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PROCEEDINGS 1 2 MR. STEVENSON: My name is Hugh Stevenson 3 4 from the FTC, thank you all very much for coming today to our workshop on identity theft. Here to 5 welcome you is the distinguished director of the 6 7 FTC's Bureau of Consumer Protection, Jodie 8 Bernstein. 9 MS. BERNSTEIN: Thank you very much, Hugh. 10 And thank all of you. 11 (Applause.) 12 MS. BERNSTEIN: Thank you so much. Let me 13 reciprocate by thanking all of you for coming to our workshop today. I know that it's going to be a very 14 15 productive session. I will only take a few minutes to talk with you about it and then we'll get busy, 16 because we have a very, very full agenda for both 17 days, and we look forward to it. 18 19 You may all recall that at the Treasury Summit on Identity Theft in March, we all agreed 20 that this was a serious issue, and to further our 21 22 discussion and debate toward bringing some light on this subject, we identified three issues for further 23 24 scrutiny. 25 As you all recall, I think they were

prevention, prosecution and victim assistance. Our workshop today is going to focus on the latter, that is victim assistance.

4 And to update you on the other events for a moment, the Social Security Administration will 5 convene its workshop on prevention this Wednesday, 6 7 October 25th, and that will be held across the mall at the Department of Health and Human Services. 8 The 9 Department of Justice, the Secret Service, will host 10 a workshop for law enforcement on December 6th on 11 investigation and prosecution.

12 But the goal of today's workshop is to 13 examine the problems victims experience with trying to restore their good name to financial health. 14 And 15 to explore the concrete steps we can take to make 16 the process less burdensome. In particular, in 17 particular, we hope to make progress on two initiatives that were raised at the Treasury Summit, 18 19 and I must say have been raised in other fora as In fact, one of them has been incorporated 20 well. 21 into legislature proposals introduced on Capitol 22 Hill this session, and depending on what kind of progress we all make, probably will come back again. 23 24 The first is one we've come to call one-stop shop, a process by which a consumers call to any one 25

of the three major consumer reporting agencies, or 1 to the IDT hotline, will result in placing a fraud 2 alert on the consumer file and all three consumer 3 reporting agencies. The second initiative is a 4 standard fraud declaration report identity theft 5 activity to the bank, creditors, debt collectors or 6 7 other entities involved. Rather than filling out a separate fraud packet for each of the institutions 8 9 involved, the victim would fill out the standard 10 fraud declaration once and send signed copies to 11 each of the companies involved.

Both of those issues have arisen, as I said, at the Treasury Summit, and both have been discussed in -- on Capitol Hill, and in other fora as well.

15 I'm very optimistic and think that if we can 16 make progress on those two issues, as we work 17 together through these two days, we will have 18 accomplished a great deal.

Each and every one of you deserve kudos, and would like to give them to you today, for being here with us to work through these issues.

Especially the financial institutions. We know that your role in restoring a victim's good name is very complicated. And if you hear some minor criticism, not by name, but in regard to your institutions, we

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hope you'll take it in the spirit that it's offered, as a factual matter, and hopefully in a constructive way, we will work together to overcome any negatives of that sort.

The main thing is, though, that you're here 5 and you're indicating your willingness to work with 6 7 us, and with all the groups that are involved here, and we really do thank you for that. Similarly, I 8 9 would like to thank the law enforcement people who 10 are here today, they're all stretched thin. We are, 11 as well, but again, it's something that's necessary 12 for all of us to work together. We haven't always 13 in the past, and we intend to further that goal as well. 14

15 The consumer advocates and private attorneys 16 that are here today, similarly I would like to 17 mention, again, because this involves so many 18 different parties and so many different interests, 19 that without the full participation of all of you, 20 we would not make as much progress as I think we are 21 capable of doing today.

22 So, I know it's a sacrifice for all of you 23 to be here to spend the time with us, but I think it 24 will more than justify it if we achieve what we're 25 setting out to do today.

In regard to our part, as you know, we've 1 made some progress I think internally. 2 The Identity Theft and Assumption Deterrence Act of '98 directed 3 4 the FTC to establish a decentralized victim complaint consumer service for victims. 5 We established a consumer complaint hotline for victims 6 7 of identity theft and a centralized national data clearinghouse to share the complaint information 8 9 equally. And many of the -- much of the trend data 10 and other collections will be described to you and 11 some are in your materials today. I think that in 12 itself should prove very helpful.

As you know, we also enforce a number of consumer credit laws, some of which touch on the issues that we're involved in today, but law enforcement certainly has its place, however we are not focusing on that today, but rather on cooperative efforts to begin to resolve the number of issues that we're trying to get through.

20 We have a number of distinguished panelists 21 participating in the sessions today and tomorrow. 22 Today's panels will principally focus on the 23 inaccuracies from the victim's credit history and 24 credit accounts. Tomorrow we will focus on other 25 forms of identity theft. That is the hardest

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1 phrase. Maybe we need to come up with a different 2 phrase. If anybody does, I'll give them a T-shirt 3 that says you reconstructed identity theft and did 4 us all a favor.

5 Tomorrow's will be the one that the hotline 6 is hearing with greater frequency, that is criminal 7 records, and bankruptcy records in the victim's 8 name.

9 The first panel today is the victim's panel. 10 We will begin, however, with a presentation from our 11 data clearinghouse. Then we'll hear from the 12 victims because that's where the workshop issues all 13 begin. We're fortunate to have victims here today 14 who have been willing to travel from all over the 15 country to share their experiences with us.

16 That first-hand experience, I think will 17 help us better understand what actually happens to 18 victims and what victims think could happen and 19 could be improved in the process of clearing up 20 their problems.

21 Once again, thanks to all of you for coming, 22 for participating, and with that, let's get on with 23 the first panel, thank you very much.

24 (Applause.)

25 MR. STEVENSON: Okay, I would ask the

panelists for the first panel to come on up and take 1 their seats and we will get started with that. 2 As Jodie mentioned, we're starting with the victim's 3 panel, hearing from the victims first hand what 4 kinds of problems they have encountered here. And 5 moderating this panel are Joanna Crane, Joanna Crane 6 7 is the program manager for our identity theft program, and we're also very glad to have today as a 8 9 moderator Mari Frank, who is a private attorney who 10 is I think well known to many of you as someone who 11 has been involved for some time in identity theft 12 issues.

13 Before the panel gets started, though, Joanna is going to -- before we hear from the 14 15 victims here, Joanna is going to tell us in a bigger picture sense what we have heard from victims since 16 17 our hotline and identity theft clearinghouse started operation back in November when we started accepting 18 calls at 1-877-IDTHEFT, something we want to repeat 19 a few times here, 877-IDTHEFT. And we've had the 20 21 data since November, and for those in the overflow 22 rooms, you can follow along, if you can't see on the screen with Joanna, in the book that is part of the 23 24 package that you got today.

25 Joanna?

MS. CRANE: Thank you. I just want to start my program here. I'm sorry to have to ask all of you to sort of look over your shoulders to be able to follow along with the sites that I will be discussing. They are also in, as Hugh mentioned, the report that we've included in your packet.

As Hugh mentioned, we launched our identity theft data clearinghouse in November of '99, and the data that we have to show you today goes through September 30th, so that's 11 months of data. And so it's beginning to give us a fairly reliable picture of what's happening in the sort of macro sense of identity theft nationwide.

Most of the folks -- I should back up. Our 14 15 hotline is a consumer complaint hotline, and the data in our database is consumer complaint 16 information, it's not from law enforcement, and so 17 we have to understand that this is as victims 18 understand the situation. We don't have an 19 additional validation process to verify it. 20 It is 21 solely consumer complaints as we collect them. 22 What we've learned about identity theft, though, I think is very interesting. If you look at 23 24 it on a nation-wide basis, you can see that the largest number of identity theft complaints are 25

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coming from the largest states, California, New 1 2 York, Texas, Florida, Illinois, and Michigan. However, when you look at it on a per capita basis, 3 4 it breaks up somewhat differently. We see that the highest concentration of per capita is spread 5 throughout the west coast, also, Florida, Maryland, 6 District of Columbia, and -- did I say Maryland and 7 the District of Columbia. When you look at it 8 9 broken down to a city level basis, actually the 10 highest ranking city is the District of Columbia. 11 We didn't have it on this chart because we're thinking of it more as a state, we like to think of 12 13 DC statehood, but it is also a city, and it leads all the other cities with a rate of 19.6 per 14 15 100,000, then in ranking order it would be Houston, Chicago, New York, Philadelphia and Los Angeles. 16 When victims call us, they give us 17 information that allows us to understand 18 19 demographically what's going on. Many times they provide their age and thus far we have about 60 20 21 percent of the victims providing their age. What it 22 shows us is the average age of consumers calling our hotline is 41 years of age. However, the most 23

24 commonly reported age was 30 years, that's the mode 25 I quess you call it.

People age 65 and over, while they represent 1 2 12 percent of the U.S. population, they only represent seven percent of individuals calling our 3 4 hotline. We're going to watch this relationship. We want to understand whether it means that people 5 age 65 and older are less likely to experience 6 7 identity theft or whether it means that they are simply less likely to call our hotline, whether 8 9 there's an outreach effort there that we need to 10 really focus attention on.

11 On the other side, people age 18 and under 12 represent 26 percent of the U.S. population, but 13 only two percent of our victims. Well, I guess this 14 makes sense that many of them are involved in 15 setting up credit, so this number seems quite 16 logical to us.

What's happening to these people? What are 17 they experiencing? Well, when you look at it purely 18 19 in terms of what types of identity theft they've experienced, it's remained pretty consistent since 20 21 we began collecting the data that by far and away 22 the most common type of identity theft they've experienced is credit card fraud. Over 50 percent 23 24 report that. Of that 50 percent, about three quarters are new credit cards established in your 25

name. Only about one quarter are people accessing
 their current accounts and putting unauthorized
 charges on them.

4 We were surprised to learn that unauthorized phone and outservices are also a very, very common 5 form of identity theft. 27 percent of the 6 7 complainants report this sort of identify theft. Of this, about 40 percent is new phone service, about 8 9 35 percent is new wireless service, and about 13 10 percent is new utility service. So, between phone 11 and wireless, there isn't a great deal of 12 difference, and in general, this is new service, not 13 people tapping into the existing service.

We see that bank fraud comes in third at 17 percent, with about 50 percent affecting the existing accounts of the victims, about 35 percent would be new accounts of the victims, and another 20 percent would be electronic fund transfer activity.

19 Fraudulent loans provides about 11 percent 20 of the identity theft that we care about -- well, 11 21 percent of the victims who report to us report on 22 fraudulent loans. I should back up and say most of 23 our victims have experienced more than one type of 24 fraud, so if you total over 100 percent, because 25 we're going to get people reporting to various

1 categories.

2 With fraudulent loans, it's about 50 percent 3 business and personal, about 30 percent auto loans 4 and about 10 percent real estate and mortgage type 5 activity.

About eight percent of the people complain 6 7 or let us know that a government document or benefit was forged or obtained in their name. Most often 8 9 this is a driver's license. About 55 percent of the 10 complainants let us know that someone either forged 11 or obtained a driver's license in their name. About 12 13 percent report that a social security card was 13 forged or issued and used in their name. About 12 percent report that someone has filed a fraudulent 14 15 tax return in their name, which is enormously 16 complicated to undo, I should say.

17 Other types of identity theft that you see there, 20 percent of the people who are letting us 18 19 know that identity theft doesn't fall into one of our major categories, complain that someone has 20 21 undertaken employment in their name. There are 22 consequences such as tax consequences and social security consequences associated with that victim. 23 24 Eleven percent of our complainants tell us that someone has committed a criminal act and there is 25

now a false criminal record in their name. About
 eight percent of the complainants let us know that
 people have claimed emergency type medical services
 in their name and have left them with a bill to pay.

5 What do I know about what happened to them? About 60 percent of the callers know something about 6 7 the suspect, they have either gotten bills or they may, in fact, know the suspect. So, 60 percent are 8 9 able to provide some information about the suspect. 10 However, only 14 percent can readily identify the 11 suspect as someone with whom they had a 12 In 86 percent of the cases, they only relationship. know through some sort of document trail something 13 about the suspect, and that, of course, is the vast 14 15 majority.

16 If they do have information on the suspect, 17 how often do they have a relationship? Well, again, 78 percent of those, there was no relationship, but 18 19 where there is a relationship, it's most often with a family member, or someone with whom they've been 20 21 very close in the past. It can also be workplace 22 acquaintance or neighbor. But again, those are fairly small numbers. 23

Where do the suspects come from? I don't have a slide on this, but I thought it was

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interesting. The top ten list of cities that people
 identified their suspects coming from are Los
 Angeles, Brooklyn, Chicago, Detroit, Miami, Houston,
 the Bronx, Philadelphia, Atlanta and the District of
 Columbia.

Do the victims know much about how the 6 7 suspect qot their information? The answer is no. Ι think this is primarily because unless it's with 8 9 someone with whom you have a relationship or you can 10 actually see what's happened, as you see here, if 11 they do know, it's most likely going to be something that was personal to them, either it was a wallet or 12 13 purse lost or stolen, or mail bag, something that you can see that affects you in daily life. But in 14 15 the vast majority of cases where it's more sophisticated means, such as credit card scheming or 16 computer texting or hacking, they have no idea. 17 Which means that 79 percent of the victims overall 18 19 really have no idea how this has happened to them.

Of those who do, again, it's a wallet or purse lost or stolen, mail theft, perhaps they just applied for a loan or a credit card and they thought that was compromised, their employment records were compromised, or someone broke into their house. But it's one of the difficulties in resolving identity

1 theft is the victim doesn't know it's happened for 2 quite a long time.

In fact, we found that over the average number of months that elapse between the date it occurred and the date the victim found out is 15 months, which I think jives pretty well with the study done by Cowper, which is again the privacy rights clearinghouse. We find that there are many victims who don't discover it for over five years.

10 Now, we do see that 30 percent discover it 11 in less than one month, and those are the fortunate 12 few, but again, the average is 15 months and it 13 stretches up to over 60 months.

One of the things we try and do here at the 14 Federal Trade Commission when a victim calls is let 15 16 them know what steps they need to take. We have found, we wanted to validate that this was a worthy 17 process for us to go through, and I don't have a 18 19 slide on this, but we have found that at the time of initially filing their complaint, only 43 percent of 20 21 complainants had notified all of the three major 22 credit bureaus. So, there are more than half the people had not known to take that step and had not 23 24 yet taken that step when they called our hotline, so we are glad we're reaching those people with this 25

1 very important step.

Of the 33 percent, we found that almost 100 percent, about 93 percent of those folks did place the fraud alert, so once they got ahold of the fraud reporting agency, things went well based on that report.

7 As far as the financial institution contact, we advised consumers when they call us to call each 8 9 of the creditors and to put their dispute in 10 writing. Fifty percent of the complainants reported 11 that they had notified the financial institutions before they called us. However, of these, only 29 12 13 percent of victims overall had sent written notifications to the institution. 14

So, again, I think we're providing a valuable service by letting consumers know that they just don't need to call the financial institutions, but to follow up in writing.

And lastly, contacting the police. How many of the consumers who had called us had already notified their local police department? Fifty-nine percent. That's good, but still there's 40 percent out there that we're getting the message to very late about that. Interestingly, we found that if they had already notified the police, a good 36

percent had not been able to obtain a police report, so we're identifying a little weakness in the system there. That should be 100 percent. If you notify the police, you should walk away with a police report. We're hoping that with the hard work being done by the IACP and other law enforcement organizations that will become a reality.

8 Well, that's all I wanted to say today, 9 because I do think the victims themselves through 10 their experience will be able to tell us how it 11 actually impacts them in their daily lives, but this 12 is just a big overview from our database that I hope 13 has been informative. Mari, do you want to take it 14 from here while I shut this down?

15 MS. FRANK: If I could just ask that we 16 introduce everybody. We want to welcome you here 17 this morning, and I especially want to say thank you to the victims for coming and sharing your story, 18 19 because you've already experienced so much invasion of your privacy, and it's really something for you 20 21 to be able to share this story and help yourself and 22 other people to make a difference.

I remember when I testified on the Identity
Theft Assumption and Deterrence Act in 1998 with
David Medine who is now at the White House, and I

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was envisioning what would happen, and I think that 1 what has happened with Jodie Bernstein and Betsy 2 Broder and Joanna Crane here has been a tremendous 3 job, and I want to thank you guys for the wonderful 4 work that you have been doing, because I really see 5 a big difference in coordinating and collaborating. 6

Did you want to introduce everybody? Sure, I would be happy to. MS. CRANE: 8 9 MS. FRANK: And then I will take over. Because I want to make sure that we know who 10 11 everybody is on the panel.

7

12 MS. CRANE: We have brought folks who are 13 victims of identity theft from all over the country to be with us here today. Starting on my far right, 14 15 is Joe Genera, here from Connecticut, Robert Greer, here from New Hampshire, Mari, of course, and 16 17 myself. Oh, I want to mention Mari is here from California and is also a victim of identity theft, 18 19 as well as being a professional counselor and attorney who works with clients who have experienced 20 21 identity theft. Deborah North is here from 22 Maryland, Nicole Robinson, also from Maryland, Eric Graves from California, and Kathleen Lund, who works 23 24 here at the Federal Trade Commission as an investigative assistant and has spoken to thousands 25

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of victims and will be able to fill in from her
 depth of experience additional information as to
 what victims do go through.

4 MS. FRANK: Okay. You know, there's three reasons why someone would commit identity theft. 5 Joanna talked a lot about the financial industry in 6 7 that someone will steal an identity for financial gain, or to become a legal citizen, or to get health 8 9 care services, or to forestall that a foreclosure by 10 committing, you know, filing bankruptcy, or they'll 11 do a variety of things to get financial gain.

Now, the second reason that someone might commit identity theft is to avoid prosecution, and we have right here someone that's going to talk about that on the panel.

And the third reason that someone would 16 commit identity theft is for retribution or they 17 want to get back at someone, such as an ex-spouse 18 19 will hire somebody to commit identity theft against their spouse, or a CEO will find that someone in the 20 21 -- in his company has stolen his identity and 22 perhaps sold it to someone else to ruin his identity. So, that's the third one. And I don't 23 24 know if we're going to have anybody talk about that one, but that's becoming an issue. 25

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1 So, those are the three reasons why somebody 2 would commit identity theft. And once you 3 experience identity theft as I have and as all these 4 people have, it is a nightmare that takes hundreds 5 of hours.

