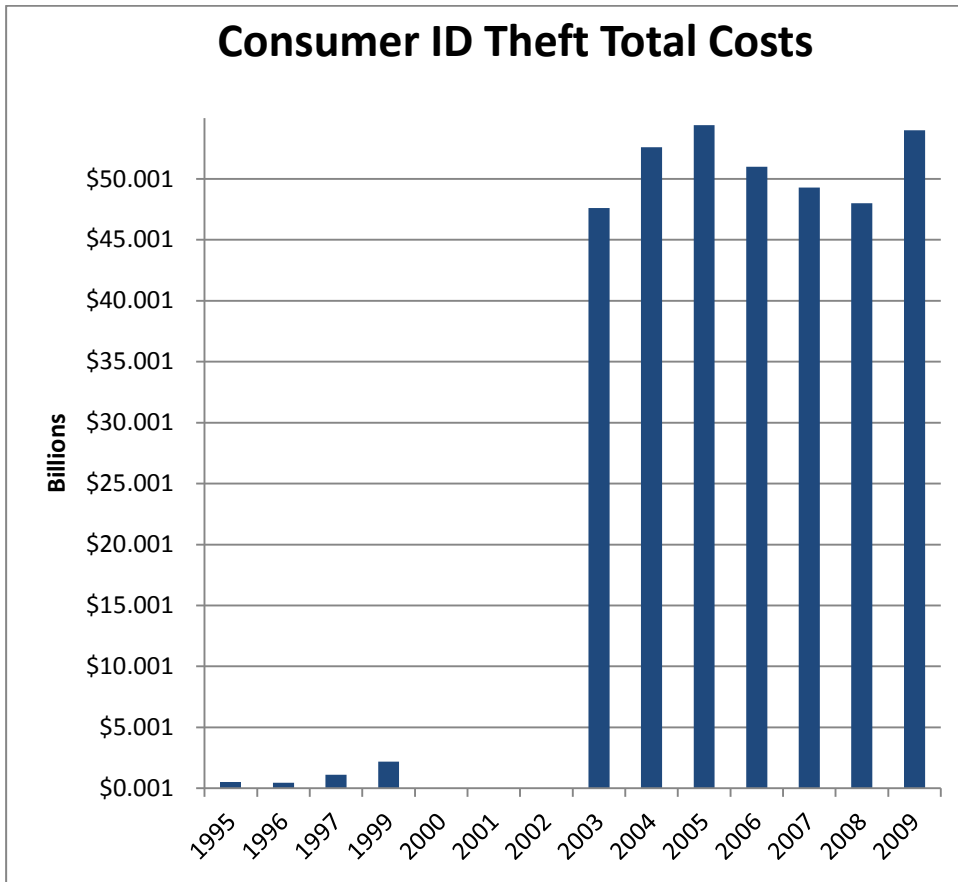


Consumer and Business Identity Theft Statistics

Business identity (ID) theft is a growing crime and is a growing concern for state filing offices. Similar to consumer ID theft, after initially identifying the crime, the number of known cases swelled, and the crime has continued at a sustained, high level.



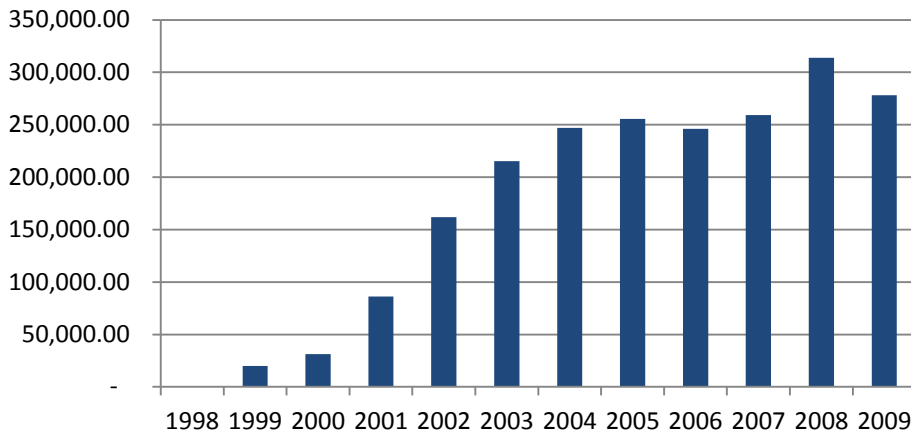
Consumer ID Theft Total Costs	
Year	Cost (in billions)
1995	\$ 0.442
1996	\$ 0.450
1997	\$ 1.1
1999	\$ 2.2
2000	Information unavailable
2001	Information unavailable
2002	Information unavailable
2003	\$ 47.6
2004	\$ 52.6
2005	\$ 54.4
2006	\$ 51.0
2007	\$ 49.3
2008	\$ 48.0
2009	\$ 54.0

