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REPORT DETAILS IMPACT OF IDENTITY THEFT IN CALIFORNIA

-- California Ranks #2 in Identity Theft Complaints Nationwide, According to FTC --
-- Credit Card and Employment Fraud Top Forms of Identity Theft in State --

SCOTTSDALE, ARIZ. – August 12, 2008 – A comprehensive study exploring the identity theft crisis in California was released today by Identity Theft 911®, a leading provider of identity management solutions. In addition to detailing the increasing diversity of identity-related fraud, the white paper highlights steps that state officials and businesses are taking to combat this growing problem.

“Each year, more and more consumers fall victim to various forms of this insidious crime. This report puts a spotlight on California, highlighting several issues that are likely responsible for driving up these numbers in the state,” said Judd Rousseau, Chief Fraud Officer of Identity Theft 911. “However, California legislators and government officials, law enforcement officers and non-profit groups are taking aggressive steps to fight identity theft as highlighted in this report.”

“The fact is that identity theft is a growing problem,” said Linda Foley, Founder of Identity Theft Resource Center® (ITRC). “There are a lot of people being hurt by this crime (in terms of) businesses and as individuals.”

According to study's analysis of the Federal Trade Commission's (FTC) complaints, nearly 1.5 million Californians were victims of identity theft in 2007, which is equivalent to 15 Rose Bowl stadiums of spectators having their identities stolen in one year. While stealing phone and utility services, and taking money through checking account takeovers or illegal money transfers, account for a vast majority of identity fraud-related activity, the report finds that certain groups in California are responsible for the continued increase in fraud cases in the state.

Undocumented Workers, Car Thieves and Gang Activity Spike Identity Theft Activity

California ranks highly due to its regional characteristics. In the state's central valley's farmlands, undocumented workers account for the increased rates of employment-related identity theft as they rely on stolen or fraudulent social security numbers to secure employment. California is breed to a new generation of car thieves who've traded hot-wiring tools for fake checkbooks and stolen identities—a problem that state highway patrol officers responsible for investigating auto-related fraud are seeing increased activity.

Gang members and organized crime, meanwhile, have discovered identity theft as a means of generating off-the-books income, as have addicts hooked on methamphetamines, a habit for which identity theft is nicely suited. In addition, California metro areas are rich for data mining. California Treasurer Bill Lockyer, who served as the state's Attorney General from 1998 through 2006, says Californians ought to take the identity theft problem “very seriously.” “It's very costly on people's time and wallet,” he adds.

State of California Proactive In Protecting Consumers

While identity theft continues to plague the state, California's heightened response to this crime is cause for optimism, according to the report. Collaborative efforts between law enforcement agencies, state and district attorneys, nonprofit organizations and the California legislature has made California a model state for identity theft deterrence.

For example, California continues to pass pro-consumer legislation intended to curb the growth of identity theft. Such initiatives include landmark credit and data breach notification laws; legislation prohibiting businesses, academic and government institutions from publicly displaying Social Security numbers; and

regulations that prohibit financial institutions from sharing or selling personally identifiable nonpublic information without obtaining consumer consent.

“Identity theft will continue to be a problem requiring individuals, businesses and government agencies to be constantly vigilant,” said Debra Bowen, California Secretary of State. “We all need to do a better job of protecting sensitive personal information and purging data that we don’t need, especially information in ‘electronic filing cabinets.’”

Other findings from the report include:

- Identity theft cost Californians an estimated \$749 million in out of pocket expenses in 2007.
- California residents spent an estimated minimum six million hours – or 250,000 days – resolving identity theft issues.
- Of the 50 metropolitan areas ranked highest by the FTC in terms of consumer identity theft complaints, 16 were in California, which contributed the most high-ranking cities in any state.

“Taking six million hours to resolve identity theft-related issues is a conservative and underestimated number,” said Jay Foley, Executive Director of ITRC. “The burden of undoing the damage and restoring the victim’s good name takes a toll on an individual’s life causing stress and anxiety.”

This white paper is being released as part of a series of ongoing reports from Identity Theft 911 to educate and inform consumers on one of the fastest growing crimes today. For a copy of this and other state white papers, please visit www.identitytheft911.org.

About Identity Theft 911

Identity Theft 911® is an industry leader in identity management, providing innovative, enterprise-level fraud solutions and consumer education to small-to-midsize as well as Fortune 500 companies; including many of America’s largest insurance companies, corporate benefit providers and a wide spectrum of financial institutions, colleges and universities. More than 12 million households are enrolled in Identity Theft 911’s comprehensive identity management programs. For more information, call 480-355-8500 or visit www.identitytheft911.org.

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