And one of the things I hope that you'll 6 7 consider as we listen today to some of the issues that need to be accomplished, especially with regard 8 9 to the standard form that would be sent out, please 10 remember that as victims, we have already lost our 11 identity, and what has happened is, that the 12 imposter has been able to get credit and other 13 services with very little information that they had to provide, yet when we have to prove who we are, we 14 15 give our whole life away.

And on the form that you're going to consider today and tomorrow, please consider that there's information there that's going to be disseminated to the entire world, and you might want to consider limiting that and safeguarding that information, because we've already given our whole lives away.

23 So, I know the people here have really 24 experienced a nightmare, in just trying to prove who 25 they are. I mean, when you've become an identity

theft victim, you start to wonder, you know, who am
 I really, you know, how someone can take my
 identity.

4 I know that it's important for you to know that anybody in here can become a victim. Remember 5 when your chairman of the Federal Trade Commission 6 7 got up in March and said that he was a victim of identity theft. And someone who is as careful as I 8 9 am, I became a victim again in July, a victim of skimming. And so each one of us, this is not about 10 11 quote the victim out there, this is about each one of us. 12

13 And also the financial industry, you're victims, too. I mean, your companies are victims. 14 15 You've lost money, you spend thousands of extra dollars on hiring new personnel to help you in your 16 17 fraud department and for your credit reporting agency. So, all of us here are victims, and when 18 19 you hear the challenges, what we're going to be doing is the victims are going to be able to share 20 21 some of their greatest challenges and then we're 22 going to go over their suggestions.

Please remember, like Jodie was saying, don't take it personally, take it as food for thought and for information so we can solve

ourselves. We're not here to say you're the bad 1 2 guys, we're here to say look, guys, we've got a problem, you're victims, we're victims, how can we 3 4 make this work better for all of us. I see Werner Raes out there and I know that the law enforcement 5 agencies are overwhelmed with not enough resources. 6 7 I see, you know, Diane Terry, from the credit reporting agencies, working as hard as she can, and 8 9 yet it's overwhelming. And so all of us here should be working together and doing hopefully what I call 10 11 solutioneering.

We have brainstormed a number of solutions, and these are out on the table out there, if you haven't picked one up. These are just a few of them, and Joanna had to cut some of mine, because I had more pages, but we have a lot of suggestions.

Now, if you say oh, this will never work, take it in stride and say well, this won't work, but this might work. So, we're looking to try and find ways that the victims can be -- that we as victims can be helped, that we as citizens can be helped, and that law enforcement and all of us can be helped together.

24 So, what's going to happen is, Joanna is now 25 going to ask each of the victims to provide, tell us

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some of their challenges and how they first found
 out about the identity theft, and then I'm going to
 help them to do some of that solutioneering. So,
 thank you.

5 MS. CRANE: I just wanted to mention that their statements by each of the victims in your 6 7 packet, rather than having each victim today stand up and give their statement in its entirety, we 8 9 thought we would have them focus on key areas of 10 their experience that will help us in our panels, 11 tomorrow, for the rest of the day and tomorrow. So, 12 rather than read the statements, they're in your 13 packet.

And as Mari mentioned, I'm going to sort of 14 15 asking the victims a series of questions in three 16 areas. First is basically how they discovered it. 17 Secondly, we're going to talk about what was the response of the various entities they had to go to 18 19 when they initially reported the fraud. This is, you know, when they made those first phone calls. 20 21 And then, sort of our third area will be and what 22 was the procedure like, what were your experiences, as you began to work through the process of clearing 23 24 your name. And while I'll be soliciting the experiences, Mari will be soliciting suggestions on 25

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1 how that might be improved.

I guess it seems fair, again, to start on my far right, with Eric Graves. Excuse me, Joe Genera. Joe, would you be able to tell us now how you all came to first discover that you were victims of identity theft?

7 MR. GENERA: It began in 1998. My fiance at the time, who is now my wife, went to buy a car from 8 9 a car dealership. And I get a call at home that 10 day, after they check her credit report, and 11 according to Kathleen, she has one credit card 12 account, one ready credit account for \$500, and an 13 existing car loan. So, we figured she has a great job, great credit history, car loan is going to be 14 15 no problem.

The dealer calls our home, talks to me, and 16 17 says Joe, we want to sell her this car, we would love to see her in it, she has too much credit. 18 And 19 I said well, what do you mean, too much credit? Well, she has 16 credit cards. I said 16? 20 He goes 21 yeah, and he starts going through the list. So, I 22 basically say hang on, I hang up with him, I call Kath and I say what's up, you know, you told me you 23 24 only had one. You know, a great way to start a relationship. 25

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Fortunately, she was vindicated. 1 In any 2 case, it turns out that two people related to her through all those free offers of credit, those 3 4 preapproved offers of credit we all get in the mail, had decided to intercept those at her home, fill out 5 6 the credit applications using her social security 7 number, sending them back in. Those companies offering all this great free credit, don't ask any 8 9 identifying information whatsoever, no social 10 security -- I mean no picture ID, nothing, it comes 11 in the mail, you sign it, send it back. They have 12 no way of knowing who the person is that filled out 13 that form.

As it turned out, and now with fees, et 14 15 cetera, it's in excess of \$50,000 has been charged just through that -- just through that method. 16 Whether or not -- whether or not additional credit 17 had been obtained as far as we believe it also 18 19 occurred at department stores and things like that, 20 they generally seem to be the easiest ones to get 21 credit from. That's how we found out. And you want 22 to talk about a heck of a surprise. When we got that credit report, which you would assume would 23 24 just have, you know, the two credit accounts, nine pages long. 25

MS. CRANE: That must have been quite a shock. Maybe we'll go to the other end of the table now and ask Eric. How did you first discover that you were a victim of identity theft?

5 MR. GRAVES: Well, actually, it was my son. 6 He was 19, this was also in 1998. He was applying 7 for a credit card -- not credit card, for a used car 8 loan, and it turned out that he got turned down, it 9 was Lockheed Federal Credit Union that turned him 10 down.

11 And at that point then we started 12 investigating his credit, got a list of the three 13 credit agencies, got reports from them, all of which have different ways of reporting it. It was like 14 15 trying to figure out a new legend for each report. 16 And it was just brand new to us how to attempt to try to confront the situation. He didn't get the 17 car loan, obviously, but we've taken two years to 18 19 try to clear his ID of two different addresses, one in Sandy Springs, Georgia, we're from LA, a water 20 21 and power bill that wasn't paid, and also 22 bankruptcy, someone had gotten his name and his social security number, and claimed bankruptcy under 23 24 his name. And he is 19 years old. He hadn't lived anywhere else but our house. 25

So, trying to go through all the paperwork 1 2 was obviously a nightmare. The first people we contacted was over the Internet, the OIG Hotline and 3 4 the three credit reporting agencies, but we really didn't get any sense of here's the procedure you 5 should do, and it was very frustrating to try to 6 know where to go first, and it all mushroomed from 7 there. 8

9 MS. CRANE: Thank you. Robert, what about 10 you, how did you first discover that you were a 11 victim of identity theft?

12 MR. GREER: My cases had a few different 13 aspects, and every time something new comes up, I 14 find out about it through a different means.

15 The first time it happened, I got a phone 16 call from a fraud investigator at a bank in South Dakota, I'm a New Hampshire resident, it was very 17 unusual. She asked me a series of identity 18 19 questions, which I answered, and she told me what was going on. And a clerk at a retail store whom 20 21 this bank handles, as the account, noticed that the 22 ID used was a fraudulent ID. So, they contacted their fraud department who contacted me. 23

The second time it flared up, I received a suspension notice from New Hampshire Department of

1 Motor Vehicles for my license. That's when I found 2 out that the bad guy got a speeding ticket that he 3 never paid. I'm sure he meant to, but he just 4 didn't get around to it.

5 MR. GENERA: He could have charged it. MR. GREER: And the third one I'm still 6 7 working through, and that's criminal activity. And I found out through a firearm purchase, with any 8 9 firearm purchase, you do a background check, and it 10 came back delayed, and then a couple of days later, it came back denied. So, I went up to the state 11 12 house in Cochran to find out why. And just trying 13 to describe the shock of having three outstanding warrants for your arrest in a neighboring state, 14 15 it's not real easy to do. But that's how I found 16 out.

MS. CRANE: That's real interesting, thankyou. Nicole, how about you?

MS. ROBINSON: I was on my way to the mall, and my sister paged me, she said some man had called me from Kay Jewelers fraud department, and when I returned the call to him, he had let me know that an individual had come into a store in San Antonio, and I live in Maryland, had come into a store in San Antonio and opened an instant credit report, it was

\$3,200, she had bought two watches and a ring. 1 And she had did that on Thursday. Well, she returned on 2 Friday trying to obtain more merchandise, and they 3 thought it was suspicious. So, they told her to 4 come back and use the Criss-Cross directory, because 5 of course the number she provided was a Texas number 6 7 to contact me in Maryland. And he told me at that time what I should do to alert the three credit 8 9 reporting agencies to the fraud.

10 This individual was arrested, but she was 11 only charged with one crime, she was not charged 12 with stealing my identity.

MS. CRANE: Thank you. And finally,Deborah?

15 MS. NORTH: I came home from work one 16 afternoon and I had gotten a phone call. It sounded like a solicitor, which normally that call doesn't 17 last very long, but thank goodness that I did listen 18 19 to the call, because it was from a collections agency. And they told me -- well, actually they 20 21 asked me if I was this person, of another name, same 22 first name. And I said no, but I knew who it was. So, I immediately was alert. It was someone I had 23 24 worked with three years prior.

25 They then asked me what my social security

number was, and I said well, that was my number, and 1 2 then they said well, you owe over \$10,000. And I tried to explain the story, and, you know, they 3 4 began harassing me. And so that was the beginning. I found out that this person had gotten over eight 5 accounts with my social security number. 6 Over 7 \$27,000 worth. I called all the credit bureaus, I got my credit file. What was interesting is when I 8 9 got my credit file, it had her name on it, and that 10 is really annoying. And her birthday. Which she's 11 13 years older than I am. So --

12 MS. FRANK: Especially that.

MS. NORTH: So, that was the beginning of what they said was a long process, a lot of work, and time, to prove your innocence. You know, normally you're innocent until proven guilty, but in this case, it's the opposite.

MS. CRANE: Thank you. If you can remember 18 19 back, panelists, to when you first made that phone call, either to the police or credit reporting 20 21 agency or a creditor, trying to tell them that you 22 were a victim of identity theft, and being handled by whatever procedures they might have set up to 23 24 deal with victims, I would like to focus on that for a moment, because I think that's a very important 25

1 moment.

| 2 | It's important for you to be able to get the |
|----|--|
| 3 | responses that you need as a victim of identity |
| 4 | theft, but let's talk about what actually happened. |
| 5 | Nicole, we'll go back to you. When you first |
| 6 | reported the fraud to the credit reporting agencies, |
| 7 | what was that process like for you? |
| 8 | MS. ROBINSON: Well, I call it my weekend of |
| 9 | anxiety, because I was contacted on a Friday night, |
| 10 | so I had to wait until Monday morning, and I think |
| 11 | it would have been helpful to be able to contact the |
| 12 | credit reporting agencies right then. I was on hold |
| 13 | at work all day Monday trying to get in contact with |
| 14 | the three reporting agencies. I did manage to get |
| 15 | two on the phone, I believe it was Experian and |
| 16 | Equifax. I managed to get actual live people on the |
| 17 | phone. |

With Trans Union, I couldn't get a person on 18 the phone, and because the individual had applied 19 20 for so much credit, they had changed the information on my credit file. Like in your case, they had 21 22 changed my birth date to reflect her birth date. The address was wrong. So, when I entered my zip 23 code, of course, I could not get access to my own 24 credit file. 25

1 So, what I had to do was go home, find a 2 utility bill, some other form of ID, and my driver's 3 license, and then the next day, faxed it to Trans 4 Union so I could get that fraud alert. And it was 5 really frustrating, because I didn't know that the 6 fraud alert was going to go on there right away.

7 With the other two, I did know that they 8 would put it on right away, but with Trans Union, I 9 didn't know when the fraud alert was going to be 10 placed on there, because I couldn't get a person on 11 the phone. So, it was really frustrating.

MS. CRANE: And when you were talking to live personnel at the other two agencies, how much information were you able to find out from them about what was in your credit report at that time?

16 MS. ROBINSON: Only one. Experian was able to give me a number of recent inquiries, and because 17 I hadn't applied for any credit a year prior to this 18 19 happening, she was able to give me phone numbers to the places that had requested my credit, so I was 20 21 able to get working on that right away. Equifax, I had to wait for them to mail it to me. 22 So, I couldn't get working on that, but through Experian, 23 24 I was able to find out that she had applied for a loan recently, and that's how she was able to be 25

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1 arrested.

2 MS. CRANE: So, because you were able to get that information right away, they were able to catch 3 4 her in the process? 5 MS. ROBINSON: Yes. 6 MS. CRANE: And to apprehend her and arrest 7 her? MS. ROBINSON: Yes, Experian told me that 8 9 she had applied for a loan, and it so happened that 10 the loan was with my mortgage lender, and I 11 contacted them, and they said oh, yeah, last week 12 this woman came in. And she applied for a personal 13 loan. And I said well, you know, tell her you have a check for her and arrest her, and that's what 14 15 happened. Great. Eric, what happened when 16 MS. CRANE: you first contacted the credit reporting agencies? 17 MR. GRAVES: You mean Joe? 18 19 MR. GENERA: Joe. MS. CRANE: Eric's down there, I'm sorry, 2.0 21 I'm switched. 22 MR. GRAVES: I've already lost my identity. MS. CRANE: This is to Eric. 2.3 24 MR. GRAVES: Actually now I have, now I know what my son feels like. I don't really remember 25

exactly the response, from my notes it indicated that we had to go through a lot of voice mail, no person. We had to drill down through a lot of different automated messages to get anything.

5 And with one of the agencies, I believe it 6 was Trans Union, we had to fax ID, you know, a copy 7 of the driver's license, a copy of the social 8 security number. And I believe also a utility bill, 9 even though he didn't have one, it would have been 10 ours. And none of them would tell us anything over 11 the phone because we couldn't really get a person.

12 And so, you know, everybody has these weeks 13 of anxiety, or days, at least, and ours was that, 14 because we had to wait in the mail for, you know, 15 wait for the mail to come to show the listings from 16 the credit reporting agencies.

And like I said earlier, it was hard to 17 decipher, initially. And so you really don't have 18 19 anybody to talk to at the beginning, and that's -as I look back on it, and I think things have 20 21 progressed where I know the thing that I got from 22 the FTC with regards to, you know, how to handle bad credit with your good name or something like that, 23 24 that has a lot of good things now, but in '98, I don't know if it was surfacing yet, and I certainly 25

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didn't get a feel for what I should be going

1

2 through. And so, you know, police reports and, you 3 know, putting credit fraud alerts weren't occurring 4 until early this year.

5 MS. CRANE: Was it particularly hard to get 6 the credit report because it wasn't on your own 7 behalf but on behalf of a dependent?

8 MR. GRAVES: Yeah, actually it was. I had 9 to have my son go through this whole thing, and it 10 was, you know, I had to try to give him crib sheets 11 on, you know, what numbers to punch to get through 12 the thing, and then he could put his, you know, 13 voice on the recording and request it.

MS. CRANE: And now, Joe. The real Joe. 14 MR. GENERA: Upon discovery, of course, the 15 first thing we did was contact the three credit 16 bureaus, both via phone call and in writing. I can 17 tell you without exaggeration, over the course of 18 19 the first three days upon discovery, we were on the phone for nine hours, because I've logged pretty 20 21 much every minute that we spent on this thing, and 22 later when I tell you the number, you will be amazed, I hope. 23

24 But literally, in the first three days, nine 25 hours on the phone, either on hold, waiting for the

right department, trying to get through voice mails,
 et cetera. We did the same thing, we faxed copies
 of IDs, social security numbers, all those cards and
 all that sort of thing.

I can also say, at some point during this 5 process, we went down to the 45th Precinct in the 6 7 Bronx to talk to their detectives about the frauds we reported initially and do something about it. 8 9 Because the credit card companies were making us 10 feel like -- as an earlier speaker said, that we 11 were guilty before being proven innocent. And even 12 though the crime was against -- technically it was 13 against the companies, it was up to us to prove our innocence. 14

So, we go to the police department,
basically got laughed out of there. We pretty much
qot forced out, out of the 45th Precinct.

It took probably about two hours of sitting 18 19 We got this little slip of paper, it wasn't there. even a police report, but just an incident number. 20 21 Never took any pertinent information, pretty much 22 literally forced us out of there. They agreed to meet with us, if I could get up a flight of stairs, 23 24 to the second floor. In case you haven't noticed, I use a wheelchair. 25

So, the initial reporting did not go well. 1 2 Thank you. You've raised the --MS. CRANE: another topic I wanted to cover, so maybe we'll move 3 4 on to it, and that is reporting to the police, and how that works out. Deborah, what was yours 5 6 experience in trying to report to the police? 7 MS. NORTH: This crime occurred in D.C., initially, and so I tried to call the D.C. police. 8 9 And of course they told me that they would not take 10 a report until I had documentation from the 11 creditors. Well, I'm still in the process of doing that. 12 13 So, I was never able to file a report. And

14 the person that committed this crime is now down in 15 Florida. So, it's very difficult to try to get 16 these different agencies to work together. And I 17 called -- I didn't know who to call, I mean I don't 18 have experience with this.

19 So, I called, I'm like well, the FBI, it's 20 across state lines, I don't know, and they're like 21 no, call Secret Service. And so they handle that. 22 And I'm like Secret Service, that sounds pretty 23 strange, you know, but I called them and they're 24 like well, we do handle it, but only bigger cases, 25 you know, \$100,000, a million dollars, and yours

1 really isn't a case we want to deal with.

2 So, I really got the run-around, and finally I told them I knew where this person was, that she 3 4 was down in Orlando, I know it's her, and I had called the Orlando police, you know, given her 5 address, and they said well, you know, this happened 6 7 in D.C., what do you expect us to do about it. So, when I talked to the Secret Service, who 8 9 I think he was just placating me, you know, to make 10 me feel better, because he told me he wasn't going 11 to take care of the case, he called me back a few 12 days later and he said that he had someone that they 13 dealt with in Orlando in the economics crimes department. 14 15 So, I got in touch with that person, and 16 they were really able to help me, and they've been working with me, even though it may really not be in 17 their jurisdiction, but after I gave him 18 19 information, he found out that this person had an outstanding warrant, they were able to arrest her. 20 21 They aren't able to arrest her for what she did to 22 me, because they're still trying to prove the case, but I'm still -- it's still being worked on. 23 So, 24 it's a long run-around, basically.