The GAO reported in March 2002, “As we reported in 1998, there are no comprehensive statistics on the prevalence of identity theft. Generally, federal law enforcement agencies do not have information systems that facilitate specific tracking of identity theft cases.”¹ Some early estimates were available in the GAO’s 1998 report.²

¹ General Accounting Office. (2002, March). *Identity theft: Prevalence and cost appear to be growing*. Retrieved January 25, 2011, from <http://www.gao.gov/new.items/d02363.pdf>

² General Accounting Office. (1998, May). *Identity fraud: Information on prevalence, cost, and internet impact is limited*. Retrieved January 26, 2011, from <http://www.gao.gov/archive/1998/gg98100b.pdf>

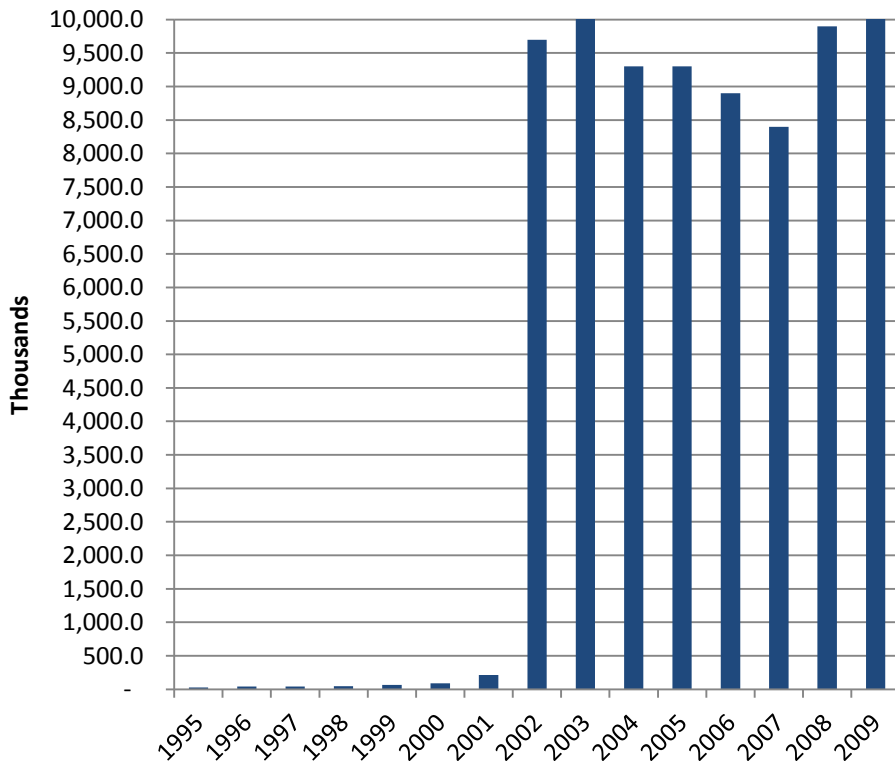
FTC # of ID Theft Complaints



FTC # of Identity Theft Complaints	
Year	# of Complaints
1998	-
1999	19,835
2000	31,140
2001	86,250
2002	161,977
2003	215,240
2004	246,909
2005	255,667
2006	246,174
2007	259,266
2008	313,982
2009	278,078

The Federal Trade Commission (FTC) began tracking consumer identity theft reports in 1999 after the Identity Theft and Assumption Deterrence Act (Identity Theft Act) was created in 1998.³

