



W H I T E  
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**IDENTITY THEFT  
IN WASHINGTON STATE**

WHITE PAPER  
DECEMBER 2007

BY IDENTITY THEFT 911, LLC

# I.

## INTRODUCTION

We know a few things about the identity theft epidemic in Washington State. We know that the state has one of the highest per-capita rates of identity theft in the nation. We know that despite the best efforts of Washington's leaders, thousands – probably hundreds of thousands – of the state's residents will become victims of identity theft this year.

But there is much we do not know. Specifically, we do not know exactly how many identities were actually stolen in Washington State in 2006, nor do we know what other crimes thieves committed using those stolen identities. We are also not certain whether the decrease in the number of identity theft cases reported to the Federal Trade Commission in 2006 indicates that we are beginning to solve the problem, or if it simply shows that Washington State residents are, for whatever reasons, reporting the crime less often than in previous years.

Herein lies the problem: no one really knows the answers. Everyone who studies the matter, including the FBI and Washington State Attorney General Rob McKenna, acknowledges, however, that identity theft in Washington State is far more serious than the Federal Trade Commission studies indicate.

"We have a significant problem, but I'm not sure the FTC numbers are terribly accurate because they're based on the number of people who call them," said Susan Storey, senior deputy prosecuting attorney in King County, which includes Seattle, and Chair of Law Enforcement Group against Identity Theft (LEGIT), a statewide group of law enforcement leaders that works to fight identity theft.

This white paper attempts to find answers. We believe that one of the best ways to protect people from identity theft is to educate them about the risk. In this paper we will explain why we think the risk of identity theft to Washington State residents is much greater than is currently captured in federal government statistics. Based on acknowledged limitations of FTC data<sup>1</sup>, we estimate that the true number of people victimized by identity theft in Washington State last year was around 254,095, which is 47.6 times the number of complaints received by the FTC.

The impact on each victim can be enormous. "For a lot of years, nobody really understood the seriousness of being a victim of identity theft," says Storey. "It's a special interest I've developed over the years because I've seen how devastating these crimes can be."

Washington State could be the place where the tide turns on identity theft. Though its residents remain among the top targets for identity thieves, the state's leaders repeatedly lead the nation in innovating solutions. It is our hope that once enough citizens, elected officials, corporate and nonprofit leaders understand the scope of the identity theft epidemic, they will join together to devise effective methods of fighting back.

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<sup>1</sup>The FTC collects data only from cases reported to the agency: an estimated 2.1 percent of the total number of victims.



## EXECUTIVE SUMMARY

- Approximately 254,095 Washington residents became victims of identity theft in 2006. This is equivalent to every man, woman and child in the cities of Bellevue, Redmond and Renton, WA, combined having their identities stolen in the same year.
- Identity theft cost Washington victims an estimated \$1.22 billion in 2006. Washington residents spent a total of 7.7 million hours resolving identity theft issues.
- It is estimated that 18.9 percent (nearly one in five) of Washington residents have been victims of identity theft in the last five years.
- Washington ranks #9 nationally in per capita identity theft. The rate of identity theft victimization per 100,000 people in Washington has increased 26 percent since 2002.
- The number of identity theft complaints from Washington State residents to the Federal Trade Commission dropped eight percent from 2005 to 2006. It represented the first decline after four years of steady increases. Nevertheless, the total number of complaints in 2006 was up 37 percent from 2002.
- Three metropolitan areas in Washington experienced identity theft rates higher than the statewide average. These were: the Seattle/Tacoma/Bellevue metropolitan area, with 100 victims per 100,000 residents; Olympia with 133; and Yakima with 138. Olympia and Yakima were among the 50 cities nationwide with the highest identity theft rates.
- Stolen identities are 31 percent more likely to be used for bank and credit card fraud in Washington State than across the country. Thieves in Washington are almost twice as likely as the national average to use stolen identity information to hijack existing accounts rather than open new accounts.
- Identities stolen from Washington State residents are 40 percent less likely to be used for government benefits fraud, and half as likely to be used for tax fraud, than the national averages.
- In 2006, an estimated 11.71 million people were victims of identity theft nationally.



**GOVERNMENT'S  
BEST GUESS**

Victims of identity theft can report the crime to the Federal Trade Commission, which maintains the complaints in its Identity Theft Data Clearinghouse and publishes them in an annual report called the Consumer Sentinel. Since different academics and think tanks regularly study identity theft using a variety of methods, and their results often conflict with one another, the Consumer Sentinel is the closest we have to a definitive source on identity theft (we'll discuss its limitations below).

According to the latest Consumer Sentinel report, Washington State residents made 5,336 complaints of identity theft in 2006<sup>2</sup>. This represents an eight-percent drop in complaints from 2005<sup>3</sup> and the first decline in complaints since the identity theft epidemic first was tracked nationally five years ago.<sup>4</sup> The cause of this drop remains unknown, but it may well represent the inadequacy of our data collection methods rather than any actual decline.