25 MS. CRANE: Thank you. And Robert, you

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certainly have had a lot of back and forth with the police. How did it go when you made your initial report, or was it them actually sort of reaching out to you?

5 Initially, the -- I went to my MR. GREER: 6 town police department. After contacting the FBI, 7 Social Security Administration, and a few other agencies, I've forgotten everybody I contacted, but 8 9 there was either finger pointing saying we can't 10 help you because the case isn't large enough, but 11 this agency may be able to. There was a lot of 12 empathy, but nobody was actually able to do a thing 13 about it. Clean up the record. I'm still working on cleaning up my record. 14

15 MS. CRANE: We will get to that in a second. Yeah, when I made the phone call 16 MR. GREER: to the Bedford police, the detective there gave it 17 to me in plain English. He said we have your case, 18 yes, you're a victim, but you have not been in 19 physical danger, you were not threatened, your house 20 21 was not invaded. Over here I have a home invasion, 22 third night in a row, and there were \$40,000 worth of jewelry stolen in this night. Where am I going 23 24 to put my attention?

25 And I fully empathized, that is by far a

more serious crime in the scheme of things, but I don't want to be ignored. None of us do. And when it goes to your credit record and your criminal record, it's among the most heinous things that can happen against you.

6 MS. CRANE: Thanks. Eric, you had an 7 experience reporting to the police, and your case 8 was acted upon, correct?

9 MR. GRAVES: It hasn't been acted upon --10 well, I quess it depends upon your determination of 11 acted upon, or the definition of it. I quess I feel 12 quilty that I didn't file this report earlier. Ι 13 just didn't think of it as a criminal crime, I quess a crime that the police would follow up on, and I 14 15 quess in retrospect, I'm still right, but I did file You know, I did file it, and it was because it 16 it. was the only thing that the creditors, actually not 17 the creditor, but the person collecting the DWT bill 18 19 would accept so that they could see that yeah, I am contesting the issue for my son, that this isn't him 20 21 that owes the money, and so I had to file a police 22 report.

23 So, from that aspect, we filed it late, and 24 they took the report, but they didn't -- they 25 xeroxed a lot of the information. My son had

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persevered and actually gotten the court documents
 about the bankruptcy, so we gave the police
 department copies of everything we had.

4 I had to send back a form, spend \$13 with a check, wait weeks for the LAPD to return my report 5 so I could have a full report of the issue, and then 6 7 I got a letter about a few weeks after that saying that it's been turned over to their financial 8 9 investigation team. And this was back in March, I 10 believe, that we reported it, of this year, we still 11 haven't heard from any person, a detective or 12 anything, as far as a follow-up.

13 MR. GENERA: If I could just add something to this, one of the things that was made plain to us 14 by a lot of the creditors, and as I said, I believe 15 there are 14 total, well, go down to your police 16 17 department, get yourself a police report number or whatever, and we'll take over the investigation from 18 there. We did that, it didn't do one bit of good 19 with any of the agencies or the creditors 20 21 themselves.

22 Since that time, last November, we contacted 23 directly ourselves -- in fact we have become very 24 good detectives, by this point. We contacted the 25 Bronx DA's office, and turned the case over to them.

In the two -- over two years we've been dealing with this issue, not one creditor, nor credit reporting agency has contacted either the police department nor the DA.

MS. CRANE: That was sort of the next area I 5 6 was going to go to, and that was making the initial 7 report to the creditors. Just throw it out to the group. How -- what was your general experience with 8 9 trying to get your banks and other financial 10 institutions apprised of the fact that you were a 11 victim of identity theft? I shouldn't say your 12 bank, I would just say the institutions involved.

13 MR. GREER: I would say in my case, and I was notified by the fraud investigator about nine 14 15 days after all the activity started, so I was very, 16 very lucky in that there was minimal activity. And 17 because I was well within the first billing cycle, I had -- it was very easy and almost pleasurable to 18 19 deal with everybody. And I was able to place the security alerts, find out from the creditors or from 20 21 the reports which accounts were most active, most 22 recently active, and I was able to contact them directly, and I shut down three of the initial five 23 24 accounts without any loss to anybody. But initially that's how it went. 25

1 MS. CRANE: How about you, Deborah, were you 2 able to close the accounts fairly readily?

MS. NORTH: I think the most problems I've 3 4 had is with the creditors to this point. In the beginning, everything was difficult, but the crime 5 report is being resolved, my credit file is being 6 7 resolved, they've worked with me, but when you call the creditors, and you leave these messages with the 8 9 customer service agent, you really feel like you're 10 just leaving a voice mail to nowhere.

You really are not getting a response. You have to continually call back, you're getting voice mail, or they leave a message with you and they say, you know, we haven't received your affidavit back, you know, please get back with me.

16 One individual he left an extension, I 17 called back, he wasn't at that extension, and I was 18 told he didn't even have an extension. He didn't 19 have voice mail. I couldn't get back in touch with 20 him.

21 So, that is still going on. That's the part 22 I really want to have resolved is my credit file is 23 getting cleaned up, but I don't have any 24 confirmation or any correspondence from the 25 creditors to say that we know that you're not

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involved with this and, you know, you have no need
 to worry.

3 MS. FRANK: I have a question, how easy was 4 it for you to get the credit applications and the 5 billing statements that were in your name that were 6 fraudulent? Were you able to do that?

7 If I could speak to that. MR. GENERA: We have -- there are still six creditors left on this 8 9 report two years later. There were 14 initially. 10 Not one single company in any of the last two years 11 has provided us with any documentation whatsoever 12 that this account does belong to us. Because 13 basically what we've been telling these people is okay, you're saying this account is ours, okay? 14 15 Show us the proof. Give me a signed copy of the 16 application, show me my wife's signature, show me 17 the bank statements where the purchases were made. I mean not the bank statements, the invoices where 18 19 the purchases were made, show me credit card receipts with a forged, you know, with signatures on 20 21 them. Not one of them has provided it, period. 22 I'll stop. Okay? MR. GREER: I concur. 2.3

24 MS. FRANK: I concur, too, because I have 25 been through it.

MS. ROBINSON: I did get some statements, 1 2 only because when I got the inquiries on my credit report, she had opened these accounts -- this 3 4 happened in March, she had opened these accounts in early March, early April. So, the accounts were 5 So, they weren't showing on my credit 6 fairly new. 7 reports, but the inquiries were showing on my credit reports. 8

9 So, when I contacted the businesses that ran 10 these credit reports, they would send me the bill. 11 They would say okay, I would say I have been a victim of identity theft, I did not authorize 12 13 opening this account, and they would send me the bill saying okay, thank you for notifying us of your 14 change of address, here is your bill. That's how I 15 qot the bills. I didn't -- they didn't readily send 16 them to me, they didn't regularly send me fraud 17 affidavits, I had to ask for those, but that's the 18 only way I got any bills, was they said okay, it's a 19 change of address, and they sent it to my house. 20 21 MS. CRANE: Mari, do you want to work with 22 the group on brainstorming and coming up with

suggestions about this initial period when you're
reporting the fraud to the police and the credit

25 reporting agencies and the creditors?

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MS. FRANK: Sure. Okay, so why don't we 1 2 start, then, Joe, do you want to begin with any of the suggestions that you have? I mean, I was 3 thinking we could even do it in the categories, you 4 know, if you wanted to do it that way, the 5 categories of creditors and credit reporting. 6 Let's 7 do creditors first and then collection companies.

MR. GENERA: I have one suggestion for 8 9 creditors and credit reporting companies, follow the 10 federal regulations. Do what you're supposed to do. 11 You know, as I said, 14 creditors, out of those 14, five sent us affidavits of fraud. 12 The others did 13 not. We ended up drafting a boiler plate affidavit of fraud on our computer and sending it out to the 14 15 remaining companies.

16 If you're claiming this account does belong 17 to us, follow the regulations. You need to provide 18 us, as you would in a criminal case, you need to 19 provide us evidence that this is our account. And 20 if you can't do so, or you refuse to do so, then get 21 it the hell off our credit report, okay?

Forgive my anger, okay, we've -- this has ruined our life, okay? I can literally say we have gone through this for over two years, we got married a little over a year ago, okay? We aren't happy

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1 honeymooners, okay? This is terrible.

2 MS. FRANK: I'm sorry about that, it's hard, but just think what a strong marriage you're going 3 to have from that. If you guys can get through 4 5 this, you can get through anything. MR. GENERA: We're not lawyers, but we play 6 7 them at home. I'm sorry. MS. FRANK: Bob, can you give some 8 9 suggestions to the creditors and reporting 10 companies? 11 MR. GREER: From the agencies or anybody 12 really, if we can talk to a real person, that was 13 very, very helpful in my case, because in most cases, I was able to talk to a person, and get the 14 15 response I needed. A lot of the other panelists 16 here have not had that pleasure, or that experience. And I think their experience would be very different 17 if they had talked to an actual person. 18 19 And where I've hit stumbling blocks is with any kind of documentation regarding all of these 20 accounts. As the fraud victim, we need to be able 21 22 to prove that the documentation not generated by us that we are the victim of fraud. And to do that, we 23 24 need documentation from the fraudulent accounts. 25 MS. FRANK: And quickly you need the

1 documentation, quickly.

2 MR. GREER: Not just the creditors, but also from law enforcement. The perpetrator was arrested, 3 4 and I still don't know what he was arrested for. Ι know he was arrested trying to use my identity, but 5 I don't know what he was actually charged with. 6 7 And to creditors, we've opted MR. GENERA: out with the three agencies, we've opted out of the 8 9 preapproved credit offers, there was a fraud 10 statement on our account. In the last three weeks, 11 my wife has received nine pre-approved offers for 12 credit. This is what got her in the situation in the first place. We don't want these. 13 Period. Ιf we want a loan, we'll come to you. 14 15 MS. FRANK: Okay, how about Eric, can you 16 tell us some suggestions for the creditors and 17 collection companies? MR. GRAVES: Well, I quess in my son's case, 18 19 we were really fortunate in that there were no bills put on credit cards like the other panelists' 20 21 situations, so from that standpoint, we've had it 22 fairly easy. With the bankruptcy that's on his ID, however, you know, it goes to the same things that 23 24 everyone else is saying. You know, ask for the appropriate ID when you do things. I can't believe 25

that the lawyer nor the bankruptcy court in Woodland 1 2 Hills, California, didn't ask for somebody's ID. Ιf they had asked for a picture ID and three pieces of 3 4 identification besides, it wouldn't have gotten anywhere, I'm sure, and it wouldn't have gotten on 5 It seems --6 his record. MS. FRANK: Now, were you able to get 7 documentation, though, from the bankruptcy court? 8 9 Were you able to get the documentation that you 10 needed from all the different agencies? MR. GRAVES: Well, is that a couple of 11 12 questions? 13 MS. FRANK: I'm sorry. I got all the crediting report 14 MR. GRAVES: 15 agencies, is that what you meant by agencies? MS. FRANK: Well, yeah. 16 MR. GRAVES: Like the bankruptcy court, like 17 I said, my son somehow got through the door and got 18 19 the court dockets that are apparently public information. So, he was able to get that on his own 20 21 accord, which I was really amazed at. So, we've had

22 that in our hand and we've been able to see the

23 signature and we've been able to see the lawyer's

24 name.

25

You know, the other thing, it benefits these

thieves, as much as it benefits us, to have all this information out on the Internet. I mean, I went on the Internet to look up this damn lawyer's name, and I got, you know, his name, his address and everything. I was about ready to go down to his house, you know.

7 And likewise, they can get information from Likewise, the Internet could facilitate some 8 us. 9 things, but you've got to be really secure, you 10 know, you send an email across with your social 11 security number and stuff in it, you better have it 12 securitized so you can do that. That would help the 13 fast response, but I don't know if it's the way to do it yet, because I don't think it can be secure 14 15 yet.

But it also boils down to the fact that I think, you know, maybe now the word is getting out that this is a major problem, but I think everybody is taking the easy way out. Everybody we've talked to, you know, it wasn't their problem, they didn't identify with the seriousness of it.

I don't know if my son will have actual good credit down the road. I don't know how it's really hampered it yet, although it supposedly has been cleared. And, you know, people will give you the

run-around that's been pointed out here with other victims. And, you know, we went down in December of '98, right after this occurred, it occurred in September of '98, we went down while my son was on vacation, we went down to social security to get my son a new number.

7 With all the documentation I've got, it 8 seems a case that the Social Security Administration 9 would give you a new number. I could guess, you 10 know, everybody's response when I asked, you know, 11 because you ask somebody could you get that number 12 and start doing things. So, they start 13 rationalizing why we shouldn't have a new number.

Obviously with a younger person, there's not as much accounting that has to go on with changing, you know, work stuff. Later in life, it probably would be a big mistake, but, you know, we went down there and we got a couple of windows, people we talked to, the clerks just didn't take it seriously.

Finally somebody returned -- waived to the clerk's window again, they documented -- they xeroxed all my documentation, this whole file, and they said the supervisor said we could give you a new number. Well, you know, a couple of weeks later, a thin envelope came in the mail, and I --

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like I mentioned in my statement, you know, to my 1 2 wife, I played Carnack and I said what do you want to bet this is just a brand new social security card 3 4 and new number and that's exactly what it was. So, you know, I got a lot of run-around 5 between the FTC -- I'm sorry, not the FTC, but --6 7 MS. FRANK: They're the good guys. MR. GRAVES: The U.S. Trustee, in LA, and 8 9 the bankruptcy court in Woodland Hills. And I did talk to someone who was very helpful trying to dig 10 through all this stuff, and he was the only person 11 that took an interest, you know, but he didn't know 12 13 really what to do, but he did -- he did try to help. MS. FRANK: So, I think we're getting back 14 to the idea that all of the different, you know, 15 entities that we have to deal with need to 16 understand this problem, and need to give us 17 direction that's clear, and that's concise, and that 18 everybody understands, and then we need to have 19 someone who can kind of quide us through and stay 20 21 with us, you know, whatever agency you're dealing 22 with, you need to have some -- one person that leads you through the whole thing. 23

24 MR. GRAVES: And I think it's a different 25 avenue for everybody, so I think you need to do it

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1 by these categories.

2 MR. GENERA: And consistent, it needs to be 3 consistent.

4 MS. FRANK: Nicole?

5 MS. ROBINSON: I'm sorry, what was the 6 question?

MS. FRANK: I'm sorry, what suggestions do you have for the creditors and the collection agencies?

10 MS. ROBINSON: Because I was notified of 11 mine so early, I think what would be helpful to me 12 would be that the individual can no longer access my 13 credit file. Although the fraud alerts are on there and she has stopped getting credit around June when 14 15 she bought a car, it would have been helpful that the minute that I was informed, the minute that the 16 quy from Kay Jewelers called me, that my credit file 17 could have been cut off, completely, because I'm 18 19 finding that and all summer long I found that I was running behind her trying to catch these accounts 20 21 before -- excuse me, before she was able to run up 22 balances and stuff like that.

23 So, it would have been helpful for me, for 24 my credit report to be cut off the minute that the 25 credit reporting agencies knew that I was a victim

1 of fraud.

2 MS. FRANK: So, you need to get your credit 3 report taken offline, or did you experience that the 4 fraud alerts were not working?

5 MS. ROBINSON: No, it did not work in my The individual in my case, I know that she 6 case. 7 got a Rainbow vacuum cleaner, \$1,600, which is showing on my credit report right now. 8 She qot a 9 She got a car insurance policy. She also got car. 10 a cellular phone. And although my numbers were on 11 there, my cell phone, my work phone, my home phone, 12 nobody ever contacted me when they ran my credit. 13 And the fraud alerts were supposedly put on in April, and this was in May and June when she was 14 15 opening new accounts. She applied for a mortgage 16 right after her arrest, and I was never contacted. So, I mean it would have been helpful, too, for 17 these businesses to have called me and alerted me 18 19 that she was still doing this.

20 MS. FRANK: Right.

21 MS. ROBINSON: But the fraud alerts did not 22 help at all. So, what would have been helpful was 23 that my credit report was not accessible.

24 MS. FRANK: And Deborah?

25 MS. NORTH: One suggestion I could make is

speaking to the detective that's helping me with the 1 2 case, is he says it's very difficult to get the creditors to work with him in investigating. He 3 4 sent investigative subpoenas, and if they don't want to respond, they don't have to. There's no 5 accountability. So, I think there really needs to 6 7 be accountability there for the creditors that should work with the authorities and hopefully it 8 9 would be on a federal level rather than just state 10 by state. So, because he's going across state 11 lines, they don't have to respond.

MS. FRANK: Okay. How about if we go to the credit reporting agencies now and discuss what suggestions that we have specifically for the credit reporting agencies. Do you want to start with that? MR. GREER: I'm real quick and easy, just real people. And just consistency. As John was saying.

19 MS. FRANK: Joe?

20 MR. GREER: Joe?

21 MR. GENERA: That's one of my aliases.

22 MS. FRANK: Do you want to add something to 23 the credit reporting agencies?

24 MR. GENERA: Yes. One of the frustrating 25 things that we run into, and we have probably gotten

every two to three months, we get a new copy of the credit report to see where we're at in our struggle to get this clear. Consistently, there are accounts coming back that are not our accounts that are coming back as verified. In one particular example, are we using names or not? Don't use names? Was that determined yet?

8 MS. CRANE: Go ahead.

9 MR. GENERA: In one example, or actually with two, The Wiz and Disney. Both credit cards 10 11 accounts over \$1,000. Neither of these companies 12 have gotten back to us ever, period, as far as 13 sending any affidavits, anything. You're still reporting these as verified. We've asked -- we've 14 15 sent letters stating these companies have never contacted us, you know, to clear it, especially 16 Disney, I mean it's been a black wall. How can you 17 verify a company or verify an account as ours if the 18 19 company isn't going to investigate it? That's one.

There is -- we also have three American Express accounts that showed up. We have in our possession, last November, American Express did their investigations, we have two letters from them stating okay, we agree, account one, two and three do not belong to you. Somehow in the mix, and in

the mix of all this, some time over the last summer, 1 2 American Express obtained judgments against my wife's mother. They happened to -- they used to 3 4 share the same last name. These judgments are filed in Bronx civil court, and now these three judgments, 5 because they don't have her mother's social security 6 7 number, they put them back on Kathleen's account. This was last November. They seized our bank 8 9 accounts. The judgments are still on there. Okay? 10 So, we send letters to Trans Union, Equifax, 11 Experian. We send copies of the American Express 12 letters exonerating us, these are not Kathleen's 13 accounts, these are not our accounts. We get the new credit report back, verified as yours. How can 14 15 you do that? How can you do this? Our attorney told us that when you guys are verifying, they send 16 a clerk down to the clerk's office, he looks at the 17 paper, oh, yeah, that's Kathleen, yep, verified. 18 19 That's not how you do it. If you have documentation that this is not our account, call American Express 20 21 and say you've got to do something about this, this 22 is wrong.

