theft and Assumption Deterrence Act of 1998. This Act criminalized identity theft and required the FTC to develop an identity theft clearinghouse, assist consumers, and coordinate inter-agency communication.

Despite these important policies, however, the continued increase in identity theft shows that more must be done to protect consumers from having their identities stolen.

### ***Identity Theft Is on the Rise***

In 1996, CALPIRG released one of the first overviews of the growing problem of identity theft, *Theft of Identity: The Consumer X-Files*. At that time, there were few comprehensive sources of data and statistics about the prevalence of identity theft.

That changed beginning in November 1999, when the Federal Trade Commission opened a hotline that consumers could call to report suspected identity theft. Consumer reports to the FTC hotline have skyrocketed since its first month of operation (November 1999), when the hotline received an average 445 calls per week. By December 2001, the FTC received a weekly average of 3,000 calls.<sup>3</sup> The FTC data, released at regular intervals since March of 2000, shows a dramatic increase in identity theft

despite federal criminalization of the crime.

The number of calls into the FTC consumer hotline may be only a drop in the bucket compared to the number of identity theft crimes that actually occur. For example, after the FTC reported that there were 1,335 consumer complaints of identity crimes in Los Angeles in 2001, an analysis of police and sheriff's department records showed there had been more than 13,000 identity theft crimes reported that year in L.A. alone.<sup>4</sup>

Other government agencies also have helped document the epidemic growth of identity theft. A report by the United States General Accounting Office (GAO) released in March 2002 surveyed government agencies and businesses including the FTC, credit bureaus, the Social Security Administration, and credit card companies.

The GAO report found that every agency and business it surveyed showed an increase in identity theft indicators since its last report in 1998.<sup>5</sup> The Social Security Administration reported a five-fold increase in reports of Social Security number misuse between 1998 and 2001.<sup>6</sup>

Other indicators show that consumers' efforts to safeguard their identities are growing as well. One credit bureau reported that the number of seven-year fraud alerts, which consumers use to ensure credit grantors double check their identity in the case of identity theft or suspected identity theft, increased more than three-fold in the span of five

years, from 111,287 in 1996 to 356,002 in 2001.<sup>7</sup>

### ***Victims of Identity Theft Face an Uphill Battle Recovering Their Identities***

Identity theft can lead to financial harm. However, victims indicate that the financial aspect of the fraud is only a small part of the emotional trauma, stress, and lost time spent attempting to restore a damaged credit reputation and recover one's losses.

In May 2000, CALPIRG and the Privacy Rights Clearinghouse (PRC) released a joint survey of consumers who had had their identity stolen, called *Nowhere to Turn*.

The survey documented that identity theft crimes are often unsolved, and investigations may take years. Less than half of the victims felt that their cases had been fully resolved. On average, those with unsolved cases had been dealing with the problem for an average of four years.

At that time, victims estimated spending an average of 175 hours and \$808 in additional out-of-pocket costs to fix the problems stemming from identity theft.<sup>8</sup>

As one victim from Nevada explained, "this is an extremely excruciating and violating experience, and clearly the most difficult obstacle I have ever dealt with."<sup>9</sup>

### ***The Many Faces of Identity Theft***

While the number of crimes in which consumers' identities are stolen or used

fraudulently has been steadily increasing, how this personal information is stolen and used varies widely and has rapidly evolved. Experts have until recently divided financial identity theft into two main categories, "true name" fraud and "account takeover."

"Account takeover" occurs when thieves gain access to a person's existing accounts and make fraudulent charges.

"True name" fraud occurs when someone uses pieces of a consumer's personal identifying information, usually a Social Security number (SSN), to open new accounts in his or her name. Thieves can obtain this information in a variety of ways, from going through a consumer's garbage looking for financial receipts with account numbers and SSNs, to obtaining SSNs in the workplace, to hacking into computer Internet sites or buying SSNs online.

CALPIRG's research has shown that thieves have found a variety of uses for victims' personal information, including renting apartments,

establishing phone service, obtaining employment, failing to pay taxes, and subscribing to online porn sites. In 15% of the cases, the thief who committed the crime actually provided the victim's personal information when arrested.<sup>10</sup>

A growing problem for victims is dealing with false public record bankruptcies that are difficult to remove. This occurs when thieves who have rented apartments or purchased homes using fraudulent identities file for bankruptcy in the victim's name, with the intention of seeking a mandatory stay against eviction or foreclosure.

