

IDENTITY THEFT



REDUCE YOUR VULNERABILITY

KEY L. BUDGE
DETECTIVE

LOS ANGELES COUNTY SHERIFF'S DEPT
IDENTITY THEFT & FORGERY FRAUD

WHAT IS IDENTITY THEFT ?



Identity theft is the act where any person (suspect) who willfully obtains personal information of another person (victim) without authorization from the victim, and uses that information for any unlawful purpose.

IDENTITY THEFT LAWS



- All 50 States have identity theft specific laws. Most were legislated in the late 1990's. Colorado & Vermont were the last to add a specific I.D Theft law.
- Identity Theft and Assumption Deterrence Act of 1988 (Federal) identifies the true victim and seeks restitution.

Identity Theft Statutes

California Statute, 530.5 PC:
The unauthorized use of
personal information or any
other information associated
to a person .

**Identifying information means information that alone
or in conjunction with other information identifies an
individual, including:**



CALIFORNIA REPUBLIC

continued

- Name, Social Security #, DOB, and Govt. issued I.D. #.
- Unique Biometric Data, i.e.; Fingerprints, Retina, or Iris Image.
- Electronic I.D #, Address, and Routing Code.
- Telecommunication identifying information or access device (account & pin #s, etc.). Or in conjunction with another telecommunication access device may be used to:

Obtain money, goods, services, or things of value, without the person's consent.

Punishable as a Felony



IDENTITY THEFT STATISTICS



- The Federal Trade Commissions # 1 fraud complaint received.
- 5.5% of American's are already victims.
- 8.3 Million American's victimized in 2006.
Costing consumers \$20 Billion Dollars.
- Costing Businesses \$96.9 Billion.
- Roughly 3,000 new victims each day nationwide.

WHO ARE THE VICTIMS?



The most victimized demographic is men & women between the ages of 30-39. Although identity theft perpetrators are not gender or age specific.

- Busy personal schedules.
- Work Hard / Play Hard.
- Enjoy buying toys (boats, cars, etc.)
- Do not spend enough time checking their finances.

Ultimately the Financial Institutions & Retail Businesses bear the weight of the losses.

HOW IDENTITY THEFT OCCURS



- Lost or Stolen Wallet/Purse.
- Mail Theft.
- “Dumpster Divers” in Business & Residential trash receptacles.
- Stolen Vehicles.
- Residential & Business Burglaries.
- E-mail Scams.

What's in your wallet?



- Drivers License (Some States use Social Security Number as DL #)
- Social Security Card
- Credit Cards (Some W/PIN #'s)
- Medical Insurance Card

The new breed of ATM Thieves



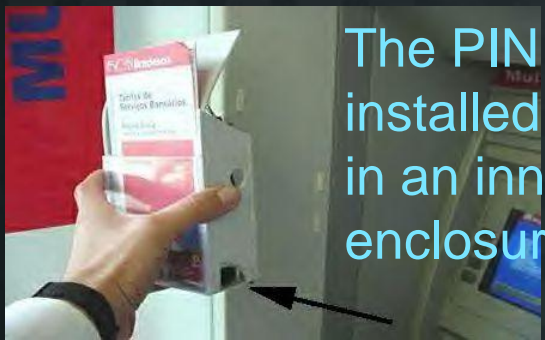
Skimmer being installed on front of existing bank card slot.



The equipment as it appears installed over the normal ATM bank slot.



The PIN reading camera being installed on the ATM is housed in an innocent looking leaflet enclosure.



The camera shown installed and ready to capture PINs by looking down on the keypad as you enter number.

WHAT GETS STOLEN?



Vehicles

- Wallets / Purses
- Briefcases & Back packs
- Vehicle Registration
- Garage Door Remote Controls
- Laptops

WHAT GETS STOLEN?



- Briefcase, Back pack, Purse, Wallet
- Drivers License or ID Card
- Social Security Cards (yes many people still carry their SS cards).
- Debit & Credit cards (with pin numbers).
- Health Care Insurance Cards (social security number usually on card).