23 MS. FRANK: Let me just share with you what 24 we have done in California. In 1998 we passed a law 25 that says basically that if you're a victim of

identity theft, and you get a police report, and you list all the fraud on the police report, and send a letter to the three credit bureaus, with a copy of that police report listing the fraud, that within 30 days they need to block that, and then it comes off your credit report, and then the burden shifts to the creditor to prove that it's not fraud.

Now, all these people are saying we're 8 9 quilty until we're proven innocent, which was the 10 same thing that happened to me. And what you're 11 talking about, Joe, this particular law that we have in California, if it was nationwide, or if it was 12 13 applied to all three bureaus in all states, then the burden would shift and you would be innocent until 14 15 proven quilty, and so that's one very strong suggestion I think that's helpful for victims in 16 California, and I think it should be applied 17 nation-wide. 18

I know Diane was talking about she was going to apply that, Trans Union nationwide, that that way you wouldn't be getting all these verifications, you would have it blocked, and then they would have to prove that it was not fraud.

How about you, Nicole, do you want to tellus your credit bureau suggestions?

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MS. ROBINSON: Well, you know, since the way 1 the individual who stole my identity got my social, 2 she worked at an HMO, a place that maintained HMO 3 4 databases, and because her name was Nicole Robinson, she went down, said oh, Nicole Robinson, and she 5 tried out my social, and she hit pay dirt. 6 So, 7 because that information is used in various -- for various things for identification purposes for 8 9 health insurances, we were just talking about that 10 this morning, that it would be helpful if you cannot 11 block a credit file to have a password or a PIN 12 number, because there would be no way that she would 13 know a password of mine. She would in no way know a PIN number of mine. Protect me from people like 14 15 her. MR. GENERA: 16 And not the mother's maiden 17 name. That's the biggest mistake. 18 MS. ROBINSON: That's easy, too. 19 MS. FRANK: That's readily available, too. And especially if you know 2.0 MS. ROBINSON: 21 me, you know my mother's maiden name. So still, my 22 sister wouldn't know my PIN number, my mother wouldn't know my PIN number. So, what would have 23 24 been helpful is to keep this from happening, put a PIN number or a password on a credit file. 25

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MS. FRANK: Eric?

1

2 I guess I think I answered some MR. GRAVES: of this already, but I don't know, I think because 3 4 there's three different agencies, it seems like that may be a good thing, because they have different 5 ways of pursuing things rather than just one. 6 7 MS. FRANK: And they're competitors. MR. GRAVES: Yeah, I understand that, but it 8 9 is frustrating dealing with three different natures of an organization, and to get the fraud alert out, 10 11 which we finally did, that was different with all of 12 them, too. It would be nice, I think it was 13 mentioned on here that at the beginning of the sessions that there's one hot number or something to 14 15 dial to get a fraud alert put on all of them at the 16 same time. Well, I didn't have that benefit in '98 and 17 I don't know if it's active now, I just heard 18 19 reference to it. And I guess from that standpoint, that would help a lot, and just like I said before, 20 21 having people ask for the right IDs, you know, and 22 really take their job seriously. Especially these -- I think everybody has 23 24 referred to these instant credit schemes and everything that people are sending out day after day 25

1 to people's homes, and I think it just adds to the 2 chaos.

MS. FRANK: And I think a lot of the victims 3 4 that have told me, and I'm sure you've even told me that it would be helpful to have some uniformity in 5 how you read these credit files, because each one is 6 7 different and it's very difficult to decipher and get through it to have those three credit files a 8 9 little more uniform and the procedures more uniform 10 so we can work at least for the fraud purposes in 11 the same way.

12 One thing I was just going to MR. GRAVES: 13 ask, in your comments, I think, Mari, you said that in one of your listings here that sometimes when 14 15 you're doing, as all of us would do, we want to get reports from the credit reporting agencies. 16 And I quess every time you do that, it adds to your, you 17 know, inquiry, and I'm not sure that looks good on a 18 19 credit report, either, and in some way, I don't know if you can rectify that, I haven't done that myself. 20 21 MS. FRANK: The consumer inquiries don't go 22 to the commercial lenders, right? They don't see So, they don't hurt your credit when you get 23 those.

25 from all the fraudulent banks, those are important

24

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a consumer inquiry, okay? But the other inquiries

1 to get off, because those do hurt your credit.

2 MR. GRAVES: Right.

3 MS. FRANK: Go ahead.

4 MS. ROBINSON: Another thing I may want to add, I found that the procedure, and this goes back 5 6 to everybody having the same procedure. I called 7 Experian, they were willing to just take my word and take some of the inquiries off. Because I had 8 9 notified them so quickly, and I think probably about 10 two, three weeks after that, Experian sent me saying 11 that we have deleted this information from your credit file. 12

13 Trans Union, however, I called them, they would not give me the addresses and phone numbers 14 15 over the phone. The woman told me she would mail me the addresses, she did not mail me the addresses. 16 Two months later, I received the addresses in the 17 And it was a problem because even after I 18 mail. 19 sent the letter saying that I did not initiate this request, they are still not coming off. 20

And I have harassed the businesses that have done it, and they said we've contacted them. They are still not removing these things quickly. Even though I've done what Trans Union has told me to do, and I followed up with the creditors. They are

still not removing this information from my credit
 file, and this woman had put I think all total 80
 inquiries on my credit report between March and
 June.

MS. FRANK: And so one of the things we 5 talked about in our hand-out is we need to have the 6 7 credit reporting agencies immediately when they're notified of fraud to send out at the addresses and 8 9 phone numbers of all of the accounts on there, 10 including the inquiries so that we can contact them 11 and get it removed. And they're supposed to contact 12 them, anyone who has been -- any company that has 13 made an inquiry in the last six months, but my understanding is under federal law, you have up to a 14 year to issue credit, and so I think it should be 15 for a year that we give the names and telephone 16 numbers and addresses of all the inquiries for the 17 last year so that immediately, so that you can get 18 19 those off, like you're talking about.

20 MR. GRAVES: Can I add -- go ahead, Joe. 21 MR. GENERA: If we're talking about 22 consistency, I think the one stop fraud alert is a 23 great idea. To the credit reporting agencies, 24 within your own offices, you need consistency. As 25 an example, Trans Union maintains various offices

around the country. On the very same day, I believe 1 2 it was November 9th of last year, Trans Union generated two credit reports, one from their 3 4 Fullerton, California office, and one from their West Haven, Connecticut office. One showed two of 5 6 these judgments being deleted, West Haven office 7 showed one of them being re-inserted on the very same day. 8

9 MS. FRANK: So, we need consistency and we 10 need training, we need to make sure that all of the 11 credit reporting agencies are training their people 12 in the same procedures.

13 MR. GRAVES: That's what I was going to mention, Joe mentioned, I don't know how these guys 14 15 did it with as many things that were put on their credits, you know, history, trying to keep track of 16 the reports that you get back, because there's this 17 delay, you know, you're sending a request in to 18 19 clarify or clear something up, and then maybe you receive -- like in my case, I maybe didn't see the 20 21 next thing until I sent two requests in separately, 22 and then you're trying to tie one report with another, and sometimes the two reports cross in the 23 24 mail and, you know, somehow it's got to be a better way to reference your inquiry to the response you're 25

getting back from the credit reporting agency to tie
 it with this request.

MS. FRANK: If you could be assigned to one person, I think that would make it a lot easier because then there would be consistency like you're talking about, Joe, Rob, is that we're trying to say that one person would be assigned to you so that you could write to that one person and not get mixed messages.

10 Deborah, do you want to add something with 11 regard to the credit reporting agencies, another 12 suggestion?

13 MS. NORTH: My situation just happened this August, and a lot of the people here, they found out 14 a couple of years ago, and I -- what I would say is 15 that I think it's improved with the work of the 16 17 people here, that the credit bureaus are getting better, because they have been helpful to me, 18 19 however one suggestion I would have is when you have specific questions about your file, it should be 20 21 available to you. I mean, you shouldn't have to 22 fight to have a question answered on your file. For example, I noticed a request for a file 23 24 just a month after a lot of these accounts were

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opened, or other requests have been made from other

financial institutions, and so I had figured that 1 2 this person was getting turned down because she had run up so much on my credit that she wasn't able to 3 4 get it, and that would have helped me if they would have told me where that request went to, because if 5 6 I had known where that request went to, I could have 7 proved that she made the request, not me. And that would help me with the authorities. 8

9 MR. GENERA: Debbie, not to rain on your parade, and I sincerely hope your report stays as it 10 11 is, don't count on it. You are so new to this, what 12 happened initially when we first reported it, two of 13 the credit reporting agencies did take off every single account, said delete it, delete it, delete 14 15 it, in fact on the Trans Union file, because we have 16 everything on the Trans Union, I wrote across in big letters, resolved, we're done, yeah. Uh-uhh, it's 17 still going. 18

19 MS. NORTH: That's why I want the letters from the creditors, because I know it can pop back 20 21 So, I need those letters from the creditors up. 22 saying I am clear on this so if they should report it again. And it's not even on that account with 23 24 the creditors, they don't show it resolved, it's just open, they're going to report me again. 25 So

1 that's why I need those letters.

That's an important point, and I 2 MS. FRANK: know quite a few victims had been saying, and I know 3 4 you also told me on the phone that, you know, under federal law we're entitled to a free credit report 5 if you're a victim, and then of course you get 6 7 another credit report until things are cleared up. However, the problem is that often the information 8 9 is re-inserted and the fraud comes back on or the 10 fraudster goes and does it again.

11 So, we were suggesting that a free credit 12 report be provided throughout the clean-up time, and 13 then even when you think it's cleaned up, you should 14 be given quarterly, for one year, at least, a free 15 credit report, quarterly, for one year, after you 16 think the fraud is off, because it does reappear, 17 and that's happened to everyone.

And the other thing is we want you to know 18 19 that you can ask some questions. We do have a roving mike, where is it? I don't know where the 20 21 roving mike is. It's over there. There's our 22 rover. So, we have two of them, if you want to ask I think we just want you to know that 23 questions. 24 there's a lot more that we're suggesting that is on this sheet, but let's go now to the law enforcement, 25

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any suggestions for law enforcement. Why don't we
 start out with you.

I'm really in the thick of it 3 MR. GREER: 4 right now, and the problems I'm having with law enforcement is just getting documentation and 5 The assistant DA in the jurisdiction 6 cooperation. 7 that we contacted that had the warrants against me suggested that I turn myself in and have myself 8 9 arrested, and that was how I was assisted. I am the 10 victim here, and I initiated the action to correct 11 this problem, and as a reward for that, they sent my 12 name to New Hampshire DMV and I had my license 13 yanked, a second time.

Just cooperation, and when somebody comes in 14 15 good faith, I know it's very difficult to comprehend 16 that, because you have people coming all day long to it's not me, I didn't do it, and I don't know how to 17 differentiate between that, but yanking somebody's 18 19 license when they're attempting to make good on something that they have just learned about two days 20 21 prior is not really a cooperative way to do it.

MS. FRANK: Okay, so we need -- it would be nice to have some at least national protocol for how do you clean up a criminal record.

25 MR. GREER: Absolutely, it's got to be

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1 national or at least very cooperative between

jurisdiction, because I'm a New Hampshire resident, the perpetrator is a Massachusetts resident, and there's criminal activity in Alabama as well.

5 MS. FRANK: And this happens quite often. 6 Let's go now to Eric. Did you have any suggestions 7 for law enforcement?

MR. GRAVES: Well, I quess because we were 8 9 suggested to go to the Secret Service, and I was pointed somehow through FBI and Secret Service 10 11 towards the beginning of this year and somewhat 12 towards the end of the process, and I couldn't 13 believe that I was having to discuss those with them and I knew that my case wasn't going to qualify 14 15 either, because it wasn't over \$100,000, but people wouldn't divulge information. 16

You know, whatever they found, they sort of 17 kept -- because of the different legislation that's 18 19 been invoked, for rights of privacy, which I can understand to some extent, but when you're sitting 20 21 on the other side and you feel you're innocent, and 22 you want to get the information that they have found, if any, you know, they say they can't give it 23 24 to you. And I don't know when they do give it to you, unless they have found something big and then 25

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they're going to come and arrest you or something.
 But --

MS. FRANK: And you know that the imposter, and his or her attorney, if they are apprehended, have a right to all of your information.

6 MR. GRAVES: Exactly.

7 MS. FRANK: The police report and everything 8 including those affidavits that we might have to 9 fill out that are ten pages long, and so it is 10 really frustrating for a victim.

11 MR. GRAVES: And so the West Valley LA --12 part of the LAPD, you know, who took my son's 13 complaint, just haven't followed it up. And I just think that they need somebody that's really going to 14 15 devote time. I don't think it's going to be LAPD, I think it will have to be another branch that's 16 created or something, I can't imagine that they've 17 got -- like I think people have said, there's other 18 19 things, there's burglaries and such that are, you know, very high priority, right for that instant, 20 21 and they are going to put you on the bottom. Ι 22 think it needs to be someone else.

MS. FRANK: And they don't have theresources. Go ahead, Nicole.

25 MS. ROBINSON: In my situation, I did talk

to the detective whose responsibility it was to 1 handle fraud and he told me that the crime was not 2 against me, that it was against the businesses where 3 4 she got the merchandise. So, it wasn't against me. He refused to take a police report. He refused. 5 Ι had to -- after I contacted the FTC, I called back 6 7 and talked to his supervisor and said I have a right to file a police report. And they knew who this 8 9 individual was, they had had her in custody, and 10 they still have not filed any charges against her, 11 because out of the four or five police officers that 12 I have talked to in San Antonio, they all said this 13 is not a crime against you. MS. FRANK: And Texas does have an identity 14 15 theft statute. MS. ROBINSON: And I found that out. 16 MS. FRANK: Besides, we have a federal law, 17 So, there is training that is desperately 18 too. 19 needed for law enforcement. Deborah? We're talking 20 about police here, any suggestions? MS. NORTH: Well, it's difficult because 21 22 each jurisdiction is unique. So, I don't know what you're going to do, but just like when I called 23 24 D.C., Nicole and I are both in Maryland, they wouldn't take a report. And they should be required 25

to take a report. There's no reason why you can't
 make a report.

MS. FRANK: And they need to know that 3 4 without taking a report, we can't clean up the mess with the creditors or the credit reporting agencies, 5 6 because no one is going to believe us, so that's so 7 critical, even if it's an informational report. Do you want to add anything? 8 9 MR. GREER: I was just agreeing. 10 MR. GENERA: If I could just add my comment 11 to this as well. 12 Sure, I'm sorry. MS. FRANK: 13 MR. GENERA: Police departments need to take In our case, sometimes we have been 14 it seriously. 15 hit with oh, well, it's just a family dispute. No, 16 there's forgery, identity theft, and it's larceny. In fact in this case, serious larceny, over \$50,000. 17 That's a very real issue. It is not just a family 18 19 dispute. That's it. MS. FRANK: You know, in California, we just 2.0

20 MS. FRANK: You know, in California, we just 21 passed a law that was signed by our governor to set 22 up a central database for victims so that law 23 enforcement would know that victims are there. What 24 do you all think about setting up a central database 25 with our information with maybe the Federal Trade

1 Commission so that our information is in one place 2 that law enforcement can go into or the creditors or 3 the credit agencies can go into to access our 4 information?

MS. CRANE: Let me just explain what our 5 6 database is right now and then we can talk about 7 what we mean by our information. Right now our database contains the identifying information of the 8 9 victim, their name, address, and it is optional, you It's name, address, social 10 can remain anonymous. 11 security number and date of birth, if you choose to give that information. 12

We also have similar information collected about the suspects, so if you have any information at all that you believe pertains to the person who you think did this to you, that goes into our database as well.

We code the types of identity theft that 18 have affected the victim, whether it's relating to 19 credit cards or utilities, securities and 20 21 investments, bankruptcy, so we code it by type. We 22 also try to collect information on the date it occurred and the date the victim first noticed, the 23 24 amount that the suspect got away with, and the amount of loss out of the victim's pocket. 25 If the

1 victim knows how the suspect obtained their

2 information, we code that in there. We also code in
3 as many of the institutions -- well, we code up too
4 five institutions involved.

5 So, if someone has opened 14 accounts in 6 your name, we don't have the time and resources to 7 collect all 14, but we'll take the top five, which 8 by either were the largest accounts or bills run up, 9 or which five did you have the most trouble with in 10 trying to clear your name.

11 So, all that information is in there right 12 now and we do currently share it with law 13 enforcement nationwide through our Consumer Sentinel 14 system, law enforcement can come in and read reports 15 in every system.

16 Now, Mari, what are you asking for in17 addition to that specifically?

Well, it probably would help to 18 MS. FRANK: 19 have all the fraud accounts, that would be helpful, but I think one of the things that would be 20 21 extremely helpful, would have law enforcement to be trained on how to access that, and so when a victim 22 goes there, they will immediately access that 23 24 information and give you a report. And perhaps if it's from one state to another, you've got this 25

issue that the database maybe then you could -- the Federal Trade Commission then can help to make sure that the law enforcement agency in Maryland is helping to get the law enforcement agency in Florida involved.

We have been doing a lot of 6 MS. CRANE: 7 outreach with police and law enforcement nationwide, and certainly the number of departments that are 8 9 accessing our database are growing. Once you're on 10 there, it is fairly self explanatory on how to do a 11 search. There are also fields in there on what 12 other law enforcement agencies are involved. So, if 13 the victim has reported it to one or more law enforcement agencies, that police department, that 14 15 report number, that officer's name and phone number are all in there. So, far as I could tell, we've 16 17 got everything that you are suggesting.

MS. FRANK: Yeah, it's just a matter of getting the word out and having, you know, someone to do that. Any other suggestions with regard to -the last category is agencies, other agencies. What suggestions do you have, Eric, for example, from the bankruptcy agencies?

24 MR. GRAVES: Well, I still haven't satisfied 25 myself that we've gotten Patrick's credit really

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cleared, because this bankruptcy case was dismissed, but it's still sitting there in the court as an item. In his history, I think it's -- I'm not sure, but my understanding of reading the credit agency report was that it's cleared, but it's still in history on the credit report, and can be, you know, it's still there for someone to really dig out.