Number of Consumer ID Theft Victims

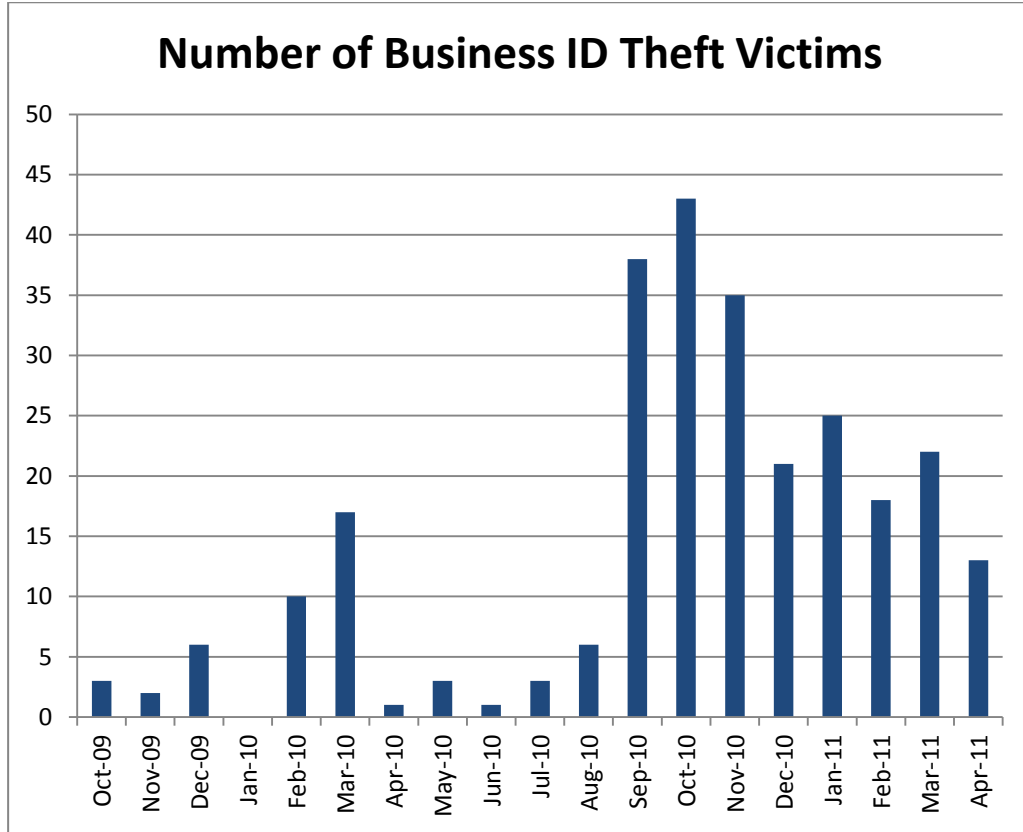


Number of Consumer ID Theft Victims	
Year	# of Victims (in thousands)
1995	27.8
1996	43.1
1997	42.2
1998	47.8
1999	65.6
2000	89.0
2001	210.6
2002	9,700.0
2003	10,100.0
2004	9,300.0
2005	9,300.0
2006	8,900.0
2007	8,400.0
2008	9,900.0
2009	11,200.0

The increase in consumer ID theft costs and number of victims from 2007-2009 is likely attributable to declining economic conditions.

³ Federal Trade Commission. (1998, October 30). *Identity theft and assumption deterrence act*. Retrieved January 25, 2011, from <http://www.ftc.gov/os/statutes/itada/itadact.htm>