Increasingly, a third category of identity theft is emerging, in which identity theft is the first step a savvy criminal takes to cover his tracks before committing additional crimes under the cover of an assumed identity. As such, identity theft, as a precursor to other crimes, is making it more difficult for law enforcement officials to track down and apprehend many kinds of criminals, not simply identity thieves.



## FINDINGS

As individuals who deal with the crime from the moment they take down a victim's report to the moment they testify in court, law enforcement officers have a unique perspective on the crime that can help inform efforts by citizens and policymakers to create additional barriers to identity theft.

CALPIRG interviewed 28 detectives, officers, and police sergeants. They reported from their experience on the front lines of identity theft crime, where they interact with victims of identity theft, criminals, lending institutions, and the courts.

While officers were quick to point out that there is no single type of identity theft case and therefore no single way to investigate identity theft crime, seven key findings emerged from the survey.

Some findings simply confirmed trends that have been documented by national databases—for example, the finding that nearly every officer interviewed had noticed an increase in identity theft crimes in his or her police department.

Other findings were more surprising—for example, the fact that so many law enforcement officials interviewed (85%) felt that stiffer penalties and consumer education alone could not solve the problem, which requires systematic changes in the way lenders solicit and give out credit.

These findings confirm that there are many steps we can take as a society to help take a bite out of identity theft crime.

### ***Survey Finding #1: Lenders Need to Adopt More Responsible Practices***

*“Money and credit are so easy to attain... It's a lending issue that becomes a community problem.”*

—Sergeant Corvetz, Las Vegas, NV  
Police Department

Out of the 28 officers surveyed, 85% brought up the need for a systemic change in the business world.

Police reported that they “run up against a brick wall when trying to investigate a case that lenders have already closed.”

Officers surmised that credit issuers do not see their losses due to fraud outweighing the gains, which prevents them from devoting time or resources to cooperate with police investigations. This may translate into lack of cooperation from lenders and businesses.

One officer, Detective Kline in the Oxnard Police Department, expressed how frustrating it can be just trying to reach a company to investigate an identity theft complaint:

“This all goes back to the merchants, they won't cooperate! If they would actually cut down on lending and give us information to help us track a guy down we would be more successful.”

“These companies all have voicemail, it is not unusual to make half a dozen phone calls and never get a live person on the phone---It is like banging your head against the wall!”

“It is a constant struggle to get this information,” explained Sergeant Berardi with the Los Angeles Sheriff Department’s Special Identity Theft Task Force.

Police in California praised a new section of California penal code, 530.8, which requires lenders to hand over documents such as applications and addresses filled out by thieves. California state laws<sup>11</sup> also require companies doing business in California to respect state laws and state search warrants.

However, Sergeant Berardi noted that the central, out of state, processing centers of the major issuing banks still often remain uncooperative, refusing to recognize California law.

“If they become a victim of a major loss, they become helpful,” finished Sergeant Berardi.

Other complaints against lenders include their over-reliance on Social Security numbers as identifiers, the common practice of ignoring obvious red flags that indicate fraud, credit card companies who send millions of pre-approved credit offers, and credit card companies that fail to take safety precautions against fraud (by placing PIN numbers on credit cards, for example.)

Finally, police listed other problems with how lenders conduct business, highlighting that when they extend credit over insecure phone, internet and mail channels, it is nearly impossible to verify the borrower’s true identity. This perspective was corroborated by Bruce Townsend of the Secret Service

in testimony before the House Committee on Financial Services, in which he expressed his concern that data collection companies are “profit motivated and as such may be more concerned with generating potential customers rather than the misuse of this info by unscrupulous individuals.”<sup>12</sup>

### ***Survey Finding #2: Thieves Get Personal Information From Numerous Sources***

Officers were asked to identify common sources of identity theft. Answers fell into 11 different categories, listed below.