I wanted to be able to put a motion forward 8 9 without hiring a lawyer, sorry, and, you know, do it 10 I mean I think a lot of people are in on our own. 11 my situation where you don't want to have to afford 12 a lawyer, there ought to be a means in the court 13 that you would be put on record, similar to filing a police report, that you are on record to contest 14 15 this particular person's ID with this case. And I haven't found out how to do that yet, maybe it's 16 17 very simple, but I haven't found a way.

MS. FRANK: We are going to talk about that tomorrow on the bankruptcy panel and I think that's going to be very important, but I think that's a very important issue.

22 MR. GRAVES: When I went to the court, they 23 just had nothing to tell me, that I couldn't do it, 24 and I nabbed some person who looked like a lawyer on 25 the way out and got their suggestions and he of

course gave me a couple of suggestions and then
 hired him.

MS. FRANK: One of the important things that 3 4 I hear of hearing from all the victims and the thousands of victims that I talk to and experience 5 myself, the various agencies that we have to deal 6 7 with really don't have a protocol, don't have a list of what we have to do in my agency to clean up your 8 9 And I think that each creditor, I mean all name. 10 the creditors and all the credit reporting agencies, 11 and all of the -- and law enforcement and the courts 12 need to say this is the protocol that you need to 13 have that you need to follow and we'll help you. And they need to set up steps, and they need to 14 15 train their people so that we know what to do to 16 clean up the mess, to expunge that record, because 17 that record is going to be sold over and over by data brokers, and your son is going to have a 18 19 bankruptcy all over the place.

20 MR. GRAVES: Well, when we went in to try to 21 rectify this, I think, you know, it boils down to 22 the fact that all of us have experienced, there's 23 one person doing too many jobs, and they don't -- it 24 can't be possible to know all the protocol and 25 procedures, but somehow it has to be disseminated.

MS. FRANK: Right. And the other thing that 1 we wanted to talk about for just a minute is when 2 you talked about changing the social security 3 4 number, a lot of people think that that's the right thing to do, and I think that the Social Security 5 6 Administration, or hopefully when they speak today, 7 and I know that there's people here from the Social Security Administration. 8

9 They need to advise you why you shouldn't change your social security number, and see that 10 11 social security number is attached to you. Maybe 12 for your son isn't so bad because he hasn't this 13 long history. But I've had a client who too had a criminal record who he changed his social security 14 number because his -- he was mixed with a person who 15 had committed crimes, and so to clean up his record, 16 17 he was told to change his social security number, and it actually worsened the problem, because the 18 19 old file and the old social security number gets linked in all the different databases, so it looks 20 21 more suspicious.

22 So, it isn't always the best thing to do. 23 But any agency that's trying to help a victim to 24 clean up your record need to really tell them, the 25 victims, the ramifications of why they aren't doing

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1 something.

Any other agency that you want to talk about 2 that could have been more helpful? Joe? 3 4 MR. GENERA: My apologies to our host, the consumer assistance group in Texas, is that a branch 5 of the FTC? 6 7 MS. CRANE: We have a Dallas southwest regional office, but I'm not sure, it sounds to me 8 9 like you're talking about a state-level agency. 10 MR. GENERA: No. Kathleen, hand me my life 11 portfolio, please. We have a southwest regional 12 MS. CRANE: 13 office in Dallas, and of course we have our 1-800 hotline. 14 15 MR. GENERA: We were referred, I believe it was through the FTC, or actually it's the number 16 that shows up on the back of the credit card 17 statements, if this particular creditor is not 18 19 complying with federal regs, please contact. MS. CRANE: That sounds like it would be a 20 21 bank, we don't have regulatory authority over banks. MS. CRANE: Okay, there's a hand there, 22 could we get a mike. 23 24 MR. MIESSNER: That's the Office of the Consumer Credit Division, Austin, Texas. 25

MR. GENERA: Actually, Comptroller of the 1 2 Currency. Okay, that's who it is. In any case, this was a name and address that shows up on the 3 4 back of credit card statements that says that if you're being mistreated or whatever, we sent a 5 complaint to them in regards to Citibank, they're 6 7 one of the remaining ones who has never provided any documentation, will not respond to us. In addition, 8 9 these same people opened up a checking account to 10 further the fraud and that's how they were servicing 11 these credit accounts for a period. So, we sent the complaint to this agency here, and I'm sorry for --12 13 MS. CRANE: That's OCC, Office of the

14 Comptroller of the Currency.

MR. GENERA: Yes, I apologize sincerely. The next paragraph on the bank statement also had the FTC list, so I guess I got confused. In any case, we sent a compliant to them asking them if they could force Citibank to comply with the regulations.

21 And I guess they must have misinterpreted 22 our request because they said I'm sorry, actually 23 what it says is as your difficulty with the bank is 24 a subject of litigation, it is inappropriate for the 25 Office of the Comptroller of the Currency to

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intervene. Basically what that told us, they did
 not read our letter.

We were not looking for -- we were not looking for them to decide this case, because essentially that's what they say later. It's not up to us to decide whether they were right or wrong, basically we wanted them to decide or to comply with the DA's office so we could decide who was right or wrong and determine from there.

10 So, we wanted to provide who was help with 11 us, and we just got a door slammed. Again our 12 apologies to the FTC.

MR. GRAVES: Basically the response that we got back, they obviously didn't read our letter. They had a form sort of thing to send you, but didn't take the time to look at the details.

MS. CRANE: Were there any questions fromthe audience at all? Okay, there are a couple.

MS. FRANK: We have some roving mikes overhere.

21 MS. FOLEY: Could I ask each of the victims 22 how much time and how much cost out of pocket, not 23 including legal fees necessarily, this has taken 24 from you?

25

MS. CRANE: That question was how much time

1 and how much out-of-pocket expense has this taken 2 from you?

We calculated over the course 3 MR. GENERA: 4 of the last over two years, at times, believe it or not, at times at least 40 hours a week in computer 5 -- in computer time, writing, phone calls. 6 In 7 total, about 1,700 hours. There are fees for -because everything we do, and we have done this 8 9 since the very beginning, I know this from a 10 previous life, everything we do is certified, we do 11 return receipt requested. So, our postage bills, 12 the time going down to the post office, the money 13 involved with copying, we just put together a 280-page package for our attorney, and for the 14 15 district attorney's office. MS FOLEY: Telephone. 16 Telephone, faxing, notary. 17 MR. GENERA:

Driving. We have literally driven -- we drove to the court where the -- because we live in Connecticut now and we drove to the court where the judgments are. I mean we've had to drive everywhere. We're talking literally thousands and thousands of dollars, literally thousands of hours, and we're not even close to being done.

25 MS. FOLEY: Unrecoverable.

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MR. GENERA: Unrecoverable. Well, we'll
 see.

MS. FRANK: Well, it's tax deductible under 165(E) of the U.S. Tax Code, your out-of-pocket costs.

6 MR. GENERA: We don't need tax deductions,7 unfortunately.

8 MR. GREER: I'm just at the other end of the 9 spectrum. I have probably two or 300 hours into it 10 and my out-of-pocket expenses are really telephone 11 and my time and energy. As far as the accounts, I 12 haven't lost anything to the creditors, but just my 13 time and effort.

MR. GENERA: But one thing that we have also lost is Kathleen has had legitimate good credit accounts in her name cancelled because of negative information being reported on her credit account, and you can't put a price on that.

MS. FRANK: When I went through my ordeal, it was over 500 hours, and it was ten months to clean up. And by the time I was done, I had spent like \$10,000 just in out-of-pocket costs. And we hear people up to 14 years some people.

24 MR. GREER: Actually one other thing I would 25 like to add is the time that you're actually

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spending on resolving this issue is one thing, but the thought always consumes you. Whenever you're awake, it's always in your forethought, you're thinking about it always.

5 MS. NORTH: I'm relatively new to this, just 6 starting in August, so, and I would really rather 7 not have my employer know how much time I have spent 8 on this, but several days, and of course it's all 9 9:00 to 5:00, as you know, if you want to do 10 business. So, it makes it very difficult.

11 MS. ROBINSON: I think all told, well I 12 spent the entire summer working on this, every 13 morning through June, July and August, I spent working on this, and because it happened in Texas, 14 15 I've -- I got like a six-page phone bill, like \$500. So, back and forth. Even when I filed the report 16 with the Texas police, they told me they had to call 17 me collect to take my report. So, I had to pay for 18 19 that as well.

So, it's been -- the phone bills have been higher than the postage bills, because I had to do the mailings to everybody who did the inquiries, and like I said, there were 80. So, the phone bills I think were the biggest, but the time spent on the phone, I mean all summer, like 90 days in the

1 summer.

2 MS. FRANK: And of course not getting a human on the other end. 3 4 MS. ROBINSON: Yes, or getting somebody saying oh, well, we don't handle that, the credit 5 6 reporting agency has to send us a dispute form and, 7 you know, so it's been a lot of hours. MS. FRANK: Eric? 8 MR. GRAVES: Yeah, I guess I'm at the low 9 end as well, probably 180 hours to 200 I would say, 10 11 and a lot of it like Deborah said is, you know, 12 unfortunately during 9:00 to 5:00 hours, so you're 13 taking time at work and you've got to, you know, somehow make up that time. And so that's been 14 flexible for me, that's been fortunate. And 15 probably \$150, but the big thing is my son's credit. 16 I mean he's young, I wanted to get him on the track 17 of getting a good credit reference, and I think he's 18 19 lost two years in that process. MS. FRANK: We had some more questions. 20 21 Could you say who you are and where you're from. 22 That would help us. MS. NEWHOUSE: My name is Joan Newhouse, I 2.3 am a commissioner for the Texas Commission on 24 Private Security. I'm also a private investigator 25

in Houston. I concentrate on fraud, and so I've gota great business going in Houston right now.

My question is that in the course of my 3 investigations, I regularly come across people who 4 are perpetrating identity fraud. I have tried, and 5 I don't know how many occasions to report it, and 6 7 there is no one who wants the information. In some cases, it is someone who is perpetrating the fraud 8 9 against the Social Security Administration, and for 10 purposes of welfare, I have faxed them the names 11 with the multiple social security numbers, I get no 12 response.

13 In other instances, someone's credit is being ruined. If it is like in my looking for a 14 15 witness, I end up finding the person that I am looking for, their identity has been stolen by 16 someone else. I have talked to that person about 17 it, and then contacted the credit agencies and the 18 19 credit agencies say that I cannot report it unless I am a member of the credit agency, so I have to pay 20 21 \$1,500 a year to be able to report the fraud that is 22 being perpetrated.

23 MS. CRANE: I would like to respond to that 24 just very quickly and also we're coming to the end 25 of our session. As of the beginning of 2001, we

will have a designation in our database for third party reporting of identity theft. So, we will be taking complaints from third parties, not just victims.

5 So, please, you know, right now we're 6 developing that, but it should be up by January 1st, 7 and so you'll be able to at least report it to us. 8 And as I said, law enforcement will at least have 9 access and they believe be able to see all of the 10 information that you provide when they log onto our 11 system.

12 Thank you very much, audience, panelists, 13 press, for participating in this event today. Most of our panelists, all of our panelists will be 14 15 appearing on subsequent panels where their specific experience ties into the issue being discussed, but 16 again, thank you, everyone, very much, particularly 17 panelists for attending and your participation this 18 19 morning.

MS. FRANK: Look at our suggestions here and you can email me with other suggestions and you can talk with us while you are here these two or three days and see what you think. Thank you very much for participating.

25 MS. CRANE: We now have a 15-minute break

and we will reconvene at 11:00 for panel 2. Thank
 you.

3 (A brief recess was taken.)

4 MS. BRODER: Thank you all for returning so promptly to your seats. We're going to try to 5 really run on time today, our time is very valuable, 6 7 as we have learned on an earlier panel. Now we're qoing to roll up our sleeves a little bit. 8 We're 9 going to roll up our sleeves a little bit and get to 10 work.

11 This next panel is clearing up the victims' 12 credit history part one. We're going to be 13 moderated today by Helen Foster, who is an attorney in our Division of Planning and Information and is 14 on the staff of our identity theft program, and 15 16 Christopher Keller, who is an attorney from our Division of Financial Practices, and is himself an 17 expert on the credit laws. And so, Chris and Helen, 18 thank you very much, and thank you all. 19

20 MS. FOSTER: Thank you. As Betsy mentioned, 21 the focus of this panel will be streamlining and 22 improving the processes of consumer reporting 23 agencies when they are dealing with victims of 24 identity theft.

I just want to briefly introduce the panel.

25

And I'm going to start on my far right. We have 1 2 Nicole Robinson, who you heard from earlier. Well, I'm hoping that she's coming back. Robin Holland 3 4 from Equifax, Ed Mierzwinski from CALPIRG, Barry Smith from Bank of America, on my immediate right is 5 Chris Keller, my colleague. To my left, Maxine 6 7 Sweet from Experian, Robert Greer, we missed him, we lost him, he will come back. Diane Terry, from 8 9 Trans Union, Phil McKee from Internet Fraud Watch, 10 Eric Graves, who we have heard from earlier as a 11 victim of identity theft, and Stuart Pratt from the Associated Credit Bureaus. 12

We're going to begin by talking, we're going to take this in a little bit of reverse order. We're going to begin by talking about consumer reporting agencies dispute processes and the process that a consumer goes through once they have contacted the credit reporting agency, and identify themselves as a victim of identity theft.

After that, we will talk about the fraud alert, which we have also heard a little bit about in the previous panel, and then we will move to the proposal for one-stop shop. I know that in the last panel it was mentioned as well as is this something that we have done or is it something that we are

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going to do. It's still a proposal, it's something 1 2 that we are really hoping to make progress on today. So, that will be the order of our 3 4 discussion, and our methodology will be similar to what we pursued in the last panel, where Chris and I 5 will throw out questions and issues and we will ask 6 7 panelists to join into the discussion and then we will pause to take questions from the floor, as we 8 9 progress through each topic. And we would ask if 10 you have a question or a comment from the floor that 11 you wait until a microphone gets to you before you 12 start to speak.

13 Now we have Nicole Robinson and Robert Greer. Okay, in the last panel, we heard quite a 14 15 bit about reporting processes and dispute processes 16 by the consumer report agencies, and I wanted to 17 start by giving the consumer reporting agencies a chance to tell us a little bit about how their 18 19 processes actually work. And like I said, we're kind of starting backwards, but after a fraud alert 20 21 has been placed on a consumer's report, and when 22 they're dealing with the individual items on their credit report, Maxine or Diane, could you speak to 23 24 exactly what they can expect to experience at that point in terms of resolving individual items on 25

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1 their credit report.

2 I'll start. Just briefly, let MS. SWEET: me -- we do have different processes, so it's good 3 4 that we're all three here, although they are somewhat standard and they don't vary significantly, 5 there are just some minor differences. 6 But the 7 Experian standpoint, when you contact us and a fraud alert goes on immediately, but it's a 90-day 8 temporary fraud alert, and we wait for you to send 9 10 us proof of your identity before we put a permanent 11 alert on there.

12 And again, that's one of those you have to 13 make people work harder to protect them. So, if you send us proof of your identity, then we will put a 14 15 permanent statement on that stays seven years. Ι 16 was very encouraged to hear the FTC clearinghouse 17 talk about not only sending victims to the credit reporting agencies, but also letting them know that 18 they need to contact the creditors and to fill out 19 the affidavits and documents there, because that to 20 21 me is a very important part of the process.

Yes, they should contact the credit reporting company, obviously we're very important in letting you be aware of what may have gone on, and yes we will dispute the fraudulent items on your

behalf back to the creditor, but victims should be
 informed it is very important that they also contact
 the creditor directly.

MS. FOSTER: So, once they have done those two, I don't mean to interrupt you, once they have done those two steps, what can they expect in terms of how the procedure works in disputing each item?

MS. SWEET: Okay, they let us know which 8 9 ones are fraudulent, we send a notice to the 10 creditor that it is flagged as a fraud dispute, and 11 then the creditor comes back to us and hopefully removes the fraudulent accounts from the creditor's 12 13 We then send a new report back to the report. consumer as some of the victims noted earlier, 14 15 letting them know the results of that.

16 MS. FOSTER: Once -- when you communicate with a creditor about -- and I'm not addressing this 17 to just Maxine, any of the consumer reporting 18 19 representatives can feel free to answer. Once you are communicating with the creditor, do you 20 21 communicate that this account has been identified as 22 a victim of identity theft, or someone has said that this is not my account, because I understand that 2.3 24 there are different ways that someone can have incorrect information on a consumer report. 25

It can be that the information was generally 1 2 mixed because there were similar names or other kinds of identification errors and then there's the 3 separate problem of someone who has purposefully 4 gone out and gotten credit in your name, so I am 5 just wondering how those differences are accounted 6 7 for in dealing with a creditor, because that seems to be helpful for creditors to know. 8

9 MS. TERRY: Diane Terry from Trans Union. 10 What we have established is a fraud department, and 11 in that department, one of the processes is as we 12 are talking about the consumer, we are adding the 13 alert to the file immediately, but probably the second step in those lines is we're talking to the 14 15 consumer and we're reviewing the credit file for all recent new accounts as well as any recent new 16 17 inquiries.

Now, when we go over the file with the 18 19 consumer, if he's unaware of that inquiry or new account, what happens is we're providing the 20 21 consumer with the address and phone information for 22 that company, as well as we're sending an alert to that credit grantor in his behalf alerting them that 23 24 the consumer is indicating they're unaware of this account, it's fraudulent. So, we send that alert 25

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1 out the same day we talk to the consumer.

2 Now, we also -- now, that is going to our credit grantor's fraud department. They're most 3 4 familiar with this type of crime, we need to get it to the people that understand identity theft. 5 6 Secondly, we do send out a reverification 7 That's in addition to this fraud alert. request. Now, we're sending that out asking them to reverify 8 9 all the information on the account as well. So, 10 that's part of our seven-step process that we 11 complete on behalf of the consumer. MS. FOSTER: So, when the reverification 12 13 request goes out in addition to the kind of creditor fraud alert that you just talked about. 14 MS. TERRY: Yes. 15 16 MS. FOSTER: Is that also flagged as consumer reported fraud, or is it just flagged as, 17 you know, consumer says not their account? 18 Is it 19 treated separately? MS. TERRY: Well, there's two different 20 21 alerts, and again, the first alert is very, very 22 specific to we're telling the company that's inquired, for example, the credit grantor, yesterday 23 24 you inquired, we're giving them a specific day, and we've talked to the consumer and he's indicating 25

that this is fraudulent. We are alerting you, you
 know, to this effect.

We also in that letter let the credit grantor know that we have advised the consumer to contact you as well, but we are getting this to you immediately in their behalf, and we think that's a very important part of the process.