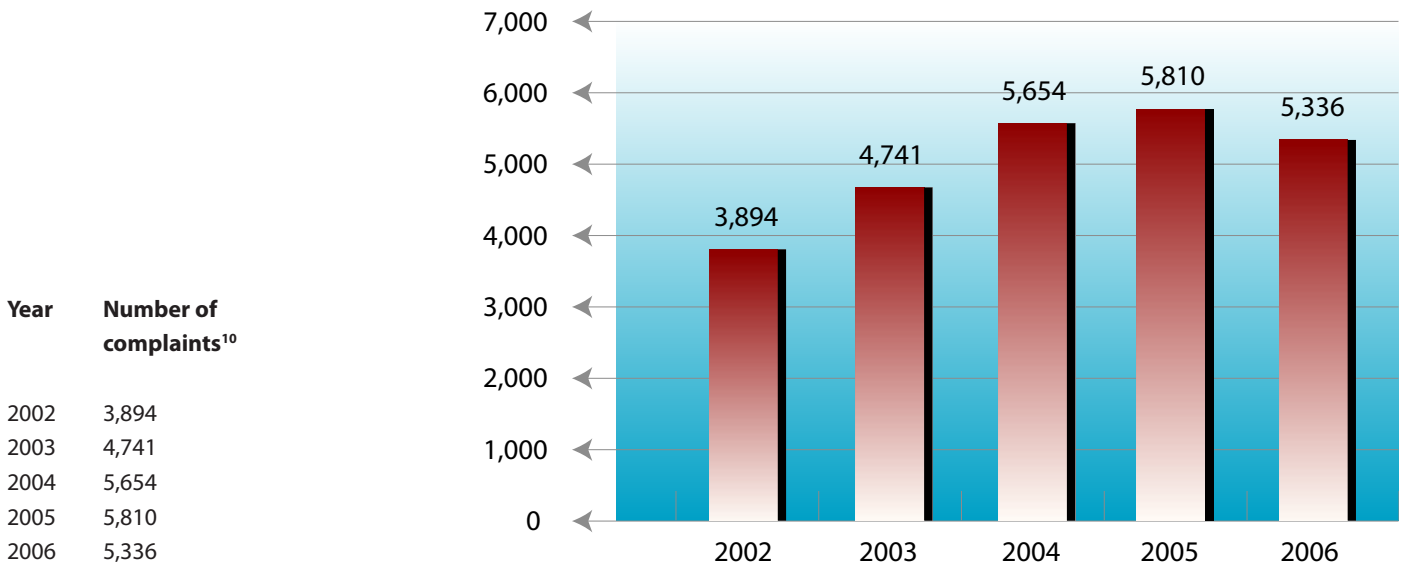
"It went down, but we're not sure how much of that is because of less crime and how much is because fewer people are reporting the crime," says Rob McKenna, attorney general of Washington State.

In 2002, the first year for which data is available, Washington residents made 3,894 identity theft complaints<sup>5</sup>. That number increased 21 percent to 4,741 in 2003<sup>6</sup>. By 2005, the total climbed to 5,810, a 49-percent jump in complaints over four years<sup>7</sup>.

The statewide trend is a reflection of national figures. The total number of identity theft complaints filed with the FTC grew from 246,882 in 2004 to 255,613 in 2005, a 3.5-percent increase<sup>8</sup>. But in 2006, the number of complaints nationwide dropped 3.7 percent to 246,035<sup>9</sup>.

<sup>2</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2006  
<sup>3</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2005  
<sup>4</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2002 - 2006  
<sup>5</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2002  
<sup>6</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2003  
<sup>7</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2005  
<sup>8</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2004, 2005  
<sup>9</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2006  
<sup>10</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2002 - 2006

**Number of Reported\* Identity Theft Cases in Washington State Over Time  
(\*Reported to the FTC)**



## IV.

### WASHINGTON STATE IN THE TOP 10, AGAIN.

As it has since 2002, Washington State ranked among the top 10 states in the nation for incidence of identity theft<sup>11</sup>. For every 100,000 people, 83.4 reported being victimized by identity theft in 2006<sup>12</sup>. This represents a slight improvement since 2005, when 92.4 people per 100,000 complained about identity theft<sup>13</sup>.

The 2006 results make Washington the ninth most active state in the country for identity theft per capita<sup>14</sup>. The exact ranking fluctuates year to year, but generally Washington places in the top fifth of most vulnerable states. About 80 percent of states have lower rates of identity theft complaints than Washington<sup>15</sup>. Washington fares better than Arizona, Nevada, California and Texas, where identity theft complaint rates reach as high as 147 victims per 100,000 people<sup>16</sup>.

Likewise, Washington State's share of the national identity theft epidemic has remained stable over the years. In 2006, Washington accounted for 2.1 percent of the nation's identity theft complaints, roughly similar to the previous four years<sup>17</sup>.

"The data always has us in the top 10 for ID theft nationally," McKenna says.

