

IDENTITY THEFT COSTS NEW YORK CITY RESIDENTS \$13,728,000 EVERY YEAR

Identity Theft ("ID Theft") is one of the fastest growing crimes in New York City. Each year, at least 8,000 New York City residents report being victims of ID Theft. Countless others are also victims but do not know it yet. ID Theft is a serious and insidious crime that often leaves its victims penniless, with damaged credit, and without recourse. In New York State, where prospective employers and landlords routinely pull credit reports to screen applicants, ID Theft can also threaten residents' ability to secure gainful employment or safe housing. In a time of high unemployment and an astonishingly tight housing market, New Yorkers need all the help they can get to protect their credit profile.

Identity Theft is the wrongful use of another person's indentifying information (such as credit card, Social Security Number, or driver's license number) to commit financial and other crimes.

The average ID Theft victim spends **68** hours and **\$527** trying to remedy the financial mess that ID Theft creates.

Victims who have had new financial accounts opened in their name spend **141** hours and **\$2,104** of out-of-pocket expenses to close or eliminate new account.

ID Theft may also prevent victims from obtaining adequate housing, reliable employment, and access to non-predatory financial products, resulting in **thousands of dollars of missed opportunities.**

1/3

of all ID Theft victims are unable to remove negative information from their credit reports.

80%

of Clinic customers who tried to obtain police reports for ID Theft left their local precincts empty handed.

REMEDYING IDENTITY THEFT

If victims of ID Theft report the theft to the New York City Police Department and get a police report, they can avoid having to pay for any of the debt that the thief incurred in their name. Victims would be able to send the Police Report, along with a sworn statement of facts, to creditors explaining that the debts were criminally incurred. With the police report, most creditors absolve victims of the debts that the thief incurred. Without the police report, victims cannot clear the negative information from their credit reports and may be left to foot the bill on their own.

The federal FACT Act, and state law both require New York State Police officers to provide a police report to each identity theft victim who reports the crime to local law enforcement with a police report. But local New York City Precincts do not consistently issue police reports. As a result, ID Theft victims cannot remedy the crimes committed against them and are forced to suffer the long, painful consequences of the crime on their own.

RECOMMENDATIONS

- Enact rules or regulations permitting ID Theft victims to use complaints filed with local, state, and federal administrative agencies instead of police reports to absolve themselves of responsibility for criminally incurred charges;
- Enforce existing legislation requiring police officers to issue reports to victims of ID Theft; and
- Create public awareness campaign reminding New Yorkers how to recognize and report ID Theft.



For more information email policy@thefinancialclinic.org



SOURCES

Identity Theft: The Aftermath 2009, Identity Theft Resource Center (2010), www.idtheftcenter.org.
The Federal Trade Commission, www.ftc.gov.