MR. PRATT: Helen, if I could, Stuart Pratt 8 9 with the Associated Credit Bureaus. First of all, we think clearly with a process like ours, which is 10 fairly complicated, it might be helpful to begin to 11 12 move towards something that explains a little more easily just generally what your rights are under the 13 Fair Credit Reporting Act, because again, as we're 14 15 describing what we're doing here today, it is in part what we must do to resolve the consumer's 16 circumstance, the victim's circumstance, as guickly 17 as possible. And it's in part our responsibilities 18 19 and duties under the Fair Credit Reporting Act melded together that help us get the job done. 20 21 First of all, ACB has produced a new

brochure, which outlines the flow chart, if you will, of the process of dispute resolution, and for anybody, of course, who needs a copy, we make this available to states attorneys general offices and to

other consumer protection offices and have been 1 doing so for some time now. And this is one way for 2 every consumer to just say okay, I understand 3 generally with the flow chart, I have heard several 4 of our victims here say, you know, a couple of years 5 ago I wasn't really sure I knew what to do next and 6 7 I wasn't sure what the flow chart was, what should I expect to happen after I make that first phone call. 8 9 This is our way of responding to that saying there is a way for you to understand, if you will, what 10 11 the flow chart is.

We have also produced an English and a Spanish language version of essentially all your rights under the Fair Credit Reporting Act, which is just a way to explain in a written form.

And, Helen, to answer your question more 16 specifically about these fraud alerts, we also as 17 the Associated Credit Bureaus coordinate the 18 19 development of an automated consumer dispute verification system which is a nation-wide network 20 21 that links us with all of our major data furnishers, 22 and we do have specific codes that allow us to transmit a consumer's dispute as a fraud alert or as 23 an identity theft alert, different from, say, a 24 mixed file or different from just a not my account 25

1 kind of communication.

2 So, we are able to parse through and 3 communicate with our data furnisher customers to 4 make sure they are getting the correct information 5 on their end to they can take the right actions on 6 their end.

7 MS. FOSTER: Well, like what we talked about on the earlier panel, and we will keep going back to 8 9 this, part of the challenge has been for you and for us is to get the word out. What we hear often from 10 11 consumers is I just don't understand what's going 12 on, and the information is out there to be had, but 13 the challenge is on us and on you, I think, to make the system a little bit more transparent so that 14 15 when a consumer calls and they -- part of the 16 anxiety is not knowing what to expect.

17 MR. PRATT: I think that's right, I think it's very difficult, because any new crime, it's 18 19 kind of a vortex. You enter into it, and you have no idea who you are supposed to call first or what 20 21 the next step is, and candidly, an educated consumer 22 is a much better victim for us because we're going to work through that process more efficiently, they 23 24 know what to communicate to us.

25 Our whole goal is to purge that file of that

negative, fraudulent information, which isn't the
 consumer's, which is stopping them from getting on
 with their lives. And you've heard that today.

4 MS. HOLLAND: Helen, this is Robin Holland from Equifax. We recognize often that when 5 consumers call us that they are so shocked and 6 7 overwhelmed that fraud may have been committed that we will speak with them on the phone, but we also 8 9 mail out to them five steps that they should follow. 10 We place that fraud alert on their file immediately 11 and that fraud alert stays for six months, and then 12 we transfer it to a permanent alert if they are 13 verified as victims of fraud. But we outline that when we send them a copy of their disclosure and we 14 15 tell them the five steps that they should go through and we explain it in what we believe is very user 16 17 friendly English.

One of the things that we are 18 MS. FOSTER: 19 drifting into now that I want to come back to is effectiveness of the fraud alerts and how fraud 20 21 alerts work, but while we're still on the process of 22 clearing a consumer credit report, one of the things that was thrown out in the earlier panel was about 2.3 24 standardization of being able to look at a credit report from each of the three consumer reporting 25

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agencies and read it relatively the same way, and I know recognizing that you're competitors and that you can't, you know, share information the way that non-competitors can share information. Is there a movement afoot to do that, to make credit reports standardized in terms of how to read them?

7 MR. PRATT: Well, let me respond to that in part by the challenge we have, which is there are 8 9 three different, as you know, three different file 10 disclosures that are out there today. Put those 11 three disclosures in front of maybe just the panelists or if you put them in front of everybody 12 13 here in the audience and they each looked, you would probably find almost as many opinions about favoring 14 one of the disclosures versus the other two. 15

And one of the great challenges is, for 16 example, some of our members have moved towards 17 text-message-based disclosures, meaning I can read 18 19 what's on the file. My wife candidly hates those because she's very analytical and she prefers 20 21 numbers and columns and prefers to read it in a more 22 compacted form. Now that wouldn't suit somebody else who is just interested in reading it. 23 I qet a 24 greater sense of comfort.

25 So, one of the challenges, Helen, is to

design something, a disclosure which works for the 180 to 200 million consumers who may have access to their file disclosure. So, we know that there will be some unevenness, in terms -- I think, in fact, Ms. Graves just said, sometimes learning in first, how to read that file disclosure is an element of the frustration.

8 We are always working with focus groups, 9 individually the companies are, to try to move those 10 disclosures to make them work properly for 11 consumers, but I think you will still see some 12 variance out there in the future, because I don't 13 think there is one right answer. I think it's going 14 to be very difficult to get to that point.

MS. FOSTER: I understood, and maybe I'm having a misrecollection, but I thought that there was a process evolving now among the credit reporting agencies, the big three, to make some sort of standard report. Are you guys working on that, or have you just told me that that's not happening or it's not able to happen?

22 MR. PRATT: I think what you saw in our 23 initiatives, you may be referring to our 24 initiatives.

25 MS. FOSTER: I am.

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1 MR. PRATT: And the Associated Credit 2 Bureaus did in March of this year issue a press 3 release describing six points that we wanted to 4 address in this year with regard to identity theft, 5 to change practices, to improve basically based on 6 interviews with victims ourselves.

7 One of those initiatives which is an ongoing, it goes beyond a particular effective date 8 9 is just standardizing. We heard this on the panel 10 this morning, it's not really a revelation that the 11 more consistent I am between the various systems, 12 for example let's take a conference call we had just 13 last week where we talked about which validating documents would be good ones to use. And, Mr., 14 15 Graves I have just learned something today, which is 16 if you have a young son, they may not have a utility bill yet, for example, so maybe just saying rigidly 17 you will always use utility bills isn't very 18 19 effective, because we will have some younger -- in fact we had a young fellow who testified at an ID 20 21 theft hearing on the Hill, who is also young enough. 22 He didn't actually have a utility bill yet. So, we are trying to learn, for example, standardize what 23 24 requests we might make so you don't have to dig up ten different documents to meet the needs of three 25

1 different companies.

2 We are also hosting conference calls on a regular base to standardize and learn from each 3 4 other what kinds of practices are working when we're interplaying with the consumer. Helen, that's 5 different, though, from saying what we're moving 6 7 towards a single file disclosure standardization, is it on the table, is it off the table, it's really 8 9 neither. If that makes sense as we work our way 10 through this process beyond this press release, that 11 will be on the table for discussion.

12 I am going to switch gears here MS. FOSTER: 13 to an issue that came up and comes up frequently when consumers call us, which is the issue of 14 15 reappearance of information. We heard this on the panel this morning, earlier this morning, where 16 17 accounts that you've cleared and you think okay, I'm in the clear, and then suddenly the accounts come 18 19 back either reported by the same creditor, or reported by a different creditor, for example, a 20 21 collection agency has now taken over that account 22 and they are now reporting it under their name. Without going into the issues that will be 2.3

24 addressed after lunch in terms of furnishers of 25 information and how all of that works, I'm wondering

if there has been thought, and I would like to hear if there has, or if any of the panelists have thoughts on this topic on what -- how reappearance cases could be handled differently. Maybe I'll move to this end of the table.

MR. KELLER: Let's say we first hear from 6 7 How did you find out, and this would the victims. be in an instance where you were initially 8 9 successful, for whatever reason, the accounts were taken off the report, but then you discovered at a 10 11 later date that they had been re-inserted. How did 12 you find out about that? Were you notified, or did 13 you find out in some other fashion? Can we start with the victims, because I think that might be an 14 15 interesting context.

16 MS. FOSTER: I'm not sure that we have a 17 victim who had that.

MS. ROBINSON: I didn't have re-insertion.
MS. FOSTER: I don't think we have a victim
here.

21 MS. BENNER: I might be able to speak on 22 that actually, Janine Benner from CALPIRG. Last 23 spring, along with the Privacy Rights Clearinghouse, 24 we conducted a survey of a bunch of victims of 25 identity thefts asking them about their situations,

and we found out that almost half of the people that we surveyed actually had fraud reoccur despite the placement of a fraud alert on their credit reports. And I think the one thing that we have discussed that might help that from happening is to actually prevent the issuance of credit completely after the fraud alert has been placed on the account.

MS. FOSTER: But you're talking about the 8 9 issuance of new credit in new accounts, what I'm referring to is when a single account has been 10 11 cleared from a person's credit report, you know, X, Y, Z, creditor, you know, 160 days late, and then so 12 13 it's been cleared and you get a credit report and it's no longer there, and then three months, six 14 15 months, a year later, that same account seems to 16 reappear on a person's credit report, either 17 reported by the same furnisher, or reported by a debt collector, and I'm wondering again, back to an 18 19 issue of identifying these problems within the consumer reporting agencies, once these issues have 20 21 been addressed, or once these accounts have been 22 cleared, are you able to know that this was an account that was cleared and therefore won't come 2.3 24 back?

MR. PRATT: Helen, part of the response, we

25
do have a responsibility, of course, under the law, to make sure that we maintain an accurate credit history. I mean, we can always start with the predicate of what the law requires of us in the first place, reasonable procedures to assure maximum possible accuracy.

MS. FOSTER: No, I'm understanding that, I'm kind of looking at it from the victim's point of view, is there a way I can communicate with somebody at the credit reporting agency who will know that I was a victim and this has happened to me before.

12 MR. PRATT: I was just going to say, with 13 regard to the law, we have the responsibility to inform the conumser if we re-insert data that was 14 15 previously deleted as the result of a 16 re-investigation, so the law does trigger at least one type of communication, it's going to be 17 important to know whether that is working properly 18 19 in the marketplace, but that is an element of what was built into the 1996 amendments to the FCRA. 20 21 MS. FOSTER: Can we have a microphone. 22 MS. FOLEY: Linda Foley, Identify Theft Resource Center. Besides being a victim advocate, I 23 24 am also a victim, and the information from my imposter, her address, kept reappearing on my Trans 25

Union report four different times, and what I was basically told was it was being rerecorded as a current address, and that's why it was like a ghost that kept reappearing.

5 My recommendation is once it's been flagged as a fraudulent address or an address that should be 6 7 identified with the imposter, if it's been rereported, ideally, I would hope Trans Union would 8 9 have some sort of even a postcard notification that 10 this information has been rereported, it's been 11 reported by this particular company, and you need to 12 investigate it.

MS. FOSTER: And you're saying that didn't
happen, because that was what I was understanding
Stuart was saying was going to happen.

16 MS. FOLEY: It did not happen. Now, this 17 happened in 1997, and it continued happening through 18 1999.

19 MR. PRATT: Helen, I just wanted to try to fill in one blank on that. I think that is one of 20 21 the areas where we've identified that the law, if 22 you will, doesn't go far enough. A victim of identity theft has a crime which extends over a 23 24 period of time, as opposed to this is just a problem, the account wasn't mine, it's now been 25

1 taken off the file.

2 So, we are looking at pilot testing programs that will allow us to stay in touch with consumers, 3 4 that is one of the initiatives we announced this year and we are in the process right now of pilot 5 testing programs to try to determine what kinds of 6 7 triggers should cause us to get back in touch with that consumer, beyond the initial re-investigation 8 9 time frame. So, I do think that's one of the more 10 progressive steps we are trying to take because, in fact, this is a different crime and it's newer and 11 it's different than the kinds of crimes we've 12 13 experienced previously when working with law enforcement and so on. 14

15 So, hopefully as we progress down this road, 16 maybe we're on the right track with that one that 17 that's something that will help victims and us as 18 well, that will keep that file whole down the road.

19 MR. McKEE: And if I could make one 20 addition, also. Philip McKee from the National 21 Consumer League's Fraud Information Center. We 22 receive phone calls from consumers from all 50 23 states, the district, territories, and even from 24 many foreign countries, and when we receive calls 25 from domestic consumers about identity theft, our

counselors try to get as much information as they can to help them determine what kind of information they need to give the consumer to guide them where to go and to figure out where, in addition to the FTC's phone number, what other phone numbers they should give them.

7 In the process, our counselors hear a lot of times that information keeps reappearing on the 8 9 credit report. And it would be curious to me to 10 find out, because I know that when we take in 11 consumer complaints on other types of fraud, we are one of the data contributors to Consumer Sentinel. 12 13 And frequently the consumer has contacted us and they may have also -- they may inform our counselors 14 15 after the report is made that they have also spoken 16 with Operation Phone Busters in Canada, or they may 17 have also spoken to one of the other data contributors to Consumer Sentinel. 18

And in our discussions with Consumer Sentinel, the actual gatekeepers at the FTC, we know that there is a suppression database, that if one of our reports has already been entered into Consumer Sentinel by one of these other agencies, the computer does match up the information and is able to make a note.

So, I was wondering if it would be possible 1 2 to have a similar suppression database so that not only for renotification, because you said, you have 3 a duty to respond and to let the consumer know if 4 the same company has placed it on there, but I'm not 5 6 sure whether that gets triggered when a new company, 7 the collection agency, then places that on the 8 report.

9 MR. PRATT: Philip, you're describing some 10 of the challenges of the databases we have. We do 11 maintain suppression databases, because obviously if 12 you simply delete information from your data base, 13 you will never know whether it's coming back in 14 again. So, of course, you have to suppress, and 15 then maintain it as a suppression database.

You've also made another good point, which 16 is that it is more challenging if, for example, the 17 data has been sold as part of a portfolio from one 18 lending institution to the other, and whether or not 19 the lending institution is transferring the right 20 21 fraudulent information so the account doesn't become 22 once again a collection account, for example, at the new institution. 2.3

This is a challenge in student loans, for example, even in the governmental area where student

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loans move from several different agencies and so 1 even student loans often. So, we have actually 2 produced for the data furnishers and we've 3 standardized this in the early nineties, and this is 4 the most recent edition of this, this is called the 5 This actually, if we can get every 6 Metro 2 format. 7 one of our data furnishers to use the Metro 2 format, we will do a much better job and continue to 8 9 improve the job we're doing to block those incoming trade data where we have taken it off the file in 10 11 the first place.

12 So, this is yet another step that we have 13 taken. This is available on our website for the customers to access, if you will, the data 14 furnishers to access, and this Metro 2 even includes 15 a whole series of quides that are very specific to 16 utility company reporting, student loan reporting, 17 guaranteed agencies, lender servicers, third party 18 19 collection agencies. These are guide posts in the back of the book to tell them specifically how to 20 21 handle their data properly in order for us to do our 22 iob.

23 So, hopefully, again, this is part of our 24 effort to standardize. Now keep in mind, we have up 25 to 8,000 data furnishers loading information into

the system. It's a lot of information, and that's 1 2 not an excuse for loading fraudulent information back in the file. But the more we can progress with 3 4 this effort, the better we will be at doing our job. 5 MS. FOSTER: I believe we have a guestion in the back and now is a good time to kind of seque 6 7 into taking some questions from the floor and then we will move on to fraud alert and one-stop 8 9 shopping. Can you stand for us? 10 MR. MEISSNER: Gary Meissner, Office of 11 Consumer Credit Commissioner out of Texas. You 12 talked about a website, sir, what website are you 13 speaking of? Because that's one thing that we're trying to amass down there is we've got the FTC's 14 15 website, we've got all the consumer websites. I'm 16 not familiar with yours. MR. PRATT: Our website is for the 17

17 MR. PRAIL: Our website is for the 18 Associated Credit Bureaus, and we're the trade 19 association that represents the consumer reporting 20 industry, it's www.acb-credit.com.

21 www.acb-credit.com.

25

22 MS. FOSTER: Are there other questions from 23 the floor? We'll take this lady right here on the 24 aisle.

MS. WOODARD: Yes, my name is Gwendolyn

Woodard with Worldwide Educational Consultants. 1 Ι would like to know how do we get 50 different state 2 attorney generals working together along with the 3 4 District of Columbia and other territories in resolving this issue with the advent of the Internet 5 6 and a possibility of our economy riding on this 7 vehicle to get a handle of this problem now, because we've only just begun. 8

9 MS. FOSTER: When you're speaking to attorney generals and law enforcement, I think that 10 11 we're going to be addressing that issue tomorrow 12 specifically on our criminal panel, and also on the 13 panel 3 this afternoon, so kind of stay tuned, we will be talking about law enforcement issues. And 14 15 also, because we are focused on -- mostly on victim assistance, the Department of Justice and the United 16 States Secret Service are jointly convening another 17 workshop in conjunction with these that will focus 18 19 specifically on prosecution type issues, and that is in December. 20

21 MR. MIERZWINSKI: Ed Mierzwinski with the 22 California PIRG's D.C. office. Getting back to the 23 question of the reappearance of previously --24 previously described fraudulent records, I think 25 that's a problem that the banks have not

1 satisfactorily answered, nor the credit bureaus, and 2 I would encourage the agency to consider enforcement 3 actions, because under the 1996 amendments, it's my 4 view that it's very clear that there should be no 5 reappearance of disputed information for either an 6 identity theft victim or any consumer who has 7 disputed an item on his or her credit report.

We did have great difficulty in 1996 gaining 8 9 any right to sue banks and other furnishers of 10 information. We did gain a very modest right to 11 have individual consumers sue them, a private right 12 of action, if they failed to comply with 13 re-investigation procedures. Unfortunately, many creditors have been seizing on one bad opinion by 14 15 one judge out there in the hinterlands, and they've been trying to overturn that private right of 16 action, which is really a disappointment to me. 17

Because it was very clear that Congress created that private right, but obviously I think Congress needs to go back to the well and give consumers a private right of action against furnishers for any violation. That will help a great deal.

24 MS. FOSTER: I appreciate your comments. We 25 will be addressing furnisher issues more

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specifically in panel 3, that is issues relating to 1 creditors and other institutions that report 2 information to consumer reporting agencies. 3 The second or the first part of your comments, as we 4 said at the beginning, and I know you weren't here 5 for it, but the Federal Trade Commission is active 6 7 in this area, we do FCRA enforcement, unfortunately, what we do is nonpublic, so we can't really talk 8 9 about it in this format, and we're hoping that today 10 will focus on voluntary initiatives so that we don't 11 have to pursue as many enforcement actions, if we could have more voluntary kind of initiatives. 12

13 Over here on this side.

MR. CLARK: Drew Clark with National Journal's Technology Daily. I hope I haven't missed something, but I'm still not clear on what the obligations of the credit bureau is with regard to material that's been flagged as fraudulent or a victim of identify theft.