- |  |
|--|
| <p><b>Common Sources of Identity Theft</b></p> <ul style="list-style-type: none"><li>▪ Mail Theft</li><li>▪ Dumpster Diving</li><li>▪ Unscrupulous Employees</li><li>▪ Internet Fraud</li><li>▪ Stolen/Lost Wallet</li><li>▪ Burglary: Theft from houses or cars</li><li>▪ Friends/Relations</li><li>▪ Phone Scams: Thieves pose as telemarketers etc to obtain ID info from a victim</li><li>▪ Shoulder Surfing: Thieves spy over the shoulder of a victim as they fill out applications</li><li>▪ Unethical use of public documents</li><li>▪ Medical cards with confidential information, like Social Security numbers, printed on them</li></ul> |
|--|

Some sources were mentioned with a much greater frequency than others. Overwhelmingly (68% of those surveyed), police and inspectors named mail theft as a top concern. The theft of pre-approved credit offers, convenience

checks, account statements, and bills is a major source of personal information (Social Security numbers, for example) that thieves use to steal identities.

Other top targets and scams for identity thieves that were mentioned by more than 1/3 of police surveyed included:

**Dumpster Diving:** when a thief digs through the trash receptacles of businesses or homes in search of old papers with personal information.

**Unscrupulous Employees:** workers who steal the personal information of co-workers or clients sometimes using skimmers, small devices that can capture information contained on a card (frequently used by waiters who can hide them in aprons and swipe customer credit cards through them).

**Stolen or Lost Wallet:** consumers often carry in their wallet all an identity thief will need to apply for credit. When their wallet is lost or stolen, their Social Security number, driver's license number (in some states, the driver's license number is the Social Security number), address and name are all usually available for the thief to use.

**Internet Fraud:** when thieves collect personal information from internet users by hacking into insecure websites or luring unsuspecting consumers to scam websites.

Based on these findings, several officers noted that curtailing identity theft will take more than public education instructing consumers to shred their personal documents. While a locked mailbox, door slot, and shredder could decrease the theft of personally identifiable information, consumers are

powerless to stop other leaks of their information.

Officers noted that consumers cannot completely control how others dispose of or use their personal information -- consumers cannot search the dumpster behind their local video store to ensure the application with their Social Security and credit card number is destroyed. Nor should consumers have to pay with cash to avoid a waiter with a skimmer in his apron or other unscrupulous employees.

These findings are similar to law enforcement testimony to the Senate Judiciary Committee by Lou Cannon of the Fraternal Order of Police. The officer noted that despite a "conscientious effort to protect personal information, potential victims have no control over how their privacy is safeguarded by those who do have access to their personal information."<sup>13</sup>

***Survey Finding #3:  
Multi-Jurisdictional Crimes Pose  
Unique Challenges***

*“Our biggest problem is jurisdictional issues.... People involved can be anywhere in the world.”*

- Detective Hawn,  
Modesto Police Department

Almost half of all officers surveyed remarked about the challenges posed by a multi-jurisdictional crime.

Officers noted that the Internet has made it fast and convenient to share data such as credit card numbers all over the world. This allows one thief to victimize consumers who live in various countries, far away from their base of operations. Furthermore, the company that issued the fraudulent credit is rarely headquartered in the same state as either perpetrator or victim, adding a third jurisdiction to the crime.

Jurisdictional laws vary across the country. In California, the victim’s home determines the jurisdiction of the crime; other states base jurisdictional precedence on where the crime was committed. These divergent laws complicate prosecution and investigation of perpetrators who victimize consumers in numerous states or distribute the victim’s personal information to numerous identity thieves.

Unfortunately, even the most sophisticated efforts may fail to address

other main facets of the problem. First, interstate and inter-county jurisdictional problems continue to frustrate officers.

Second, businesses often operate outside of the investigating detective’s jurisdiction; one officer had been turned away by a business that refused to accept out-of-state search warrants.

Some efforts are being made to overcome these obstacles. In California, regional task forces under the Attorney General work cases across county lines. \$10 million was devoted by the Attorney General to developing five regional high tech crime task forces that facilitate cooperation between all parties involved in high tech crimes. This includes federal organizations such as the Secret Service and FBI, statewide officials from the Department of Justice, and local members of the police force, postal inspectors, etc.

