



IFI Newsletter

A quarterly newsletter from Identity Fraud, Inc.

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More Identity Theft Offline Than Online-Study

Federal regulators warn that the Internet is the thriving frontier for identity theft, but 72 percent of the thefts of personal information for scams last year were done offline, a new report says.

Identity theft -- the practice of stealing someone's personal information and running up bills in their name -- cost Americans \$52.6 billion last year, the report says.

Thieves got their victims' bank or credit information online in just 12 percent of the cases.

Identity thieves aren't making a killing electronically -- they're picking through trash and thumbing through lost or stolen wallets, said James Van Dyke, principal analyst at Javelin Strategy & Research, a Pleasanton, California financial consulting firm that conducted the study.

Friends, family members and neighbors account for half of all known thieves, and on average cost a consumer \$15,607. That compares with \$2,320 for an online huckster.

"It's still so much easier to grab something from a desk or from the trash," Van Dyke said.

Free Credit Reports Are Now Available

December 2004 – AL, AR, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY

March '05 – IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI

June '05 – AL, AK, FL, GA, KT, LA, MS, OK, SC, TN, TX

September '05 – CO, DE, DC, MA, MD, MA, NH, NJ, NY, NC, PA, RI, VT, VA, WV, Puerto Rico and US territories

ID Theft Study (cont.)

While some consumers fear logging on to gain access to financial accounts for security concerns, the Internet is the best way to catch fraud early, he said.

Americans are slowly becoming aware that monitoring account balances via the Internet beats waiting out the 30-day paper mail cycle for statements, which might not reach their hands.

When victims discovered fraud through the Internet, their loss was \$551. But when they realized the fraud only after receiving mailed statements, it cost them \$4,543, the report said.

"That 'Time is money' is a business axiom," Van Dyke said, "but it's true for criminals as well."

The Federal Trade Commission is now fielding more inquiries than complaints about identity theft -- a sign that consumers are taking steps to protect themselves.

Ohio Unveils Identity Theft Passport

"Ohio's new Identity Theft Verification Passport program provides victims of identity theft a method of demonstrating to law enforcement and creditors that their identity has been stolen," said Ohio Attorney General Jim Petro.

The program was launched with help from the U.S. Department of Justice, which awarded the Ohio Attorney General's office a \$250,000 grant to develop the project. "The Department of Justice provided funding for this program in hopes to use it as a pilot for other states to replicate," Petro explained.

The Passport program has two main components: Biometric identification cards that enable the bearer to demonstrate victim status, and state-of-the-art equipment used by Ohio law enforcement to authenticate the new victim IDs.

Oklahoma has a similar identity theft passport legislation that was being created back in July of 2004.

New law about to send shredding on a tear

There is a new law with a provision going into effect this summer that says if you employ even one person - a nanny, a yard man - and you have their personal information because you're doing the right thing and paying Social Security taxes, you have to "destroy" the information before you throw it away.

You have to shred it, burn it or pulverize it. Or you could get sued, fined or become part of a class-action lawsuit by enraged nannies whose personal information has somehow gotten out.

Already, personal shredders are becoming so ubiquitous that Williams-Sonoma in its latest catalog offers its first-ever combination shredder/garbage can for your kitchen (for \$229). And architect Michael Graves has designed a cool shredder for Target (\$35).

InnoDesk makes handheld, battery-operated shredders for use in the car or kitchen or at your desk at work. Each weighs 1.5 pounds and costs \$16.

And Fellowes, a family-owned company that invented the personal shredder in 1990, is twice the size of its nearest competitor.

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Engaging Solutions for Identity Protection!

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