20 We've heard different things about the 21 credit bureaus are required to notify the person 22 before, but then we've heard that they're not 23 required to notify, and that, Mr. Pratt, you've 24 discussed a pilot program for keeping in touch with 25 people, but I wasn't clear whether that meant you

1 were contacting people in this event or not.

For instance, Linda Foley mentioned that, 2 you know, addresses were reappeared four times by 3 4 Trans Union. Do addresses, even though they're reported again, need to get flagged, need to get a 5 6 contact with the consumer before they get put on the 7 credit report, or is that something that doesn't qualify under the requirement that the consumer be 8 9 notified again?

10 Let me try and summarize your MS. FOSTER: 11 question, since you were kind of going in and out of 12 the microphone. Your question is, what are the 13 obligations of the consumer reporting agencies in the first instance when something is reported to 14 15 them as fraudulent, and then as we were going down the line, we were talking about obligations under 16 17 reappearance.

So, you're asking about both -MR. CLARK: It's really more the

20 reappearance question I'm concerned about.

MS. FOSTER: What are the obligations under a circumstance of reappearance. My understanding, and correct me if I'm wrong, Stuart, I think what you were saying was that under the 1996 amendments to the Fair Credit Reporting Act, items, trade

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lines, credit accounts, if they reappear, or if they are going to reappear, the consumer reporting agencies have to notify, but those requirements do not necessarily extend to other information like name. Am I summarizing correctly?

6 MR. PRATT: I think that's right, that's 7 absolutely right. This is why, again, we're looking 8 for voluntary efforts for our industry to move 9 forward and explore what other triggers, if you 10 will, might create the right communication.

11 Now, keep in mind that at the same time, I 12 know when we're victims of any kind of crime, we're 13 very focused on it, but at the same time, we have 42 million consumers moving in this country every year. 14 15 Six million second homes in this country. A large percentage of consumers have at least one address 16 for work, and one address for home. And so an 17 address management system is just one area of 18 discussion, but it is difficult to parse through 19 just volumes of activity that occur. And at the 20 21 same time distinguish that from the victim's 22 circumstance where it's coming back in again. So, this is a challenge that I think we're 23 24 still working on as an industry, but I think it's a well taken point. 25

MS. BENNER: May I make a quick comment?
 MS. FOSTER: Sure, over here.

I quess as a consumer from the 3 MS. BENNER: 4 outside, I understand the difficulties that you all must have with the amount of information flying at 5 you, but also as a consumer, I understand that you 6 7 are able to make money off of my personal information, and therefore I believe that you have 8 the responsibility to be careful with it and to 9 10 figure all of that out, I don't care how difficult 11 it is. I've given you that information, perhaps 12 against my will sometimes, but because you're able 13 to gain financially off of it, I believe that you should have the responsibility to take care of it, 14 no matter what the difficulties are. 15

16 MR. PRATT: It's a good point. Aqain, 17 that's why I think we're trying to move behind the pale of what the law requires and not sound like an 18 19 industry that says well, this is what the law says, and that's what we're going to do. Now we may not 20 21 have met all of your expectations today, but I can 22 tell you that the people I'm working with are very committed to doing the job right for consumers and 23 24 for victims both. I really believe we're on the right track with this one, Janine. 25

1 MS. BENNER: Doesn't the law say that the 2 information cannot reappear?

MR. PRATT: I think that Helen made it clear with regard to what the statute requires in terms of the information reappearing. Keep in mind with an address coming in, it's also information. In other words we don't load an address by itself, addresses coming in with other financial information.

9 So, I think, again, we'll just have to go 10 back and understand that more systemically. It's 11 difficult to speak to it more directly than that 12 here today.

13 MS. FOSTER: Switching gears a little bit, and we will continue to take questions from the 14 15 floor, and particularly at the end, but I wanted to move on to the fraud alert, because I know it was 16 something that the victims talked guite a bit about 17 earlier. And one of the things that we hear 18 19 repeatedly, and I know we have heard this morning was, how can a fraud alert be made more effective in 20 21 terms of once that fraud alert is placed on a 22 consumer report, how can we make sure that the creditors or other users of the consumer report who 2.3 24 look at it are understanding what it is, and are honoring it and giving it the type of attention it 25

1 deserves.

And I would like to kind of direct that open-ended question to Barry Smith, who graciously agreed to be the sole furnisher on -- or the sole creditor, representative of creditors on this panel. Barry, do you have ideas about how credit fraud alerts could be made more effective or how they work or don't work?

9 MR. SMITH: Well, I was pleased to come and 10 join this panel today and talk about fraud alerts, 11 because my brother was recently a victim of ID 12 theft, okay, and he turned to me as, quote, a 13 professional in the business, and said what's the 14 best way to get this resolved.

15 And I went up against many of the problems that they're talking about today. And we went 16 through the standards of entering fraud alerts on 17 the bureaus, and then since he was not doing 18 19 business with Bank of America, I said why don't you apply for a card at Bank of America and let's see 20 21 how the process works. And I took an application, I 22 submitted it to the credit department, and the credit department was on the phone back to me in 23 24 about 15 minutes and said there's a fraud alert on this person's file, do you really want to approve 25

1 this account.

2 Well, they went through the contact, of course they received the information and said yes, 3 4 but a decision point was reached there, I mean they 5 could have approved that application, they may not have approved that application. We happen to take 6 7 the business of fraud alerts and identity theft very, very seriously, stopping somewhere between 500 8 9 and a thousand attempts for credit each month that come in to us just through applications. 10

11 And when we do that, we do go out and 12 contact the consumer, we find the correct consumer, 13 and we notify them and send them information about 14 the account. As I said, we take that very 15 seriously.

16 But if the fraud alert had not been picked 17 up, or somebody just wasn't doing their job the way they were instructed to do it, an application could 18 19 have been bought. And I don't know, I kind of throw out to the group, maybe we shouldn't send back full 20 21 credit information when there's a fraud alert on the 22 Maybe we should send back something that's file. truncated, something that's not enough information 23 24 for the bank to make a prudent financial decision to grant credit to that individual. 25

1 On the other hand, I think we're going to 2 hear some disputes and some questions from people 3 who have put fraud alerts on the file, and if that 4 stays on the file for seven years, do they really 5 want to stay in that process for seven years, if, in 6 fact, they are not a victim to the extent that we've 7 heard people talk about today.

In my brother's case, he had eight or nine 8 9 different inquiries. And I think it would have been very beneficial if we had been notified by the 10 11 bureaus when the inquiry came to the bureau, and 12 there was a fraud alert on the file. So, instead of 13 just responding back to the credit grantor, maybe some kind of notification should have come back to 14 15 us.

And there's really two sources for that. 16 It's either the credit bureau sending that 17 information back, or of course there is the credit 18 19 grantor on receiving the information back with a fraud alert on it, should they notify the individual 20 21 that an inquiry has been made. And even if we 22 decide to deny credit, because most -- most fraud alerts on file say if you decide to grant credit, 23 24 don't do so without notifying me first.

25 Well, when I pursued this with many credit

grantors, I was told we didn't contact you because 1 2 we didn't approve this application. We realized your application address was different from the 3 application address that we had received the 4 application from, and therefore we declined the 5 application, so therefore we didn't notify you. 6 And 7 I said boy, I really wish I could have been notified. 8

9 I called some people who had inquiries, and they told me I can't talk to you, I can only talk to 10 11 your brother. And I said why is that? And they 12 said because he's the one that applied for credit. 13 And I said no, I think you've got that wrong, it was somebody else entirely. And if you expect me to 14 15 find the crook and have the crook contact you to 16 give you permission to talk to me about the application they submitted, I said this is getting a 17 little bit silly. 18

So, I think that in our next session we're going to talk about some issues on the fraud affidavit and I am going to stay with that.

22 MS. FOSTER: That's right.

23 MR. SMITH: But I think the fraud alert, 24 maybe we should consider or maybe we should have 25 some hearings and talk to people about whether or

not we want truncated credit information going back
 to the individual. Maybe we have to get truncated
 information back and get a name and address, a
 telephone number, to contact that person.

But if we ask the audience in the last seven 5 years how many people in this room have moved or 6 7 changed their telephone number. I've changed cell numbers at least once, okay, I haven't moved, but I 8 9 know an awful lot of other people in my family have, 10 and who would remember three or four years down the 11 line to go back and update that fraud alert to say I 12 no longer live at this address, now you have to 13 contact me at that address, when, in fact, the whole thing may have gone away. 14

Many of these situations get resolved and get resolved pretty cleanly. As I said, we deal with a lot of people. We notify a lot of people that there is fraud coming in on their -- of somebody's attempting to perpetrate fraud on them, and the situations get resolved much, much easier than what we heard from the victims today.

22 My heart certainly goes out to the victims 23 today and all that they have been through, but there 24 are a lot of cases where the process seems to work. 25 But I suggest notification to the customer, and

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1 maybe a truncated credit information with the -2 when there's a fraud alert on the file.

MS. FOSTER: I want to come back to one of 3 4 the suggestions that you just made, that kind of the idea of a gateway system has been -- to build on 5 6 what you just said, has been tossed out as if you 7 are a creditor and you ask for a credit report from one of the bureaus, and the credit bureau has a 8 9 fraud alert on that file, that they would then not 10 transmit a full report back to you with a fraud 11 alert, but rather require you to go through some additional verification type steps. 12

13 Now, the hurdle that you point out is a significant one, which is -- and it's open for 14 15 discussion, length of time versus how do you make 16 sure that the information is going to be updated 17 when there's changes in address and changes of phone number, you know, it may be that, you know, you put 18 19 that on -- if you put that on to some of the 20 consumers, I think you're right, for seven years 21 it's a little bit much to ask people to remember, 22 oh, yeah, I have to update my fraud alert phone number or address. 2.3

24 On the other hand, that's what we're seeing. 25 We're seeing, you know, perpetrators who come back

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to the same individual over and over and over again, 1 2 after a period of time, because they know that that person, you know, will have -- it's analgous to 3 4 police who will tell you if your house has been burglarized, you know, be very careful, because the 5 thief will wait three months until you get paid off 6 7 by the insurance company and get all new stuff and then they will come back. 8

9 So, it's the same kind of process once they 10 find somebody who is a victim who has worked for 11 them, they come back.

I want to toss the idea of having a gateway system to the consumer reporting agency folks for comment.

15 MR. KELLER: Let me ask, perhaps there's a 16 threshold question that perhaps will be more successful than the last time, which is do the 17 consumer reporting agencies currently differentiate 18 19 in any fashion when they supply the consumer report, either pursuant to consumer disclosure or in 20 21 response to a request from a credit grantor between 22 those just normal ones and those that are flagged with a fraud alert? 2.3

24 MR. PRATT: Well, let's go to that first, 25 and I think the first part of that answer is that

one of our initiatives, again, was to look at the security alerts, because we wondered are there systemically any significant problems with them so that if BofA can recognize that alert, take the actions which thankfully worked in the case of BofA.

6 We are now standardizing text messages in 7 all three systems, so that where a system, a creditor system is scanning for the text message, 8 9 they won't have to scan for three different text 10 We're also inserting an alphanumeric messages. 11 sequence, which is a spiffy way of just saying some 12 numbers and some letters that don't mean anything, 13 but they'll be consistent across the three companies. 14

15 So, here again, every creditor, we can tell 16 them, go look for this alphanumeric sequence. Ιf you don't want to scan for the whole text message, 17 scan for the alphanumeric sequence. 18 This is in 19 addition to codes companies transmit today. All three companies have products as well as 20 21 free-of-charge services today that are telling our 22 customers unusual pattern of inquiries that are associated with this file. For example, which is --23 24 we think is one of the partnerships we have, it's an obligation we have, and it's really you as customers 25

who drive a lot of that for us, you know, what can
 you do to help us. That's one example.

We do tell you when the inquiring address is 3 4 different than the address on the application -than on the file, so that you know that there's some 5 difference between the two and that gives you a 6 7 chance as the customer to authenticate and take additional steps to validate that application. 8 So, 9 I think we are trying in partnership with our 10 customers to find the right mix of triggers to 11 communicate back-up stream.

By the way, that security alert goes with every file, whether it's a highly quantified risk score or whether it's a full file mortgage report, it goes with every single file that we send.

16 MR. KELLER: Perhaps I didn't make myself 17 clear. I understand that there are proprietary 18 products that you'll attach to any file.

MR. PRATT: I think I just said that some ofthose were free, though, Chris.

21 MR. KELLER: If you see an anomaly. What I 22 was concentrating on is where there's been a report 23 of an identity theft and a fraud alert placed on the 24 file. Do the supplying consumer reporting agencies 25 have any differing procedures, just in terms of

mechanics, the nuts and bolts of supplying those? MR. PRATT: I think today the step is to transmit the report and work with our customers to make sure they have the right information, Chris, but no, there is no gateway today, I think, using Helen's term.

7 MS. FOSTER: Is there a variation, and I just want to get the three representatives of the 8 9 reporting agencies here to kind of follow up on 10 Chris' question. Is there variation in how that is 11 handled, or is it very uniform that a -- I guess where I'm going with this, a fraud alert is a fraud 12 13 alert in terms of a consumer reports it and it's consumer reported as opposed to products like what 14 15 Chris was talking about, which are anomaly alerts? 16 Are those the same for you all or are there 17 differences or are they different products?

Diane Terry, Trans Union. 18 MS. TERRY: We 19 all have fraud alerts, but the verbiage may be a little different on each one. But basically what 20 21 they're saying is to contact the consumer, to verify 22 the application. Ours is dated, we allow two phone numbers, a day or evening number so that, you know, 23 24 depending on when this application is made, the credit grantor can contact the consumer. 25

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Now, we do have a second type of alert as 1 2 well, and this is a case where we deal with law enforcement and credit grantors directly, many times 3 4 each day, and what happens is they can alert us, if they're aware that there's a fraudulent situation, 5 6 but they've not contacted the consumer yet. We do 7 have a different type of statement that we can add to the file that will say potential fraud victim, 8 9 verify all information on the application, until we 10 can get ahold of the consumer to confirm the 11 situation. And we feel that's a very important part of what we do as well. 12 13 MS. BENNER: Can I ask a question here? MS. FOSTER: I just wanted to give all three 14 15 a chance to respond, is that okay? MS. BENNER: 16 Um-hmm. 17 MS. SWEET: I'll jump in. What she was saying is true, the idea of the fraud alert is 18 19 already pretty standard, and we're taking it even further to actually make the wording exactly the 20 21 So, there will be no question when a creditor same. 22 receives a report that it is a fraud alert. And we're even adding a code so that it will even be 23 more machine readable. 24 And I might add that Experian, another step

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beyond that, in the form of an alert, is we're just announcing a national fraud database that we're building so that actual experiences with fraud are captured, all the credit bureaus will have an opportunity to contribute to it, and it will be available to new lenders, as well as law enforcement.

MS. HOLLAND: Robin Holland from Equifax. 8 9 When we deliver a file, at the top of the file, 10 right in that header information, we state in bold 11 letters that the consumer is a fraud victim, and 12 then at the end of the credit report, in pretext, we 13 talk about fraudulent applications may be submitted, please call, et cetera, whatever that consumer would 14 15 like to say.

Of course as Mr. Pratt said, we are moving that we will all have the same alphanumeric codes and the same standard message, but we do at the top, when you first see the file, it clearly states fraud victim, and as well we add some other information at the end of the file.

MS. FOSTER: I want to give Janine a chance to give her question and then I will follow up with mine.

25

MS. BENNER: Thanks. I was just listening,

1 Stuart, you mentioned that some services were free 2 of charge, some services you charged for, and I'm 3 wondering if that means that there's some 4 information that you could be providing to a 5 creditor about my record if I was possibly a victim 6 of identity theft, but if they didn't pay a little 7 extra for it, that you would withhold that.

MR. PRATT: I think this has more to do 8 9 with, for example, let me give you an example, a type of scoring system that would evaluate applicant 10 11 data. We also help our customer evaluate 12 applications. And, for example, if you took my 13 street name, my street name could be two words, it's in fact one word, it happens to have an E on the end 14 15 of it, which by the way makes your house a lot more expensive apparently if you put an E on the end of 16 anything. But suffice it to say you might find an 17 identity theft perpetrator putting my address in as 18 19 two words, and they might miss the E on the end of the second word, or they might drop one of the 20 21 numbers, or they might flip one of the elements in 22 my social, or they might spell my name S T E W as opposed to S T U. 23

Those variations might not be very evident to Bank of America automatically on its face, all of

that looks fine and there is an address that looks 1 very, very similar to that, but we have systems that 2 we are building today, and I say we, generically the 3 4 companies, where they go out there and they build systems that will analyze those files, those data 5 6 elements, and when they see that there's enough 7 variation in this prediction, maybe the lender ought to look at that one again, even when nothing is 8 materially wrong. So, I think that's an example of 9 10 one of those for-profit products.

MS. FOSTER: That would be somethingseparate from a consumer-placed fraud alert.

13 MR. PRATT: Correct.

MS. FOSTER: I can see why you would want those to be different, you want the banks to definitely know this consumer has reported fraud, as opposed to we have identified anomalies that may indicate fraud.

MR. PRATT: Exactly. And that is the challenge, anomolies that don't create a myriad false positives, what we call false positivies, where the credit grantor is overwhelmed with half the files coming in are indicating anomalous activity, if you will. So, there is a balancing act here with that.

MS. BENNER: So, if someone were to, say, pass a law requiring that information to be included in the fraud alert, that might cut down on your profits?

5 MR. PRATT: I don't think that's really 6 fair, Janine. I mean we're talking about apples and 7 oranges here. We are delivering the file data to the lender, just as I think every consumer expects 8 9 us to. We are delivering a security alert to every 10 lender, just as the consumer expects us to. We are 11 going beyond the nature of the law to try to understand what our victims themselves have said. 12 13 And they're our victims as well. We have to work with them as well. I think we're taking a 14 15 responsible road on this one.

MR. SMITH: You know, Janine, when we negotiate pricing with the bureaus, I think they'll tell you that we're pretty tough when they offer a new product and say this is what the price is. We do a pretty good job trying to knock their profits down just that way.

22 MR. PRATT: They do a very fine job 23 actually.

24 MR. SMITH: And in fact, one of the things 25 that we we do is we often try to play one bureau

against the other, and say if you had a tool and you 1 2 included that, then maybe that would make you the preferred credit bureau in a particular area and 3 4 would look to more volume into those areas. So, it's not totally a one-sided street where they have 5 I think we do -- I'll be honest with 6 all the cards. 7 you, my boss doesn't think it's quite as good a job as we can keeping the costs down, but we certainly 8 9 do try.