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<sup>11</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2006

<sup>12</sup> *ibid*

<sup>13</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2005

<sup>14</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2006

<sup>15</sup> Federal Trade Commission, Identity Theft Survey Report 2003, and Identity Theft Data Clearinghouse and Consumer Sentinel 2003 - 2006

<sup>16</sup> *ibid*

<sup>17</sup> *ibid*



## BARRIERS TO TRACKING

As previously noted, we cannot rely on complaints to the Federal Trade Commission to adequately measure identity theft in Washington State or across the country. That's because unlike other crimes such as robbery or murder, identity theft remains difficult to track.

"The federal numbers almost certainly understate the number of identity thefts occurring because many people never bother to contact the FTC," McKenna says.

When it comes to reporting identity theft, gaps are evident at every stage of the process. Many identity theft victims never learn that the crime even was committed. In cases where victims do find out, it's often long after the fact. Over half – 55 percent – of all identity theft victims in Washington State don't learn they've been victimized until a month or more after the theft occurred<sup>18</sup>. Among the identity theft victims in the state who reported the crime to the FTC in 2006, nine percent discovered it five years or more after the theft actually occurred<sup>19</sup>.

Even when identity theft is discovered by the victim, reporting remains a problem. Among the 5,336 people in Washington who complained about identity theft to the FTC last year, over half – 57 percent – of victims never contacted one of the three main credit bureaus about the theft<sup>20</sup>. A full 62 percent never bothered to notify a police department, either<sup>21</sup>.

"Identity theft is challenging because in some cases what prosecutors look at as fraud or stolen property are also identity theft, which may not get reported," said John Lane, executive policy advisor to Washington Governor Chris Gregoire.

But victims aren't the only ones responsible for poor tracking of identity theft. In eight percent of the identity theft cases reported to the FTC in 2006, police never filed a report on the incident<sup>22</sup>. In the 30 percent of cases where a police report was taken, it was up to local police to record the crime as identity theft. But if the thief used the victim's identity to steal money from a bank account, for example, the crime is likely to be labeled "theft" or "fraud," which means the words "identity theft" may never appear in the police report. Even if the responding officer mentions the stolen identity in the report, the department may not keep a separate tally of identity theft as distinct from other crimes, and may not report that tally to the FBI or FTC.

"If you're a citizen calling about a crime, you may not know that the proper term is identity theft; you just know that you've been victimized," says Storey. "A police officer could write it down in his report as theft, robbery, fraud or ID theft. And the clerk who's entering the data could call it any one of those, or all three."

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<sup>18</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2006

<sup>19</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2006

<sup>20</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2006

<sup>21</sup> *ibid*

<sup>22</sup> *ibid*

# VI.

## BRINGING THE BEST DATA FORWARD

The most comprehensive and respected study done so far on identity theft is the Federal Trade Commission's 2003 Identity Theft Survey Report. It represents the federal government's first and still the most comprehensive study of the identity theft epidemic. Most subsequent studies refer to it as the benchmark for their work.

"We rely on data from FTC to keep track on what's happening with identity theft," McKenna said. Even though the actual number of identity theft incidents may be substantially higher than government figures estimate, McKenna said, "We think it's statistically valuable to track the overall trend over time."

By comparing the benchmark report to annual Consumer Sentinel results, we hope to provide an apples-to-apples estimate of identity theft trends in Washington State. The FTC estimated that 4.6% of America's population, or 9.91 million people, were victimized by identity theft in 2002<sup>23</sup>. That same year, the commission received 214,905 complaints of identity theft to its Identity Theft Data Clearinghouse<sup>24</sup>. This meant that only somewhat more than 2.1% of the estimated total of all identity theft cases were reported to the FTC that year.

The FTC received 3,894 reports of identity theft from Washington State in 2002. If we assume that the reporting rate in Washington State is similar to the rate nationwide, this means that an estimated 185,400 citizens of Washington State were actually victimized by identity theft in 2002.

In 2006, there were 246,035 reports of identity theft nationally<sup>25</sup>. If that represents 2.1 percent of all actual cases, then there were an estimated 11.71 million victims nationwide last year. As noted, 5,336 of those reported incidents occurred in Washington State. If reporting rates remained constant, an estimated 254,095 people in Washington State fell victim to identity theft in 2006, up 37 percent from 2002.

To put the latest estimate in perspective, it is roughly equivalent to all the residents of Bellevue, Redmond and Renton, WA, having their identities stolen in the same year.