RESIDENTIAL BURGLARIES



- Wallets & Purses.
- Mail & Billing Statements.
- Home Computers Hard Drives.
- Laptop Computers, PDA's.
- Personal Documents (birth – marriage – death certificates, any document with name and d.o.b., etc)
- Home Electronics, Safes, Guns, Jewelry, & Cash (remember they are crooks)
- Vehicles & Extra Keys

continued

Businesses

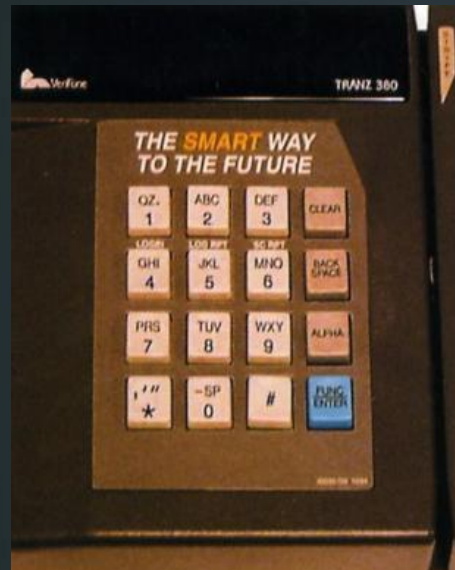
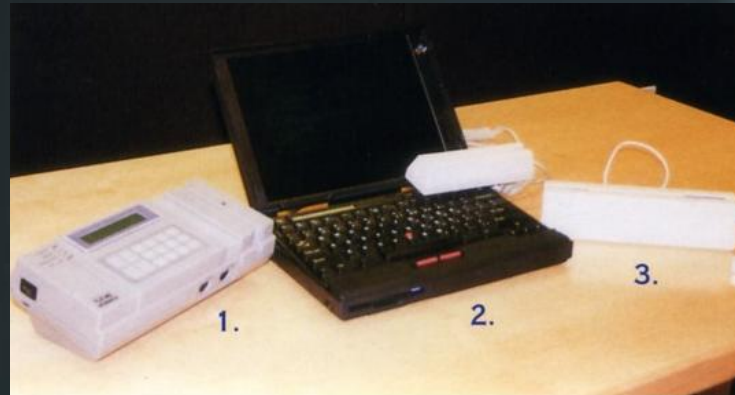
- Credit Applications, Computers, Files & Records, Client Lists, & Accounting Records.

Employees

- Remove Credit info from files, and sell or trade for drugs.



SKIMMING & CARD STRIPE



What happens with stolen identity?



- Used immediately by thief.
- Trade personal information for drugs.
- Obtain credit or products.
- Counterfeit or alter I.D. cards.
- Assume victims identity, and purchase goods.
- Network the identity information.

How does Law Enforcement Investigate?



- Victim notifies law enforcement after discovering the theft of wallet, vehicle, or home.
- Victim notifies law enforcement when applying for credit, sometimes years after the fraud occurred.
- Victim notifies financial institution, and is told to obtain a police report.
- Retail store notifies law enforcement of suspect obtaining goods fraudulently.
- We get lucky.

The Investigation



Uniform Officer / Deputy Responds

- Takes initial report.
- Gathers evidence.
- Attempts to locate / interview witnesses.
- Look for suspects.

Cases Reviewed for Assignments

- Supervisors determine if there is workable information, and assign the case to a detective.
- No workable information, means case placed in pending .

Detective Receives Case

- If suspect in custody, case assigned within 1-24 hours of arrest.
- Detective has 48 hours from time of arrest to complete investigation and present to the District Attorney .

continued



Detective's Investigation

- Review original report.
- Contact victim, confirm information.
- Give victim homework
- Contact Financial Institutions.
Track down fraud investigator that can confirm information and provide follow up support.
- Review evidence.
- Interview suspects.
- Prepare search warrants if needed, and write supplemental reports.
- Track down unknowing victims.
- Present investigation to District Attorney..

continued

Victim Responsibilities

- Close Fraudulent account, open new account.
- Contact financial institutions.
- Report to local Law Enforcement.
- Complete victim affidavit.
- Alert Credit Reporting Agencies.
- Keep a diary of who, what, when, where, why & how.
- Keep in contact with investigator, “Squeaky Wheel” theory.
- Request copy of credit report quarterly.