The Office of Criminal Justice and Planning (OCJP), which is run out of the Governor’s Office, provides funds for training in identity theft to the task forces. The funds are used to send investigators to the POST ICI (Institute of Criminal Investigation) for a 40-hour identity theft course. This is the only course in the state that specifically addresses identity theft ([www.ici.org](http://www.ici.org)). Additionally, the task forces are given extra money by the Attorney General to develop solutions to identity theft in particular. This has led to a variety of strategies, including an identity theft specific task force in Los Angeles and Sacramento.

***Survey Finding #4: Who Are the Identity Thieves?***

*“Traditionally and initially it was the white collar guy; now it is the guys that used to be in narcotics. The penalties are so stiff for drugs that they have switched over to ID theft--it is just as lucrative and much safer.”*

- Sergeant Jim Hyde, Miami-Dade,  
Florida Police Department

Answers to this question varied widely. Some officers said that identity thieves are “just the average thug on the street,” some of whom have moved on from violent crimes like robbery, and many of whom had past records. Other officers noted the rise in organized crime rings focused on identity theft. Detective Raes noted that identity thieves come from a range of backgrounds, with the defining trait that they are “opportunists.”

The biggest trend that emerged was addiction to or involvement in the narcotics scene, noted by 31% of those surveyed. Police mentioned methamphetamine users as common identity thieves with plenty of energy to put into stealing peoples identities.

#### ***Survey Finding #5: Identity Theft Crimes Are Often Hard to Solve***

*“Intent is hard to prove, but why else would they have this [confidential] information?”*

- Detective Thurber, Santa Clarita  
Police Department

Identity theft can be a difficult crime to investigate. One financial crime task force representative reported to the *Los Angeles Times* that an easy case of identity theft might take about 100 hours of investigative time; a difficult case can take in excess of 500 hours.

The law enforcement officials who responded to our survey revealed that there is no single process by which law enforcement agencies and officers address identity theft. In some departments, identity theft falls under “fraud” and in others under “financial crimes.” Some units assign cases to beat cops until there is a clear lead a detective can take over, while others just funnel any and all reports directly to the detective.

Many police officers we interviewed were unable to quantify the resources their departments devote to investigating identity theft crimes. Every officer reported that they would like to devote more. Officers also agreed, almost unanimously (96%), that identity theft is on the rise.

To deal with these increases, many police departments have developed a system that breaks reports down into workable and un-workable cases.

Several officers noted that even cases with leads often join a very steep stack of backlogged reports. Most officers reported each case taking around one month to solve, and several highlighted the fact that due to the backlog, cases may be “cold” when they finally reach the top of the stack.

For example, Detective Ye from the Long Beach Police Department conservatively estimated that his unit

(which consists of himself and a civilian investigator) receives about 50 cases per week, 200 each month. Each case that reaches his desk takes a month to work, leaving 199 cases unopened.

We asked detectives and sergeants to estimate what percent of their cases are solved per year. Answers ranged from 1% to 50%. On average, those surveyed estimated they solved roughly one-tenth (11%) of the cases they received. Seventy percent of the officers who answered reported fewer than 10% of their identity theft cases are ever solved, while 45% reported fewer than 5% of their cases were solved.

Not surprisingly, departments allocating more resources to identity theft cases generally had a higher success rate.

In testifying before Congress, other law enforcement officials have reported similar challenges. Lou Cannon of the Fraternal Order of Police also highlighted the difficulty of tracking down identity thieves, stating that his experience in Ventura, California “indicates less than 10% of ID theft crimes result in an arrest and conviction.”<sup>14</sup>

Thomas Sadaka, Special Counsel to the Statewide Prosecutor of Florida for Computer and Identity Theft Prosecutions, told Congress of the jurisdictional problems identity theft cases pose and explained that identity theft case investigations are “time and resource demanding and are impacting heavily on already budget-tightening law enforcement agencies.”<sup>15</sup>

### ***Survey Finding #6: Identity Thieves Often Get Off Easy***

*“Punish them [with] more than just a slap on the wrist – force them to pay back what they have spent in some way.”*

- Detective Velarde, San Francisco Police Department

36% of the officers surveyed reported a need for stiffer sentences. Several detectives explained that while the penalties exist, district attorneys and judges often seek only light sentences for perpetrators. Often prosecutors will only charge an identity thief for one incidence when in reality they committed multiple crimes.