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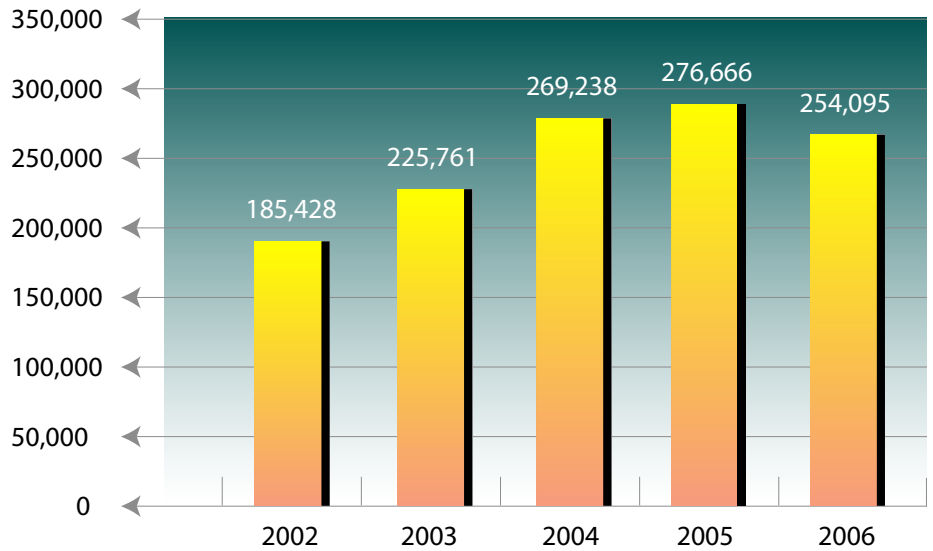
<sup>23</sup> Federal Trade Commission, Identity Theft Survey Report 2003

<sup>24</sup> *ibid*

<sup>25</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2006

Identity Theft in Washington State

Total Number of Identity Theft Cases in Washington State Over Time (Extrapolated)



Year	Number of Victims (Extrapolated) <sup>26</sup>
2002	185,428
2003	225,761
2004	269,238
2005	276,666
2006	254,095

**Conclusion**

It is estimated that more than 1.2 million Washington State residents have been victimized by identity theft in the last five years. This represents 18.9 percent of the state’s total population.\*

<sup>26</sup>To recap, these estimates are generated as follows: The FTC estimated that 9.91 million Americans became victims of identity theft in 2002, but only 214,905 people filed identity theft complaints with the commission. This represents an estimated reporting rate of 2.1 percent.

\*If the number of complaints from Washington State, 3,894, represents 2.1 percent of the actual number of stolen identities, then there were approximately 185,429 victims of identity theft in Washington State in 2002. This method assumes that the identity theft reporting rate in Washington State is similar to the rest of the country. It also assumes that the reporting rate does not fluctuate significantly over time.

## VII.

### DIFFERENT TYPES OF IDENTITY THEFT IN WASHINGTON

Stolen identities can be used for many different purposes. Stolen identity information is 31 percent more likely to be used for bank and credit fraud in Washington State than it is nationwide. In the state, 21 percent of all stolen identities are used for bank fraud, including checking and savings account fraud and fraudulent electronic fund transfers<sup>27</sup>. That compares to 16 percent of all cases nationwide<sup>28</sup>.

The problem is especially pronounced with existing accounts. Thieves use stolen identities to steal from existing credit accounts in 14.3 percent of cases in Washington, compared to 10.7 percent nationwide<sup>29</sup>. And stolen information is used to hijack existing bank accounts in 9.1 percent of identity theft cases, compared to 5.8 percent of cases nationwide<sup>30</sup>. The trend of existing account fraud makes up most of the difference between the state and the nation when it comes to all types of illicit activity involving credit and bank accounts<sup>31</sup>.

The difference between the state and the nation is less pronounced when it comes to total credit card fraud (which includes existing accounts, new fraudulently established accounts and unspecified accounts); 27 percent of stolen identities were used to hijack credit accounts in Washington, compared to 25 percent across the country<sup>32</sup>.

Meanwhile, identity theft victims in Washington State are 40 percent less likely to have their identities used for government benefits fraud than the national average<sup>33</sup>. Only six percent of stolen identities are used for this purpose in Washington, compared to 10 percent nationally<sup>34</sup>. Victims of identity theft in Washington State are half as likely as victims nationwide to have their personal information used to file a fraudulent tax return, which accounts for 6.2 percent of all identity-related fraud in the United States but only 3.2 percent in Washington<sup>35</sup>.

Employment-related fraud is also significantly less common, occurring in 10 percent of identity theft cases in Washington, compared to 14 percent across the country<sup>36</sup>. In other kinds of identity theft tracked by the FTC, including phone or utilities fraud, loan fraud and miscellaneous types, Washington generally follows national trends<sup>37</sup>.

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<sup>27</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2006