Plan on 200+ hours of your own time to clean up credit nightmare. Costs up to \$1,000 - \$1,500 in expenses or loss.



Financial Institutions

- Streamline investigation time line.
- Provide information as needed.
- Contact customer/victim, and confirm fraudulent activity. A fraud occurred, the suspects have no expectation of privacy.
- Provide Law Enforcement with direct line phone numbers.
- Get involved in Local Law Enforcement fraud investigator associations. If none in place, assist in creating one.
- Timely communication is a key ingredient for an effective investigation.
- See if Corporate Funds are available to assist in Law Enforcement technology grants.



How does Law Enforcement address the increasing

I. D. Theft Crime Rate?

- Hire more police officers / investigators.
- Develop Task Force Units where multiple agencies work together
 - Local Police, Sheriff, State, and Federal Investigators sharing resources.
- Local Level Special Investigations Detail Units. “S.I.D.” is an effective local level answer. Usually consists of a team of 2-6 experienced investigators, working together on special projects.
- Corporate Technology Grants.
- Equipment donations.



What can we do?



- Train the public sector on how to identify fraud suspects & documents.
- Train the public on how to protect their information & identities.
- Work with the media on informing the public on new crime trends.
- Alert businesses to properly dispose of client information.

Road Blocks for Investigators



- Budget shortfalls.
- Lack of experienced investigators.
- Communication flow with Financial Institutions.
- Work overload (too many cases).
- Uncooperative victims.
- Technology.

Identity Theft Prevention



- ✓ Shred all documents. The cross shred method is preferred.
- ✓ Do not carry extra credit cards.
- ✓ Don't give personal information over the telephone, or internet.
- ✓ Remove mail promptly from mailbox.
- ✓ Deposit outgoing mail at Post Office.
- ✓ Don't leave receipts at the point of sale.
- ✓ Memorize pins, social security numbers, and passwords.
- ✓ Sign all new credit cards.
- ✓ Match receipts to monthly billing statements.
- ✓ Notify Financial Institutions in advance of address changes.

L.A. COUNTY SHERIFF DEPARTMENT

Palmdale Station

City of Palmdale, population 125,000

1.5 Fraud Investigators

787 Identity Theft related cases between
Jan. 2004 –Dec. 2004

Technology Utilized

- ID Logix Identification Terminal
 - Assists in counterfeit ID Investigations.
- UV Scanner
 - Assists in counterfeit ID, Money, Credit Card, and traveler check investigations.
 - Magnifying Glass-Old fashioned Police work.
- Computer Software
 - Property recovery programs tied to pawn shops.



Detecting Counterfeit I.D.s



Currency



Holograms



Traveler Checks

Detecting Fraudulent I.D.s

Santa Barbara County Sheriff's Dept.

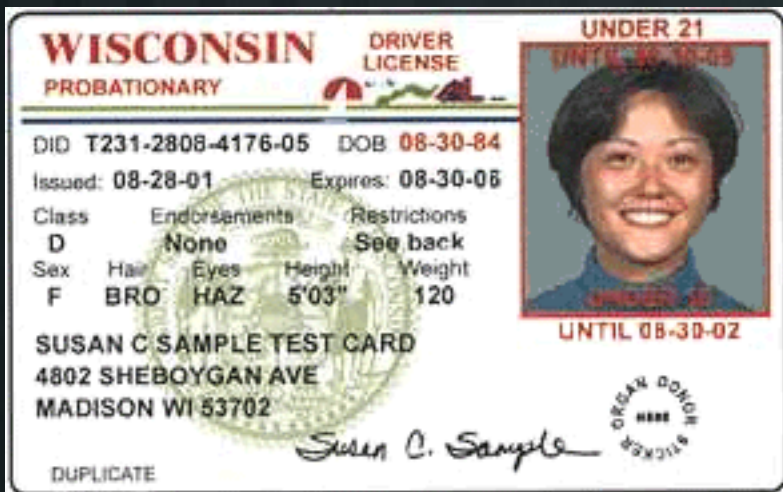


11/20/2003
 Photo Image of:
 NAME: JACKSON, MICHAEL
 RAC: B SEX: M
 DOB: 8/29/1958 AGE: 45
 HGT: 511 WGT: 120
 BLD: CMP:
 HAI: BLK EYE: BRO
 MKS:
 BOOKING #: 621785