Others noted that the costs of prosecuting long-distance crimes may itself inhibit enforcement. For example, Sergeant Bennett from Chula Vista, California cited the fact that convictions are further complicated by “district attorneys who don’t want to fly out all the victims” from across the country to one jurisdiction.

Police speculated that those involved with prosecuting identity theft might not fully appreciate the victim’s experience or even that a victim, beyond the bank or lender, exists.

“The challenge is getting judges to see this as a serious crime,” lamented Detective Webster with the San Jose Police Department.

However, officers surveyed fully appreciated the invasiveness of the crime; one even compared it to sexual crimes.

To charge a thief with a felony, current law requires officers to prove intent or concrete misuse of a victim's personal information, which is often impossible even when a suspect is caught with bags of pre-approved credit offers, old credit card statements, and applications.

Police estimated that the average thief who is apprehended faces a sentence ranging from one year in prison to probation depending on the severity of the crime and past offenses.

The very nature of identity theft presents obstacles to detectives and sergeants. According to police, proving that the identity thief was the actual perpetrator is one of the most difficult aspects of the crime.

***Survey Finding #7: Law Enforcement Coordination May Be Lacking***

*"I just don't know who to ask, we need more trainings on who to work with and resources available."*

- Detective Kline,  
Oxnard Police Department

There are several non-profit entities and associations that are taking steps to coordinate efforts to stem identity theft, both nationally and internationally. Yet coordination efforts are not yet widespread.

For example, the National White Collar Crime Center ([www.NW3C.org](http://www.NW3C.org)), a non-profit support center funded by the Department of Justice, holds conferences annually. The International Association of Financial Crimes

Association ([www.iafci.org](http://www.iafci.org)) coordinates representatives from law enforcement, banking interests, and retail service types. States have their own organizations that achieve on a state level what the IAFCI does nationally, for example, California has the California Financial Crimes Investigators Association (CFCIA).

However, many officers surveyed by CALPIRG had never heard of any coordinated program to share information about identity theft:

- 9% of those surveyed did not know of any coordination efforts at all;
- 17% had attended trainings specifically tailored to identity theft;
- Only 13% felt they had many resources for both coordination and training around the issue of identity theft.

Officers pointed out that there are glaring holes in even the best-coordinated databases of identity theft information.

As Detective Ye of the Long Beach Police Department stated, "the FTC has a database but not everyone reports to them."

The FTC database to which he referred is part of the Consumer Sentinel program, which has approximately 475 member agencies that range from federal organizations to local police forces and task forces.<sup>16</sup>

Counselors who receive consumer complaints from the FTC hotline update the law enforcement database, which police can log onto to look for trends or enter their own cases. Two fulltime investigators analyze the data for patterns or trends in cases, which they can hand over to law enforcement in order to work the case. Officers who are members can receive alerts when there are overlaps in cases they are working.

Unfortunately, the listed members do not include the police forces from New York, Houston, Phoenix, and Las Vegas, 4 of the 10 top identity theft cities.<sup>17</sup>



## SUMMARY OF OFFICERS' RECOMMENDATIONS

The following are CALPIRG-supported recommendations that were suggested independently by more than one officer interviewed; in most cases it was the recommendation of a majority of those surveyed.

### 1. Require credit issuers to adopt more fraud-proof practices.

*"We need systematic change in the way credit lenders operate."*

—Sergeant Corvetz,  
Las Vegas, Nevada Police Department

The excessive faulty lending of credit issuers needs to be curtailed. Businesses should be required to do more in-depth background checks to be sure applicants are who they say they are. Also lenders should stop relying on Social Security numbers and pre-approved offers, which are not hard to steal.

### 2. Make credit lenders pay for some of the trouble they cause.

*"We should make merchandisers and credit places pay to fund investigations, education and special task forces"*

- Sergeant Baitx, Riverside Police  
Department

Credit lenders spend a minute issuing faulty credit to a thief; a detective can spend a month trying to track down that thief. Lenders should help pay for police resources -- expenses of training, investigation or prosecution are

amassed because of their sloppy credit lending.