<sup>28</sup> *ibid*

<sup>29</sup> *ibid*

<sup>30</sup> *ibid*

<sup>31</sup> *ibid*

<sup>32</sup> *ibid*

<sup>33</sup> *ibid*

<sup>34</sup> *ibid*

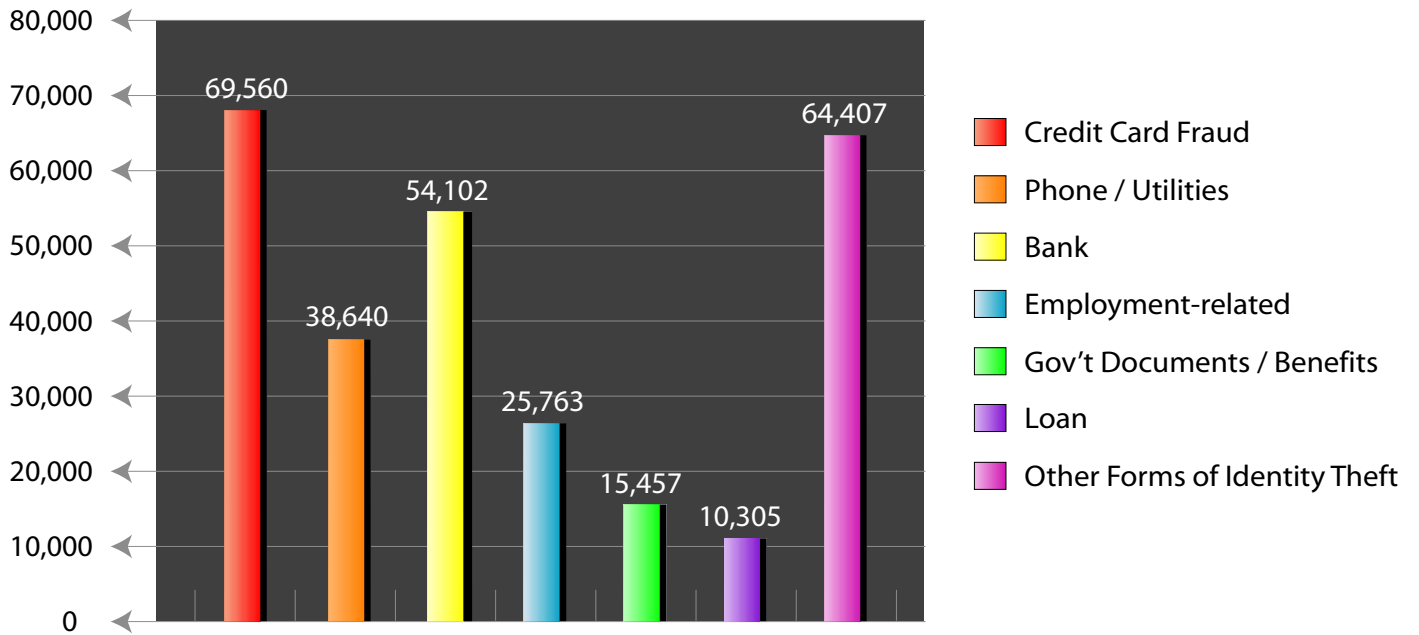
<sup>35</sup> *ibid*

<sup>36</sup> *ibid*

<sup>37</sup> *ibid*

Based on average reporting rates and the types of fraud detailed in complaints to the FTC, it is possible to estimate the total number of Washington State residents who became victims of different types of identity theft-related scams in 2006<sup>38</sup>:

**Types of Fraud in Washington State (2006)**



<sup>38</sup>The total number of frauds does not exactly match the total number of victims because some victims suffered multiple frauds.

## VIII.

### IDENTITY THEFT IN WASHINGTON'S MAJOR CITIES

Statewide averages for identity theft mask the extent of the problem in many of Washington's cities. Statewide, the victimization rate of identity theft cases per 100,000 people was 83.4, the ninth-highest rate in the country. But in the Seattle/Bellevue/Tacoma metropolitan area, there were 3,188 identity theft complaints to the FTC in 2006, meaning an area-wide rate of 100 reported victims per 100,000 people<sup>39</sup>. This made it the 126th worst metropolitan area in the country for identity theft<sup>40</sup>.

Based on the total number of complaints, the Seattle area remained the hub of identity theft-related complaints statewide. Of the 5,336 complaints in Washington in 2006, 59 percent occurred in or around Seattle<sup>41</sup>, which is comparable to previous years<sup>42</sup>.

In terms of risk to the average citizen, however, some smaller Washington cities fared worse than Seattle. In Yakima there were 314 complaints of identity theft, or 138 for every 100,000 people<sup>43</sup>. This was the highest identity theft crime rate in the state, and the 43rd worst rate among metropolitan areas across the country<sup>44</sup>. Olympia was the only other Washington city to crack the top 50 for identity theft complaint rates nationally. It had the 46th highest rate in the country, with 301 total complaints, or 133 per 100,000 people<sup>45</sup>.

In Spokane, 361 people complained of identity theft in 2006, or 83 out of every 100,000 people<sup>46</sup>. In the Portland, Oregon, Metropolitan Statistical Area, which includes Vancouver, Washington, there were 1,955 complaints, giving it a rate of 94.7 complaints for every 100,000 people<sup>47</sup>.

#### Conclusion

Though the Seattle area has more total identity theft victims, the likelihood of getting hit by an identity thief is actually significantly higher in the state's smaller cities.

