

Financial Crime

The Federal Trade Commission (FTC) processed 117,210 reports of identity theft in 2001. (Identity Theft Data Clearinghouse. 2002. *Identity Theft Complaint Data*. Washington, DC: Federal Trade Commission.)

The number of calls reporting complaints to the Identity Theft Hotline at the FTC increased from 445 calls a week in November 1999 to 3,000 a week in December 2001. (Ibid.)

Forty-two percent of reports to the FTC for identity theft in 2001 involved credit card fraud, both unauthorized charges on existing cards and new credit cards opened in the complainants' names. (Ibid.)

Twenty percent of reports to the FTC in 2001 for identity theft involved unauthorized use of telecommunications equipment and utilities in victims' names. (Ibid.)

Thirteen percent of victim reports of identity theft to the FTC involved fraudulent use of checking and savings account; and seven percent of victims reporting identity theft involved use of their name for bank loans. Other kinds of identity theft reported included forging victims' names on government documents, such as driver's licenses, tax returns, and social security cards. (Ibid.)

Reports of abuse to the Social Security Administration on the Fraud Hotline increased from 11,000 in 1998 to 65,000 in 2001. Eighty-one percent of social security card misuse is related to identity theft. (Ibid.)

Securities regulators estimate that securities and commodities fraud totals approximately \$40 billion a year. (National White Collar Crime Center. 2002. *Securities Fraud*. Richmond, VA.)

Check fraud is estimated to cost United States businesses \$10 billion a year. (National White Collar Crime Center. 2002. *Check Fraud*: Richmond, VA.)

There are approximately \$500 million worth of checks forged annually (Ibid.)

Consumers and others lose an estimated \$40 billion annually to telemarketing fraud. One out of six consumers is cheated by telemarketing criminals each year. (National White Collar Crime Center. 2002. *Telemarketing Fraud*: Richmond, VA.)

It has been estimated by the U.S. General Accounting Office that health care fraud totals 10 percent of total healthcare expenditures each year. Total expenditures currently exceed \$1 trillion a year, which puts annual health care fraudulent losses at \$100 billion. (National White Collar Crime Center. 2002. *Healthcare Fraud*: Richmond, VA.)

After disasters, both natural and man-made, property/casualty insurance fraud costs Americans up to \$20 billion annually. Many of these are costs are passed down to the consumer through higher insurance rates. (National White Collar Crime Center. 2002. *Disaster Fraud*. Richmond, VA.)

The National Fraud Information Center received reports of Internet fraud totaling \$7,209,196 during the first six months of 2002. Eighty-seven percent of the losses occurred at online auction sites. (National Fraud Information Center. 2002. *Internet Fraud Statistics*. Washington, DC: National Consumer League.)