### 3. Clarify jurisdictional issues.

*"Multi-jurisdictional problems mean a larger federal input would be very helpful."*

-Detective Jimenez, Glendale Police  
Department

Because of the multi-jurisdictional nature of identity theft crimes, it is important that all law enforcement operate with the same set of rules. For example, if all states identified the victim's residence as the original jurisdiction, police would be able to assist victims more quickly or know exactly where to direct them.

### 4. Raise penalties for possession of other people's personal information.

*"Make it a strike, not just a felony-make some incentive to stop."*

-Detective Yuen, Garden Grove Police  
Department

Currently, identity thieves see a way to make some quick and easy cash with almost no risk. Judges and district attorneys need to understand that this is a serious crime that deserves serious penalties.

First and foremost, officers recommended making trafficking in personal information a felony.

Often it is impossible to prove intent, or document how a thief was going to use or did use a victim's personal information. It is much simpler to catch

thieves red-handed with information they would normally have no good reason to possess. Identity thieves who are caught with confidential information of others should be prosecuted.

**5. Create and publicize resources and databases detectives and sergeants can use.**

*“There has to be a good up-to-date database across states and countries.”*

-Detective Ye, Long Beach Police Department

Too often patterns are missed and cases slip through the cracks. A database similar to that used by narcotic detectives, which facilitates the sharing and comparing of information and separate departments strategies, should be developed. More importantly, time and resources should be invested in programs and trainings that will facilitate interagency coordination. Central agencies such as the Consumer Sentinel should conduct more outreach to ensure officers are aware of existing databases and have sufficient training to use them. Lenders who facilitate identity theft by lending sloppily should help to pay for some of these efforts.

**6. Find ways to help business and law enforcement to work together.**

*“Each case requires tremendous amounts of cooperation--between police departments and between police and businesses. It is so easy for the system to break down.”*

- Detective Obridge,  
Nevada Postal Inspector

A detective will invariably need cooperation from the company that issued the fraudulent credit or products, yet businesses are often not cooperative. Policies that would facilitate the exchange of data between police and a bank when there is an investigation underway would be helpful.

## CONCLUSION

*“Legislation is playing catch-up to the crime.”*

- Sergeant Hyde,  
Miami-Dade Police Department

The flood of identity theft cases poses significant challenges to state law enforcement officers, who may lack the time, resources, and training to complete extensive investigations required to track down perpetrators of identity theft.

However, as these interviews revealed, other systematic problems create additional obstacles to successful investigation and prosecution of identity theft crimes. Specific actions can be taken to remove those impediments to justice.

Hopefully, these findings can provide additional insight and guidance to concerned citizens and policymakers seeking new tools for tackling this fast-growing crime.

## **APPENDIX I: OFFICERS INTERVIEWED**

<b>Name</b>	<b>Department</b>
Detective Rays	Anaheim, CA Police Department
Sergeant Bennet	Chula Vista, CA Police Department
Detective Flemming	District of Columbia Police Department
Detective Alberty	Fremont, CA Police Department
Sergeant Lewis	Fresno, CA Police Department
Detective Yuen	Garden Grove, CA Police Department
Sergeant Singer	Glendale, CA Police Department
Detective Dowling	Huntington Beach, CA Police Department
Sergeant Corvetz	Las Vegas, NV Police Department
Inspector Obridge	Las Vegas, NV Postal Inspectors
Detective Ye	Long Beach, CA Police Department
Sergeant Berardi	Los Angeles, CA Sheriff's Department Special Task Force
Inspector De Gasperin	Los Angeles, CA Postal Inspectors
Sergeant Hyde	Miami, FL Police Department
Detective Hawn	Modesto, CA Police Department
Officer Scaggs	Oceanside, CA Police Department
Detective Galindo	Ontario, CA Police Department
Detective Kline	Oxnard, CA Police Department
Detective Robison	Pomona, CA Police Department
Sergeant Baitx	Riverside, CA Police Department
Detective Langston	Sacramento, CA Police Department
Detective Alvarez	San Bernardino, CA Police Department
Sergeant Blagg	San Diego, CA Police Department
Detective Velarde	San Francisco, CA Police Department
Detective Webster	San Jose, CA Police Department
Detective Rose	Santa Ana, CA Police Department
Detective Thurber	Santa Clarita, CA Sheriff's Department
Sergeant Mize	Stockton, CA Police Department

## **APPENDIX II: CALPIRG IDENTITY THEFT LAW ENFORCEMENT SURVEY METHODOLOGY**

Before conducting the identity theft survey, CALPIRG identified the top 10 identity theft cities according to the Federal Trade Commission in 2000 as well as the largest cities in California by population. Between February and May 2002, CALPIRG staff telephoned police officers and postal inspectors in each of these cities and surveyed those who agreed to be interviewed. In total, 28 interviews were conducted with 25 police officers and detectives from California, as well as law enforcement officials from Las Vegas, Miami, and Washington D.C. The names and departments of the officers interviewed are listed in Appendix I.