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<sup>39</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2006

<sup>40</sup> *ibid*

<sup>41</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2006

<sup>42</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2003 – 2006

<sup>43</sup> Federal Trade Commission, Identity Theft Data Clearinghouse and Consumer Sentinel 2006

<sup>44</sup> *ibid*

<sup>45</sup> *ibid*

<sup>46</sup> *ibid*

<sup>47</sup> *ibid*

# IX.

## ESTIMATING THE COST OF IDENTITY THEFT IN WASHINGTON

The average case of identity theft costs the victim \$4,800<sup>48</sup>. In addition, the average victim spends 30 hours negotiating with creditors and the three major credit bureaus to resolve the problem<sup>49</sup>. If we consider the cost of resolving only the identity theft cases from Washington State that actually were reported to the FTC in 2002, that means identity theft cost the state's residents a minimum of \$18.69 million that year, plus 116,820 in hours spent fixing the problem<sup>50</sup>.

As we know, the true costs were many times higher. Using the estimated number of victims above, Washington State residents lost an estimated \$890 million to identity thieves in 2002. They also wasted of 5.5 million hours resolving their complaints<sup>51</sup>.

By 2006, losses by Washington residents grew to an estimated \$1.2 billion, a 25.8-percent increase over four years. They wasted an estimated 7.7 million hours to fix the problem<sup>52</sup>.

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<sup>48</sup> Federal Trade Commission, Identity Theft Survey Report 2003

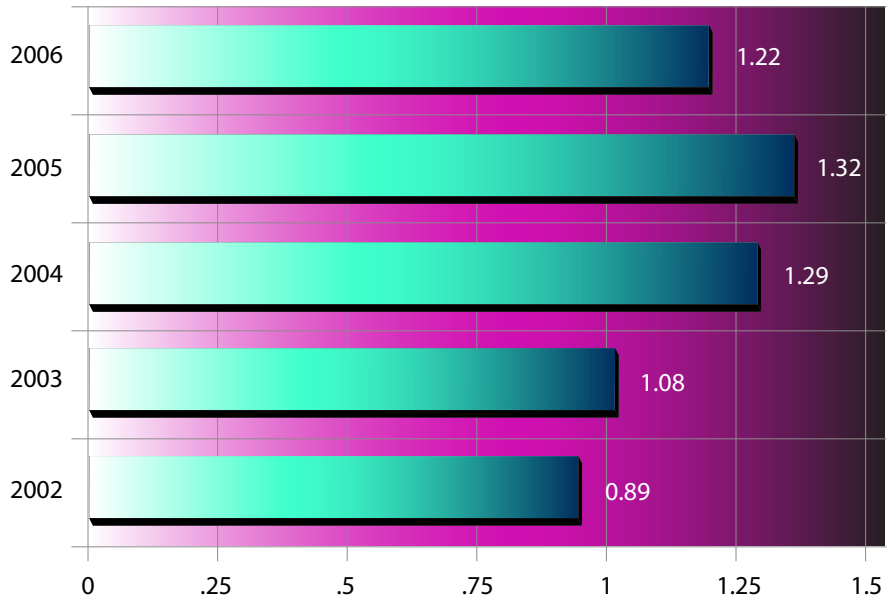
<sup>49</sup> *ibid*

<sup>50</sup> These estimates result from taking the total number of identity theft complaints to the FTC from Washington State in 2002 – 3,894 – and multiplying by the FTC's estimate for average financial and time losses per victim.

<sup>51</sup> These estimates result from taking the total estimated number of identity theft victims in Washington State in 2002 found above – 185,428 – and multiplying by the FTC's estimate for average financial and time losses per victim.

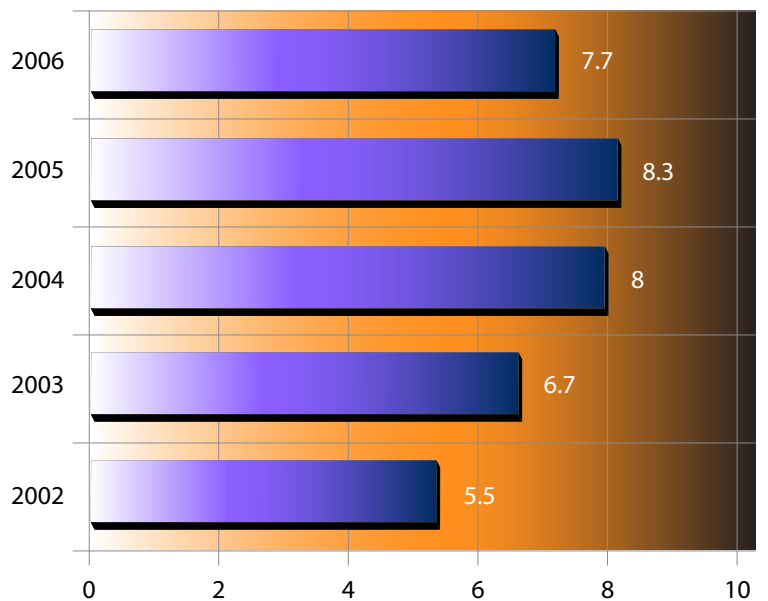
<sup>52</sup> These estimates result from taking the total estimated number of identity theft victims in Washington State in 2006 found above – 254,095 – and multiplying by the FTC's estimate for average financial and time losses per victim.

