



Online Identity Theft Fact Sheet

Causes of Online Identity Theft

- Companies that use simplistic password assignment policies are targets of identity theft. Often people duplicate passwords and use them for multiple accounts, making identity theft quick and easy.
- Businesses that install firewalls and other software protection from computer parasites have created a false sense of security. Software security systems do not prevent identity theft.
- Most employees do not password-protect or encrypt their data files which contain clients' personal and vital information like social security numbers, drivers license, addresses, names, date of birth, bank accounts, 401K, credit cards numbers, school history, etc.
- Individuals often have data stolen by an identity thief that one would not suspect. Identity thieves can be a spouse, parent, child, co-worker, friend, neighbor, contractor, etc.
- Individuals frequently become victims of identity theft through phishing e-mails. "Phishing" uses deceptive technology to steal a consumer's personal identity and financial account data.

Online Identity Theft Statistics

- According to a 2005 joint survey by the Better Business Bureau and Javelin Strategy and Research, the annual cost of identity fraud in the U.S. totaled \$56.2 billion.
- According to a study conducted by Sophos, an anti-virus and anti-spam computer software company, a web poll of 533 business PC users in April 2006 investigated how employees managed their passwords in the work force. Eighty-six percent of the employees surveyed use the same or a small number of different passwords in multiple places. Additionally, 75 percent of the respondents admitted to the use of weak, easy-to-guess passwords. Together, this report reveals that 65 percent of a company's employees unknowingly put the company, their customers, their vendors and the other employees' personal information at risk.
- According to a study in 2003 from the Federal Trade Commission, one-third of identity theft victims had their personal information misused for credit card fraud.
- According to a study from the Identity Theft Resource Center in September 2003, the average time spent by victims restoring their identity is about 600 hours, an increase of more than 300 percent over previous studies.
- According to Privacy Rights Clearinghouse, over 100 million Americans have had their personal information compromised from February 2005 to July 2006. The majority of the theft cases involve schools, companies, and government agencies.