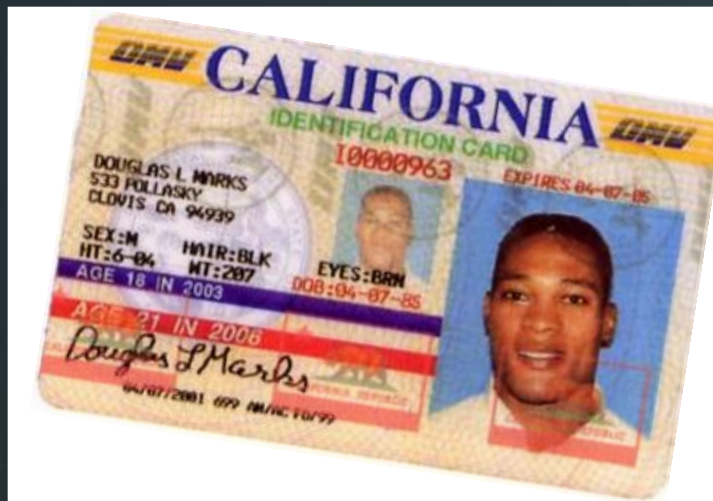
Not a legal form of I.D.



I.D. under UV Light



Wisconsin DL





California I.D.

Programs Implemented

- Inkless Ink – Check Fraud Program.
- Quarterly ID Theft seminars to the public.
- Participate in Business Watch Program.
- Training Classes for Business.
- Semi – Annual Counterfeit / Fraud business Classes.

**Program
Procedures**

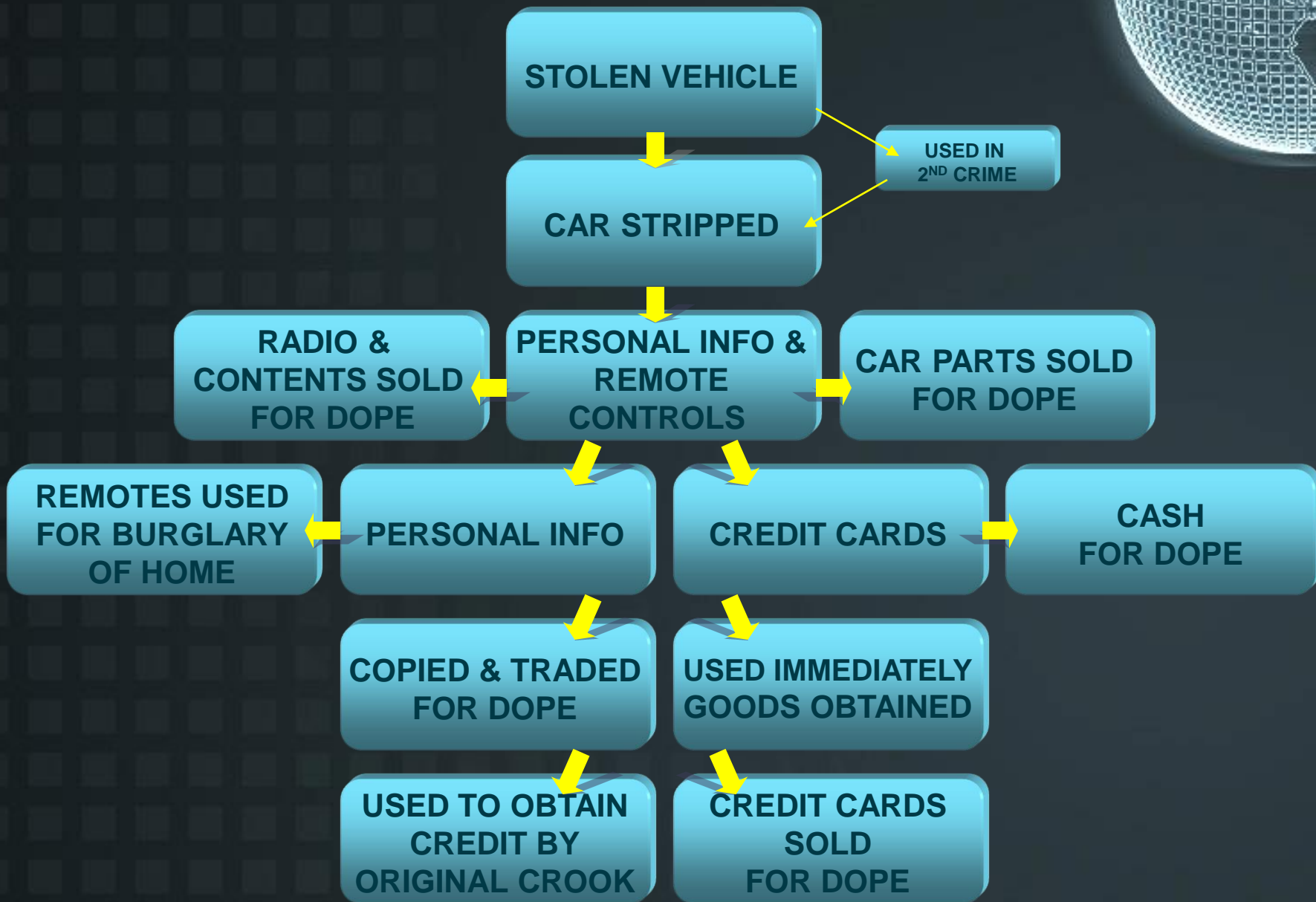
ABIG CORPORATION 4321 Main Street Your City, Texas 93421	118 89-3240 1150
<i>PAY TO THE ORDER OF</i> _____	_____ 19 _____ \$ _____ DOLLARS
CENTER NATIONAL BANK BOX 5163 YOUR CITY TEXAS	
for _____	_____