**Total US Dollars Lost by Washington Residents  
 (In Billion's of US Dollars)**



Year	Total \$ Lost by WA Residents
2002	\$890 million
2003	\$1.08 billion
2004	\$1.29 billion
2005	\$1.32 billion
2006	\$1.22 billion

**Total Hours Lost by Washington Residents  
 (In Million of Hours)**



Year	Total Hours Lost by WA residents
2002	\$890 million
2003	\$1.08 billion
2004	\$1.29 billion
2005	\$1.32 billion
2006	\$1.22 billion

# ADDENDUM

## ANECDOTAL INSIGHTS INTO STATEWIDE TRENDS

The most salient feature of identity theft in Washington State is how often it overlaps with other crimes, most commonly the sale and use of crystal methamphetamine, according to state law enforcement leaders. “We know that identity theft and crystal methamphetamine are very closely related,” said McKenna. “If you look at who’s being arrested for ID theft, a high percentage of them are drug addicts, and a high percentage of those are meth addicts. In Washington State it is rare to find a long-term meth addict who is not involved in ID theft.”

Identity theft is increasingly popular to addicts because it is a crime of opportunity. That’s because thieves are integrating identity theft into more traditional, unsophisticated crimes. In cases of car or home robbery, for example, it’s becoming much more common to see identity documents stolen along with jewelry, stereos and computers, McKenna says.

Another factor contributing to Washington’s identity theft epidemic is that the risk of getting caught is much lower than with other types of crime. The FBI catches almost 60 percent of all bank robbers<sup>53</sup>.

“If you rob a bank to support your habit, the FBI will hunt you down,” McKenna said. “You might get shot. And you will get caught.” But only a small minority of identity theft cases is even investigated, and the arrest rate is minimal. “We’re just overwhelmed,” says McKenna.

From the thief’s perspective, therefore, identity theft is a relatively risk-free way to steal money and goods. Instead of an average sentence of 20 years to life for armed bank robbery, most convicted identity thieves spend little time in prison. “Once you factor in time off for good behavior and consenting to drug treatment, the actual time served is usually just a matter of months,” McKenna says.

## GOVERNMENT HELPS THE THIEVES

You don’t need to break into someone’s car to steal their identity, however. Part of the problem lies with government agencies in Washington, which expose the personal information of at least hundreds of state residents each day. The state’s identity theft policy leaders acknowledge that government records currently pose a problem that must be fixed.

“Both government and private sector entities should be prohibited from displaying identity and financial information in correspondence,” senior deputy King County prosecutor Storey wrote in a Jan. 17 letter to then-U.S. Attorney General Alberto Gonzales. “Neither SSNs nor complete account numbers should be printed on correspondence mailed or e-mailed to consumers.”

Meanwhile, Storey’s own office has exposed thousands of Washington residents to identity theft. When the King County Prosecutor’s Office files criminal charges, it traditionally submitted the “Superform,” which is written by police officers and contains the suspect’s Social Security number, driver’s license number, name, date of birth, address and phone number, among other things. All this information is filed, un-redacted, with the clerk of court. It also is posted on the Internet for the world to see.

In at least one recent case, the prosecutor’s office filed charges that included a child sex abuse victim’s name, date of birth, home address and phone number. The information is currently available online.

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<sup>53</sup> “Bank Robbery Special Report section of Crime in the United States,” FBI report, 2002.

**Identity Theft in Washington State**

"Identity theft is one-stop shopping thanks to the King County Prosecutor's Office," said Harvey Cyr, a Seattle resident who has complained repeatedly to the county prosecutor about personal information posted on the office's web site.

The prosecutor's office changed this practice effective Nov. 1, 2007, Storey says. The office will no longer submit the Superform along with criminal charges. But the thousands of Seattle-area residents who were charged before that date will remain exposed to identity theft because the prosecutor does not have the resources to retroactively redact personal information from documents that already have been filed, Storey says.

Washington Governor Gregoire said this is exactly the type of information that must be safeguarded. In a letter mailed to public agency directors in January, the governor urged them to limit the collection and publication of sensitive personal information, especially Social Security numbers. "State agencies collect, use and store citizens' personal information in order to perform many important government functions," the governor said in a recent press release. "It is critical that every agency protect this information from identity thieves."

**PATHWAYS TO CHANGE**

Though Washington State remains one of the worst states in the nation for identity theft, many of its leaders have taken innovative steps to fight the epidemic.

This spring, McKenna announced the Guard It! Washington campaign, which included six months of events around the state to raise awareness about identity theft. McKenna led 14 noontime forums for business leaders, in which he told Rotary clubs and chambers of commerce about Washington's laws regarding records disposal and data breach notification. He also hosted 14 evening forums for the general public to teach citizens how to protect themselves from identity theft and what to do if they become victims.

At every event, McKenna asked how many people in the audience shred their sensitive documents. Most hands went up, he said. Then he asked how many people owned a locking mailbox to prevent would-be identity thieves from stealing their bank and credit card statements. Most of the hands came down.