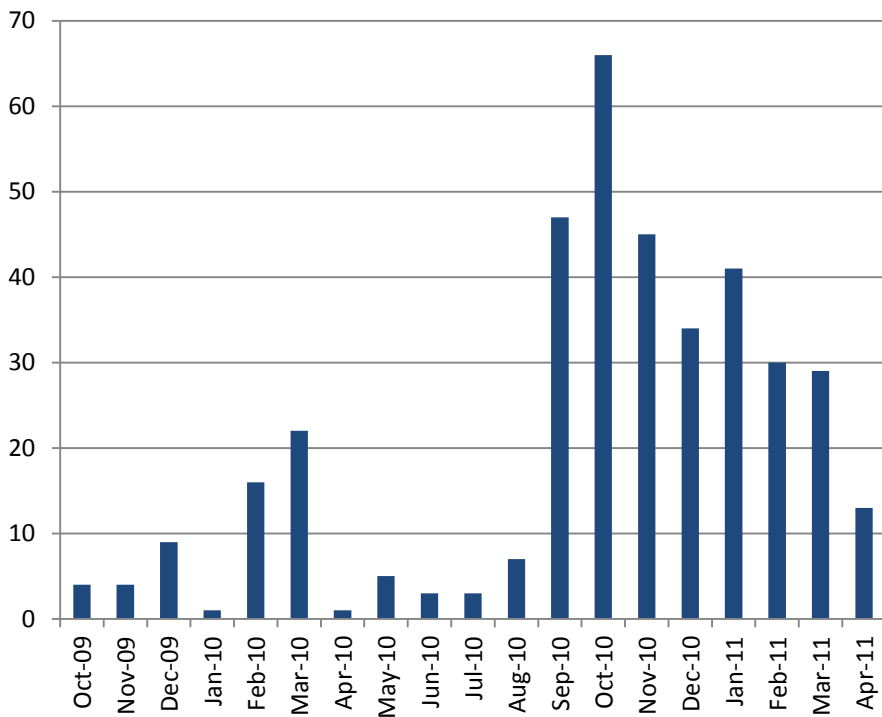
The Colorado Secretary of State's office became aware of business ID theft around June 2009, but has become aware of incidents dating back to October 2009.



Number of Business ID Theft Victims	
Month-Year	# of Victims
Oct-09	3
Nov-09	2
Dec-09	6
Jan-10	0
Feb-10	10
Mar-10	17
Apr-10	1
May-10	3
Jun-10	1
Jul-10	3
Aug-10	6
Sep-10	38
Oct-10	43
Nov-10	35
Dec-10	21
Jan-11	25
Feb-11	18
Mar-11	22
Apr-11	13
	267

Costs to businesses are difficult to quantify exactly. Anticipated losses could reach \$60,000 to \$90,000 in credit per business. Costs in the form of lost time to correct credit records and lost financing may be even greater.

Number of Business ID Theft Documents



Number of Business ID Theft Documents Filed	
Month-Year	# of Documents
Oct-09	4
Nov-09	4
Dec-09	9
Jan-10	1
Feb-10	16
Mar-10	22
Apr-10	1
May-10	5
Jun-10	3
Jul-10	3
Aug-10	7
Sep-10	47
Oct-10	66
Nov-10	45
Dec-10	34
Jan-11	41
Feb-11	30
Mar-11	29
Apr-11	13
	380

In addition to the costs to businesses, filing offices may incur substantial costs. The following are estimates of the costs the Colorado Secretary of State's office has encountered as a result of business ID theft.

Business ID Theft Fiscal Impact to the Colorado Secretary of State's Office			
Item	Unit Cost	Count	Cost
Respond to law enforcement requests (Business & Licensing)	\$19.00/hr	1 hr for each of 105 cases	\$ 1,995.00
Retrieve information for law enforcement (IT)	\$33.00/hr	1 hr for each of 105 cases	\$ 3,465.00
Credit card disputes / Chargebacks (Finance)	\$18.00/hr	1 hr for each of 5 cases	\$ 90.00
Responding to phone calls and e-mails regarding business ID theft	\$19.00/hr	1 hr for each of 45 cases	\$ 855.00
Develop policies and procedures	\$19.00/hr	8 hrs	\$ 152.00
Process Statements of Correction for no fee (Business & Licensing)	\$150	45	\$ 6,750.00
Processing of Statements of Correction (IT)	\$26.00/hr	2.5 hrs for each of 45 cases	\$ 2,925.00
Develop Business ID Theft Resource Guide	\$19.00/hr	3 employees, avg 24 hrs each	\$ 1,368.00
Develop legislation, develop supporting materials, and monitor bill	\$19.00/hr	3 employees, 4 hrs each	\$ 228.00
Develop password system and mail PINs			\$368,525.00
Provide customer service for supporting the password system			\$ 66,389.00
Total			\$452,742.00