



July 15, 2012

Via Electronic Delivery to: www.ftcpublishcommentworks.com

Mr. Donald S. Clark
Federal Trade Commission
Office of the Secretary
Room H-112 (Annex L)
600 Pennsylvania Ave., NW
Washington, DC 20580

Re: FTC Seeks Public Input on How Identity Theft Impacts Senior Citizens;
Project No. P065411

Dear Mr. Clark:

ITAC, the Identity Theft Assistance Center is pleased to respond to the Federal Trade Commission's Request for Public Comments on How Identity Theft Impacts Senior Citizens; Project No. P065411. Our response is based on an analysis of information ITAC has compiled over an eight year period in connection with helping over 100,000 consumers recover from identity theft.

Our analysis compared the age of identity theft victims and the type of identity theft they experienced with other studies on these topics. As discussed below, we found that older persons helped by ITAC experienced identity theft at a rate consistent with that age group's percentage of the adult U.S. population, and are thus not less likely to experience identity theft than younger age groups.

Since consumer education is also a key part of ITAC's mission, we have included ITAC's advice for families and caregivers on how to detect the signs of identity theft.

Impact of Identity Theft on Older ITAC-Assisted Victims

- Prevalence Rate of ID Theft among Older Americans

The percentage of identity theft victims assisted by ITAC who were aged 65 and older was only slightly less than that age group's percentage of the population as a whole. The

percentage of ITAC-assisted victims age 62 and older was essentially equal to their proportion of the population as a whole. So, among ITAC-assisted identity theft victims, the percentage of older Americans is essentially the same as the percentage of older Americans in the general population. This finding is counter to several previous studies that have suggested that older Americans are less likely to be victims of identity theft than the population as a whole.¹

- ITAC Findings

While 17.2 % of the adult U.S. population is age 65 and older,² 16% of all victims who reported identity theft to ITAC were age 65 and older. Thus, among the population served by ITAC, which includes adult customers referred by its member financial services companies (and likely does not include people who are unbanked), people age 65 and older reported identity theft at a slightly lower rate than the percentage of the U.S. population they represent.

When looking at people aged 62 and older, 21.3% of the adult U.S. population is 62 or older,³ whereas, 21% of all ITAC customers who reported identity theft were aged 62 and older. The impact of identity theft on ITAC-assisted victims aged 62 and older was essentially proportional to the percentage of the adult population as a whole in that age group.

- Other Reports

The 2012 Identity Fraud Report by Javelin Strategy & Research found that no age groups' incidence rate deviated significantly from the "all consumer" 2011 incidence rate of 4.9%.⁴ This finding is consistent with results of the ITAC data.

The Bureau of Justice Statistics in 2011 published a report on identity theft that found that both in 2005 and in 2010, households headed by a person age 65 or older had the lowest rate of identity theft victimization compared to households headed by persons in any age category under 65. While the rate of identity theft for the entire population age 16 and

¹ When studying how identity theft impacts different age groups, one can look at whether the proportion of victims in an age group is similar to or different from the proportion of people in that age group in the population as a whole. So, taking a hypothetical example, if 20% of a victim population was age 40 - 49, but only 10% of the general population was age 40 - 49, it would appear that identity theft disproportionately affects the age group 40 - 49.

² U.S. Census Bureau, Lindsay Howden and Julie Meyer, "Age and Sex Composition: 2010," (May, 2011) available at www.census.gov/prod/cen2010/briefs/c2010br-03.pdf, p. 2.

³ Ibid.

⁴ Javelin Strategy & Research, "2012 Identity Fraud Report" (February 2012), p. 61.

older was 7.0% in 2010, it was only 4.3% among households headed by someone age 65 and older.⁵

The Bureau of Justice Statistics in 2008 found that among all age groups, 5% of people experienced identity theft in the prior two years, but that only 3.7% of people age 65 and older did so, while 6% of persons age 16 to 24 were victims. This would indicate that older Americans are less likely to experience identity theft than the population as a whole, and most especially when compared to younger Americans.⁶

Keith B. Anderson of the Federal Trade Commission published a 2005 Working Paper on Identity Theft that found that people between ages 25 and 34 have the highest risk of becoming a victim of any kind of ID theft, and the risk declines steadily as age increases. Anderson also found that those who are 65 or older have a significantly lower risk of victimization of types of identity theft involving more than the simple misuse of existing credit cards, such as new account ID theft.⁷

Type of Identity Theft Experienced by Older Americans

- ITAC Findings

Among victims assisted by ITAC, new account openings are more commonly reported than account takeovers by all age groups. However, as the ITAC-assisted victim's age increases, the likelihood of experiencing new account openings steadily decreases, while the likelihood of experiencing account takeover steadily increases.

Among ITAC-assisted victims, the percentage of people reporting new account openings is 83% among younger victims (aged 18 – 21) and decreases to 51% among victims age 65 and older. On the other hand, the percentage of victims reporting account takeover grows from 13% among younger victims to 44% for those age 65 and older. An additional 1% of ITAC-assisted victims age 65 and older report experiencing both types of identity theft.

- Other Reports

Keith Anderson's Working Paper provides similar findings. Anderson concludes that older people face a somewhat of a reduced risk of identity theft, but that reduction is primarily

⁵ Bureau of Justice Statistics, Lynn Langton, "Identity Theft Reported by Households, 2005 – 2010," (November 2011) *available at* <http://www.bjs.gov/index.cfm?ty=pbdetail&iid=2207>, p. 3.