PLACE PRINT HERE

Verify

- That the customer uses his right thumb for print. If right thumb is not available, use the left thumb and indicate with the letter 'L' by the print.
- Ridge marks are visible and not masked or smeared
- Still request identification

Where It All Begins



Suspect Trends



- Utilizing hotel rooms to purchase on line products.
- Deliver overnight to abandoned home or hotel.
- They meet the delivery truck in the parking lot.
- Sold or traded within minutes of receiving the merchandise.

Biometrics

The Science of measuring the Physiological or Behavioral Characteristics of a person for identification purposes.

- Fingerprints
- Hand Geometry
- Retinal Scans
- Iris Recognition
- Voice Prints
- Facial Recognition
- Signature Verification



Identity Protection Services



Private companies offer a variety of choices from \$9.95 a month on up.

It helps with peace of mind. It also provides a head start on some investigations.

PC Software designed to help the victim understand the totality of the damage and how to repair the damage.

Reporting I.D. Theft

Credit Bureaus

Equifax - www.equifax.com

(800) 685-1111

Experian – www.experian.com

(888) 397-3742

Trans Union – www.transunion.com

(800) 916-8800



Reporting I.D. Theft



Federal Trade Commission

www.consumer.gov/idtheft

(877) 438-4338

Forward Internet scam emails to the FTC

uce@ftc.gov

Social Security Fraud

www.ssa.gov/pubs/idtheft.htm

(800) 269-0271

Reporting Agencies



- Check Fraud
- Telecheck
(800) 710-9898
- Certegy Inc.
(800) 437-5120
- International Check Services
(800) 631-9656

Resources

Federal Trade Commission

www.consumer.gov

Privacy Rights Clearinghouse

www.privacyrights.org

OPT- OUT Email

888 567-8688

Be removed from pre-screened marketing lists of the 3 major credit bureaus.



Let's Review.

- What are the 3 most common ways your personal information is compromised?



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- How many new Victims of ID Theft are there each day?

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- What is a Mule?

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- What are the 3 most common ways your personal information is compromised?
- How many new Victims of ID Theft are there each day?
- What is a Mule?
- What can you do to reduce your chance of becoming a victim?



I.D. Theft

Are You Next?

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