"We know that stealing documents from mailboxes is one of the most popular ways to get identity information," says Kristin Alexander, McKenna's spokeswoman. "When you put up the red flag on your mailbox, it's like saying, 'Oh look, candy!' to identity thieves."

As part of Guard It! Washington, McKenna also led a series of shredding events. Commercial shredding companies drove large shredding machines to sites around the state, where thousands of people came to destroy their personal documents. "It was a good educational opportunity for people to learn about ID theft, how to protect themselves and how to react if they become victims," McKenna says.

McKenna recently hired two more attorneys to help prosecute crimes involving crystal meth and identity theft. He also expanded the high-tech investigation unit, which uses sophisticated computing and gumshoe detective methods to track down people and companies that use spyware and steal identities. The unit does not have the power to bring criminal charges, but does sue perpetrators in civil court for monetary fines and damages. "A good amount of our work involves using pretty sophisticated forensics techniques to track these people down," says Paula Selis, who directs the team.

## LEGISLATIVE INITIATIVES

In 2005, Washington was among the first states to outlaw all forms of spyware and phishing – respectively, malicious software and online scams that often target identity information for theft. With prodding from McKenna's office, lawmakers this year closed a strange loophole in state law that allowed consumers to request a credit freeze only after they'd already become victims of fraud or identity theft.

"That was backward," says Alexander. "That's like saying you can't put a deadbolt on your door until you get burglarized."

Legislators changed the law so that consumers can request a credit freeze anytime. The law also includes a provision called the "15-minute thaw," which allows consumers to unfreeze their credit in 15 minutes and allow lenders to check their credit histories. The credit bureaus usually charge a fee for this service, but the Washington law allows seniors to request a thaw for free.

McKenna says he plans to lobby for a number of other identity theft laws when the next legislative session starts in January 2008. Under current law, someone who steals an identity and uses it to make dozens of fraudulent purchases is charged with only one count of identity theft. The maximum penalty for a single charge is 10 years, McKenna says, but it's not uncommon to see people convicted of multiple charges of identity theft, fraud and robbery receive only two to four years in prison.

McKenna and some state legislators would like to change the law so that each illegal use of a stolen identity counts as a separate incident of identity theft. That would create longer prison sentences, McKenna says, which could act as a stronger deterrent.

Legislators are looking at other legal fixes as well. One proposal would make it easier for identity theft victims to obtain a police report. "Sometimes victims say they have a problem persuading local police to write up a police report," McKenna says.

But the proposal may meet some resistance from police chiefs and the governor's office. "I'm not sure that it's completely necessary," said John Lane, the governor's executive policy advisor. "Police chiefs tell me that they'll give reports whenever someone wants one, but they don't want to be forced into it."

Another proposal would make it easier to obtain evidence of identity theft from other states. Currently, if a bank or credit card company's documents are going to be introduced in court as part of an identity theft case, a representative of the company must fly to Washington to vouch for the document's validity. "They should be able to authenticate the document in their own state, so they don't have to fly all the way here just to take the witness stand for two minutes," says McKenna.

Such a change might garner the governor's support. "It's the prosecutors who have to spend the money to fly people in," says Lane. "I don't know why that wasn't changed already."

## CONCLUSION

Almost 20 percent of Washington State residents have been hit by identity theft in the last five years. Every day, more citizens become victims. Washingtonians have lost an estimated \$5.8 billion to identity thieves in the last half-decade, and they've wasted a total of 36.2 million hours trying to restore their credit and regain the money they've lost.

We are in a battle against identity thieves, and we appear to be losing. Washington's top law enforcer concedes that he and police departments around the state are simply overwhelmed by the problem. "We do our best," McKenna says. "But the resources just aren't there to chase down identity thieves."

The federal government estimates that less than three percent of identity theft victims even report the crime to the Federal Trade Commission. If we had a better understanding of the massive scope of the problem, perhaps we'd find the resources to fight it. Not long ago, domestic violence was treated as a personal issue between a husband and wife. It remained a silent epidemic, and the true extent of the crime was unknown, because police departments did not track it as a crime.

Thankfully, that has changed. But today, identity theft is seen as a private issue between a consumer and creditor. The majority of victims in Washington don't even think to report the crime to the police, and when they do, no police department in Washington State keeps track of identity theft as a separate crime. Victims are given a police report, which helps them resolve their personal issue. And then they are sent home.

We can change this dynamic of silence. And Washington State is the perfect place to do it because it consistently ranks as one of the worst states for identity theft, and because its leaders already have built a national reputation for innovating new ways to fight identity theft. The next round of educational events promoted by the attorney general should include a major push to encourage victims to report identity theft to law enforcement. At the same time, Washington needs a state law requiring police and Sheriffs Department to track identity theft as a crime in itself, separate from whatever fraud or theft may follow. Quite simply, it is impossible that only 5,336 Washington residents were victims of identity theft last year. The real number is many times that. Building a more accurate picture of the problem would galvanize people in Washington State to find meaningful solutions. ■