⁶ Bureau of Justice Statistics, Lynn Langton and Michael Planty, "Special Report, National Crime Victimization Survey Supplement, Victims of Identity Theft, 2008" (December 2010), *available at* <http://bjs.ojp.usdoj.gov/index.cfm?ty=pbdetail&iid=2222>, p. 12.

⁷ Keith B. Anderson, "Identity Theft: Does Risk Vary With Demographics?" FTC Bureau of Economics Working Paper 279 (August 2005) *available at* <http://www.ftc.gov/be/econwork.shtm>, p. 19.

related to the reduced likelihood of experiencing new account ID theft among people aged 75 and older.⁸

Anderson posits, “Consumers who have more credit and engage in more transactions using this credit may have an increase risk in becoming a victim, *ceteris paribus*.” He observes that there are simply more opportunities to steal the personal information of someone with more credit cards and accounts than a person who only uses cash.⁹ Anderson finds that “the likelihood of experiencing any kind of identity theft increases with higher income levels.”¹⁰

Anderson takes note of the works of other researchers who have suggested that people with more education and experience are better at adapting their behavior when new information suggests a change.¹¹ Thus, the likelihood of adopting risk reducing behaviors and therefore lowering rates of ID theft may increase with age.

An unpublished section of the Federal Trade Commission’s 2006 Identity Theft Survey Report found that while the mean age of all identity theft victims was 43, the mean age for misuse of existing credit cards was 50, and the mean age of new account ID theft was 38.¹² This pattern is consistent with ITAC’s findings that as people age, the likelihood of experiencing new account fraud decreases while the likelihood of experiencing account takeover increases.

By definition, ITAC-assisted victims are rarely, if ever, unbanked or under-banked, which may correlate positively with higher incomes, which in turn correlates to higher risk of identity theft. At the same time, ITAC-assisted older victims may have the benefits of greater education and experience, which generally relate to lowering risk. The overall risk may be balanced between increased income and use of credit, and the superior ability to adjust to risk.

Conclusion

The risk of identity theft among older ITAC-assisted victims seems somewhat higher than that found among older Americans in the general population by most other researchers. However, the ITAC data does not suggest that its older customers are disproportionately impacted by identity theft. Rather, the data suggests that their victimization percentages are consistent with their percentage of the general population.

It is important to realize that even though they may not face increased risk, the risk of becoming a victim of identity theft for older Americans is still substantial. To combat the threat of identity theft against older Americans, the Roundtable, including ITAC and BITS,

⁸ Ibid., 23.

⁹ Ibid., 12.

¹⁰ Ibid., 20.

¹¹ Ibid., 13.

¹² Federal Trade Commission, “2006 Identity Theft Survey Report” (November 2007) from unpublished original draft version provided by Synovate Research.

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the technology policy division of the Roundtable, published a booklet providing advice for older consumers and their families. An excerpt from the booklet follows this letter. ITAC is committed to continuing to take robust identity theft awareness education, prevention, and remediation efforts consistent with its core mission and values.

Sincerely yours,

A horizontal line with a handwritten signature in blue ink above it, which appears to be "Anhe Wallace".

Anhe Wallace
President, ITAC

Fraud Prevention Tips for Older Americans and Their Families

Choose a trusted individual when providing power of attorney. Your attorney can discuss the benefits of appointing a power of attorney so someone can make decisions on your behalf when you are no longer able. Carefully review the authority the power of attorney document grants your designee, especially regarding the ability to make gifts.

Stay active and engage with others regularly. Fraudsters prey on individuals who have infrequent contact with others.

Respond cautiously to in-person, mail, Internet or solicitations. Discuss with a trusted friend or family member any deal that sounds too good to be true. For instance, you can't win a lottery, if you haven't entered.

Know that wiring money is like sending cash. Con artists often insist that people wire money, especially overseas, because it's nearly impossible to reverse the transaction or trace the money. Don't wire money to strangers, to sellers who insist on wire transfers for payment, or to someone who claims to be a relative in an emergency.

Contact the institution if a request looks suspicious. Fraudsters may contact you purporting to be your institution. Before providing any information, contact the institution through your regular channels (e.g., in-person visit, phone call) to confirm the request is from the institution.

Protect your passwords and account numbers. Do not share your passwords and / or account numbers with others. If you think someone has obtained your password, immediately notify the institution.

Don't let embarrassment or fear keep you from discussing suspicious activities. The situation could become worse if not escalated. Discuss any suspicious activity with someone you trust (e.g., family member, bank manager, attorney, local Area Agency on Aging, police). Monitor your financial affairs. Actively track your financial accounts so you will be able to quickly recognize when a fraudulent transaction appears.

Check your credit report regularly. Checking your report can help you guard against identity theft. Visit www.ftc.gov/idtheft if you spot accounts that aren't yours. Visit www.AnnualCreditReport.com or call 1-877-322-8228, the only authorized website for free credit reports. You'll need to provide your name, address, Social Security number and date of birth to verify your identity.

Don't deposit checks you receive from strangers. Fraudsters may ask you to deposit a check and then require you to send a portion back. Ask your institution for help to prove the legitimacy of a check before you send any money to a stranger.

Educate yourself on the products offered by your institution. Contact your institution or the local Area Agency on Aging to request educational information on financial products. Many financial institutions offer resources to explain these.

Keep details of all deals in writing. When making a financial decision always ask questions to ensure that you feel comfortable and confident where your money is going. Keeping a record of this information may help remedy a situation if the deal was in fact a fraud scam.

To locate the Area Agency on Aging in your community call 1-800-677-1116.