CALPIRG posed thirteen open-ended questions, presented below. Given the small sample size of this informal survey, the law enforcement officials' responses cannot be considered statistically significant. We present them simply as indicators that help summarize the officers' individual perspectives—from the frontlines.

1. Does your Police Department have a separate unit that works exclusively on identity theft?

If YES-What is it called? How many officers does it have? What is your annual budget? Does your department receive any federal grants to investigate identity theft?

If NO-What Department does identity theft fall under? What percentage of that department's resources is spent on investigation of identity theft? What is your department's annual budget? Does your department receive any federal grants to investigate identity theft?

2. How many identity theft cases does your unit handle in a year? How many do you handle personally?

3. How many does your unit solve or clear per year?

4. Are you a part of any association of investigators? Has it held a training/seminar/conference/workshop on identity theft? Have you attended any cross trainings with others (e.g. Social Service, postal service etc.)? Do these associations have manuals about identity theft and/or victim education materials?

5. What are the top ten ways a person can have their identity stolen?

6. Is it uniquely difficult to prosecute or catch identity thieves? If so, why?

7. What is the estimated value of the identity theft crimes that your unit works on?

8. What is the biggest problem the victims that you deal with face? How could these be resolved?

9. What do you think would make it easier to catch an identity thief?
10. Who is the most common “identity thief”? (Ex. Organized identity theft ring, guy on the street, employee at location where secure information is being stored, relative/friend or acquaintance of victim)
11. What is the average sentence you see for identity thieves?
12. What could be the single change to laws that would deter identity theft?
13. Other than additional funding/additional investigators, what interagency measures/programs would improve your efforts to deter identity theft?

## ENDNOTES

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<sup>1</sup> Overand, William, "Identity Theft is on Rise in State." *Los Angeles Times*. December 2, 2002. Available at: <http://www.latimes.com/news/local/la-me-identity2dec02.story>.

<sup>2</sup> General Accounting Office, *Identity Theft: Greater Awareness and Use of Existing Data are Needed*, #02-766, June 28, 2002. p 11.

<sup>3</sup> General Accounting Office, *Identity Theft: Prevalence and Cost Appear to be Growing*. #02-363, March 1, 2002. p 25.

<sup>4</sup> Kathy M. Kristof, "Calif. Leads Nation in Number of Fraud Complaints," *Los Angeles Times*, January 23, 2003.

<sup>5</sup> General Accounting Office, *Identity Theft: Prevalence and Cost Appear to be Growing*. #02-363, March 1, 2002. Available at <http://www.gao.gov>.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> CALPIRG and Privacy Rights Clearinghouse, *Nowhere to Turn*. May 2000. Available at <http://www.privacyrights.org/ar/idtheft2000.htm>.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> California Corporations Code 2105 and 7475.

<sup>12</sup> Mr. Townsend spoke before the House of Representatives Committee

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on Banking and Financial Services on September 13, 2000. The full testimony is available at: <http://financialservices.house.gov/banking/91300tow.htm>.

<sup>13</sup> Mr. Cannon spoke before the Senate Judiciary Committee on March 20, 2002. The full testimony is available at" [http://judiciary.senate.gov/testimony.cfm?id=171&wit\\_id=347](http://judiciary.senate.gov/testimony.cfm?id=171&wit_id=347).

<sup>14</sup> Ibid

<sup>15</sup> Mr. Sadaka spoke before the Subcommittee on Social Security of the House Committee on Ways and Means on November 8, 2001. The full testimony is available at: <http://financialservices.house.gov/media/pdf/110801ts.pdf>.

<sup>16</sup> <http://www.consumer.gov/sentinel>

<sup>17</sup> Ibid.