MS. FOSTER: I would like to follow up on a theme that was started earlier in terms of length of time for fraud alerts and I think that we heard from Trans Union and Equifax -- Experion, I'm sorry, about theirs, and I didn't give Robin a chance to tell us.

MS. HOLLAND: Oh, yeah, when you contact us and say that you're a victim of fraud, we immediately that place that fraud alert on your file for six months, and then, of course, we would then switch it to seven years if you are a verified victim of fraud.

MS. FOSTER: I would like to just toss out what or talk about what verification is required, and many victims, and again we're bleeding into what's going to happen on panel 3, talk about the

onerous nature of what's required to verify themselves to different institutions, so I was wondering if you would just give us an idea of what's required currently to verify from a temporary fraud alert to a permanent. Or more permanent, I guess not really permanent.

7 MS. SWEET: I think it's the same pretty For the temporary, there's no requirement, 8 much. 9 you just call and let us know and we don't put a 10 phone number on at that point because we could be 11 putting the criminal's phone number on there and you 12 could be calling them and verifying. So, at that 13 point with the initial one that goes on immediately, we just say please verify my identity before 14 15 granting credit, and then that would give the 16 consumer an opportunity to send us the proof documents, which typically are a copy of your phone 17 bill and utility bill, but phone bill specifically 18 19 so we can verify phone numbers. That's the one that 20 we put on that stays on permanently.

MS. TERRY: We don't have a temporary, so to speak. When we talk to the consumer, we're verifying the information on their file and identifying information. We add the alert to the file for seven years. Although we do educate the

consumer that they can remove that at any time. I
 was a victim and I kept mine on about a year, and I
 felt that that was adequate and it worked.

MS. FOSTER: How do you distinguish in that circumstance between consumer victims and perpetrators when the request comes in to have it taken off?

8 MS. TERRY: Well, we require the request in 9 writing to remove it and we think that that's very 10 reasonable and most of the consumers like it that 11 way. They would not prefer a call to be made to 12 have that removed.

MS. FOSTER: Robin, I wanted to give you achance to respond.

15 MS. HOLLAND: Sure. We certainly require, if you want the fraud alert removed, we, too, 16 require that information in writing. In terms of 17 information, we at he Equifax would like to say that 18 California law in terms of a fraud victim submitting 19 20 that police report, we accept a police report from 21 all of the states, not just California.

MS. FOSTER: So, when a victim reports that they are a victim of fraud, you place it on a temporary fraud alert and then to get a more permanent one, you require a police report?

MS. HOLLAND: A police report would be one of those, the affidavits from the credit grantors could be something else, a utility bill could be some other documents that are requested to be submitted.

6 MR. PRATT: I just want to say, this is one 7 of those challenging areas where as we all know that 8 falsifying documents is easier today than ever 9 before, in fact I think, Mari, we talked about your 10 own situation, it's also easier to get a valid 11 driver's license these days.

12 So, unfortunately, in society today we have 13 a lot of points of entry, where in one sense we want 14 more validation, authentication to make sure that 15 we're offering the right governmental document or 16 other document. I have a pile of documents in my 17 office right now, Helen, that are falsified requests 18 for consumer reports.

19 Now, one of the jobs we have to take on is 20 to make sure we're not issuing those. Now, this 21 particular perpetrator of what we think is 22 essentially a crime, and in fact under the FCRA is a 23 crime, wrote them all in the same handwriting and 24 submitted the same address to which all of those 25 files were supposed to go, so it wasn't the smartest

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1 crook on the street, but it's an example of the 2 challenge we have, where we have thousands of proof 3 documents coming in every month where somebody is 4 falsifying BofA's letterhead.

5 So, again, it's not to say that that's an 6 excuse for not doing anything, it's just part of the 7 challenge we have in a desktop publishing world 8 where almost anything can be produced and look 9 pretty good.

If I could make an addition to 10 MR. McKEE: 11 that. Two parts. One of our actual staff members wound up becoming the victim of identity theft and 12 13 she had a lot of problems when she was trying to make her fraud reports because she had to have 14 everything notarized. And she was lucky, on that 15 16 score, because we have a notary in our office.

However, this can be quite difficult to someone, especially if they're in a rural environment, or if their bank does not offer free notarization service. I know my credit union notarises everything for me for free, but many people don't have that, and so this adds another level of financial things.

A notary may not be as expensive as the hours on the long distance phone call, but it still

is an added expense, and to some victims that we hear from on the phone, it's almost considered an insult, because from their perspective, the crook was able to get the information onto their report without much verification, and yet they're not even trusted to sign their own name.

7 The second thing that I wanted to mention is actually takes one step further back, and I thought 8 9 it was important to mention, because I didn't --10 wasn't sure whether it would ever get mentioned 11 anywhere else, and that was brought to mind by what 12 Stuart just said about the Internet. It's important 13 for people to remember, when they go online, not to fill out all of those forms immediately. 14 I don't 15 know how many times at the Internet Fraud Watch we've heard from consumers who a few days after they 16 filled out that survey, or a few days after they 17 filled out this huge long form with all of their 18 19 demographic and personally identifiable information so that they could get a chance to win some fake 20 21 prize, that they wonder well, maybe I just gave away 22 all of my information, since they did ask me to give name, address, phone number, social security number, 23 24 driver's license number, mother's maiden name.

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MS. FOSTER:

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Prevention is important, and I

think your point is well taken, and since I plugged the Department of Justice and the Secret Service's workshop in December, I will do the same thing for the Social Security Workshop on Prevention which will be on Wednesday of this week, and they will talk in depth on topics about sharing information and how information can be compromised.

Your earlier point is one that we will --8 9 your notarization point, and it's a similar issue to getting a police report, it kind of under the rubric 10 11 of burdens on consumers to verify their information 12 will be talked about in panel 3, but it also has 13 application here in terms of the consumer reporting agencies, and that's why I asked the question about 14 15 what you're requiring, because often times, it's almost a toss-up, what's more difficult, to go to 16 17 the police and ask them for a police report and then they say no, or to have to find a notary, if you 18 19 are, as Phil said, in a rural area or just don't have access to a notary, like some of us who, you 20 21 know, work in a lawyer's offices do. So, your point 22 is well taken.

23 MR. PRATT: And Helen, that's why we have to 24 be careful about choosing one document and saying 25 well, there it is, that's the document. Because if

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we choose a police report, for example, which we 1 don't, that's not an impediment. I think that Robin 2 has said that, for example, that's one on the list 3 4 of a number of documents that we think could be helpful because it may be the case where the victim 5 6 just can't have access to a notary to notarize some 7 sort of document. And a lot of our documents are being faxed anyway. 8

9 So, it doesn't make a lot of sense to have 10 some sort of notarized raised seal on it, for 11 example. But we have to be careful about choosing 12 the documents to make sure that they are ones that 13 work but are not impediments to getting the job 14 done.

15 MS. SWEET: And if I can speak on that, the notarization and the difficulty. In defense of the 16 17 creditors who are going to be on the later panel, I know what that experience is, because we experience 18 19 the same thing. Everything that we do to try to help consumers and make it easier, the criminals are 20 21 just as quick to pick up on it and take advantage of 22 it.

23 So, it's always a balancing act. Everything 24 that we try to do to make it easier for the real 25 consumers, we're opening the door for the bad ones.

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And the lenders are in the same position on these 1 documents. When you claim fraud, and they make it 2 easy, then they're opening the door that the credit 3 repair firms are sending us hundreds of thousands of 4 disputes saying fraud. So, the lenders are getting 5 these stacks of documents saying it is fraud, it's 6 7 not mine, when, you know, only this many of them are real fraud. So, they're having to, you know, how do 8 9 we deal with it. It's a challenge.

10 MS. FOSTER: I would like to get back to the 11 victims right before we take more questions from the 12 floor. And Nicole, in particular, I know that your 13 experience was one where a fraud alert didn't 14 necessarily stop, and I was wondering if you could 15 -- stop further fraud, and I was wondering if you 16 could expand on that from your earlier statements.

MS. ROBINSON: Yes, I placed a fraud alert 17 on my credit reports on April 10th, and the criminal 18 19 in my case, although she was arrested, and released, 20 she was able to open new accounts in June, even with 21 the fraud alerts on there. I know that she had gone 22 to at least 15 car dealerships in June attempting to purchase a car, and only one of those car 23 24 dealerships looked at that fraud alert on the credit report and called me. Although they didn't leave a 25

1 message, I did see when I got home later that they 2 had called.

And I think it's irresponsible of these credit grantors to look at a fraud alert and even though they don't grant credit, not contact the consumer and say hey, this is going on. You know, it's just irresponsible.

8 MS. FOSTER: Thank you. Robert -- or I'm 9 sorry, Eric?

10 MR. GRAVES: I quess in terms of the alerts, 11 my son who had the alert put on earlier this year, 12 he had one phone call from a department store I 13 think that was a -- that was having someone try to access his ID, and he was able to respond 14 15 accordingly, and say no, that's not me. And the other time, he didn't get any notification. I think 16 17 as a victim, you would want to be bothered by that kind of information. 18

And I guess the question we've all got is why do these -- what do these places like Best Buy, all these computer stores and department stores, who do they go to to confirm that somebody's credit is viable? Do they go to the three agencies that are represented here or do they go to some central source, or do they sometimes just put it on hold and

say well, if the computer is down, we'll issue the 1 credit now, and then get back to the computer 2 verification later. They do have to be held to a 3 4 higher standard than they're currently doing.

5 MS. FOSTER: I think if you ask ten 6 creditors that question, you get ten very different 7 answers, but generally we know that they are using at least one of the big three consumer reporting 8 9 agencies to get credit information, and that's why 10 the fraud alert plays such a vital role in stopping 11 the continuing issuance of credit.

12 Diane, did you have something? 13 MS. TERRY: Well, it concerns me that some of the victims have said that the credit grantors 14 15 are not looking at those, and that's certainly a That's what that alert is for, it was one 16 problem. 17 of the first processes that we established to help the consumer victim.

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19 So, the fact that they're not -- that would be a problem. So, in addition to that, though, day 20 21 in and day out, we do get calls from credit grantors 22 that do look at those statements. We've had some very successful cases where someone goes to Circuit 23 24 City or an electronics store and is applying there, and there's an arrest made, you know, right on the 25

facility, because the alert is retrieved by the company, they make that call, they talk to the victim, confirm it's not them, and that's the success story.

5 So, we do see some good, you know, and 6 certainly it's intended to be and we do find that it 7 does work.

8 MS. FOSTER: We will be exploring the topic 9 of fraud alerts more with the creditors on the third 10 panel, so stay tuned for a continuation along this 11 vein. I do want to go to the floor now with some 12 questions briefly, and then we have one more topic 13 to cover in our short time left. How about right 14 here?

15 MS. BHAGWAKAR: My name is Bhavna Bhaqwakar, I work for Volkswagen Financing Company, and what I 16 17 am noticing is that the fraud alerts are not consistent with all three bureaus. I would see it 18 on one, and we don't run all three bureaus when we 19 look at the credit application, so if I approve the 20 21 person based on one bureau, later appointment he is 22 a skip, I try to look at three bureaus and one bureau is showing fraud alert and the other two is 23 24 not showing that.

MS. FOSTER: That's the perfect segue into

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our next topic which is going to be one-stop shopping, again the proposal that one call by a consumer could activate a fraud alert on their report for each of the credit reporting agencies. So, we're going to be coming back to that momentarily. Any other questions about fraud alerts? Over here.

8 MS. FRANK: I just wanted to get back to the 9 address change, because that's really the biggest 10 issue. When a victim finds out that new credit has 11 been issued to a new address, I mean that's the 12 issue.

13 Stuart, I know that people move all the 14 time, and the problem seems to be when someone 15 applies for credit in your name, at a different 16 address, and somehow they have all the proper 17 information except the address, and then they get a 18 credit -- they get credit from a credit grantor.

19 So, I know there's some legislation pending 20 out there to hold creditors and credit reporting 21 agencies accountable. Who do you think should be 22 more accountable, the creditor or the credit 23 reporting agency with regard to change of address? 24 I think the real key issue is that when we 25 screamed and hollered a couple of years ago at the

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Postal Commission, they established a really great procedure where when you move, the Postal authorities will send a postcard to your present address and the address that you're moving to, and if there is fraud, they ask you to, you know, verify it, have you really moved.

7 And it seems to me like that's really working very well. And I would just suggest that 8 9 either the creditor be held to that, or the credit reporting agency be held to say someone has applied 10 11 for credit at a different address, is this truly your address or is it not and clarify with us and 12 13 update your credit report record. But the biggest issue for all of the victims that I think we talk to 14 is there is always a change of address, unless 15 somebody is going to do skimming or a guick bank, 16 you know, guick access to your credit card, but if 17 they're going to establish a whole profile in your 18 19 name, they're going to get a new address. And that is probably, at least in my view, the biggest issue. 20 21 So, what do you think about having a 22 notification like Postal authorities have, you know, either Barry or Stuart. 23 24 MR. SMITH: Let me say this, I think you may

25 have mixed a couple of subjects together there. I

don't think there was always a change of address, at least the way a credit grantor looks at a change of address where somebody has infiltrated our file or managed to get somebody at our bank to make a change of address on an existing account.

6 MS. FRANK: No, I'm talking about new 7 profile.

MR. SMITH: When somebody applies for credit 8 9 with a different address, then that address is going to appear on the bureau, and that's going to appear 10 11 whether the credit was granted or whether the credit 12 was denied. The new address is going to appear on 13 the record. We're certainly suspicious for a particular time frame, and we challenge addresses 14 15 that are on file for particular time frames, and we'll vary those from time to time. 16

I think that it's a problem, because there 17 are so many address changes that are out there, and 18 19 I think that one of the things that I have asked the bureaus to look at, is to say if they could tell me 20 21 as a credit grantor how many subscribers are 22 reporting address A, and how many subscribers are reporting address B, then I would be in a much 23 24 better position to determine whether this is a true application for fraud, or whether it's a fraudulent 25

1 application for fraud.

2 I know the people sent cards have them sent to their office address as well as to their home 3 4 address, and those records are going to be out there on the file, but if over a period of time, and I 5 think you mentioned that you had been a victim for 6 7 many years before you found out that that was a problem, if I had applied -- or if you applied for 8 9 credit at Bank of America and Bank of America looked at this and said gee, there are three accounts out 10 11 here, or two accounts out here, that are reporting 12 one address, and there's five out here that are 13 reporting another address, and we looked at them and said they don't look like they're a home/work type 14 15 address, we would be suspicious of that and we would follow up. 16

17 So, I think that's one of the things that I would like to see the bureaus look into. Now, back 18 19 directly to your question, okay, your question about notifying people, I believe that's the law in 20 21 California, starting in is it next July that all 22 address changes to all credit grantors? No, it didn't pass. 2.3 MS. FRANK: 24 MR. SMITH: I understood that it did pass, and we are going to comply with that, because we 25

think that that's a good idea, and we think that's a good idea for across the country. We think it's a good idea to send -- I don't understand why it was defeated. It sounded like to me like it's a -- it would be a good law to follow.

6 MS. FOSTER: Stuart, do you want to briefly 7 jump in here and then we have to move on.

8 MR. PRATT: Yeah, address management, Mari, 9 as a whole, is a part of our discussions. You're 10 right, it's both trying to -- I'm not sure, by the 11 way, we're building our databases based on inquiry 12 data coming in, we build our databases based on tape 13 data coming in from the suppliers when the credit 14 account has been opened.

So, we're not just loading in an inquiry, I don't believe, just because the inquiry data is coming in. So, just to clarify that.

But with regard to address management, it is 18 19 on the table for continued discussions, but it is part of the competitive world of these big three 20 21 companies, it's also part of trying to manage the 22 large volume and make sure that you somehow identify the right pattern where it's different and where it 23 24 it would be a victim's circumstance. It's out there, Mari, but it's a big chore working through 25

1 that one.

MS. TERRY: And, Stuart, if I could add, 2 again Diane Terry, we have several alerts right now 3 4 if the input address differs from the one on the file, you know, that alert is given out. 5 It in itself alone, you know, it should not be taken as 6 7 fraud, but it is a red flag that the credit grantors should be looking at it more thoroughly. Keep in 8 9 mind, you know, that many of our consumers use home 10 address, they will use a P.O. box or a work address, 11 a student goes off to school, we may now have a 12 temporary address. We have elderly that have two 13 residents. So, it's very complex, but we are looking at any way that we can do a better job in 14 15 assisting the fraud victim.

We have another alert system that mail drops, those are typically used by criminals. All of that data is added routinely and daily to our fraud alert system so that again another alert is given out so that the credit grantor can recognize again here's a red flag, take a look at your application, take a look at your consumer.

23 MR. PRATT: Also, our challenge is to make 24 sure, and we're actually exploring this with the 25 Postal Service in terms of their system. For

example, victims of spousal abuse don't necessarily 1 2 want a card going back to the previous address saying we know you've moved, is this your new 3 4 address. And so then do you send a card that just says generically we know you've moved, have you 5 changed your address. And then of course in the 6 7 context of fraud, does that just simply spur the perpetrator forward to say I have other identifying 8 9 elements, so now I can call back to the credit 10 bureau and say well, no, I haven't moved, I am at 11 this old address, here's all of my other identifying information that validates who I am. 12

13 So, one of the challenges is to make sure 14 that we're not just thinking we're solving the 15 problem, there may be a difference in behavior 16 between just a generic Postal Service kind of 17 service versus somebody who has economic motivations 18 to continue to perpetrate a crime.

We've got to stop the crime, but we've got to do it with the right tools in place, Mari. That's one of our challenges right now, and we have heard from individuals that there are concerns like that.

MS. FOSTER: Regretfully I think we have to move on to the one-stop shop or we won't get there.

As I explained previously, the proposal is that there would be one phone number, be it to one of the individual agencies, or to the identity theft hotline run by the Federal Trade Commission, 877-IDTHEFT, that would effectuate a fraud alert for a victim at all three of the national consumer reporting agencies.

8 And I want to address this first to the 9 victims on our panel in terms of if you could put in 10 your mind had that been in place at the time that 11 you began dealing with identity theft, can you give 12 us an idea of the importance of that initiative or 13 how it would have helped you, or if it would have 14 helped you.

15 MR. GREER: In my case I think it would have 16 helped an awful lot. Would I have depended on that solely, no. I've been so proactive in chasing down 17 all of the different accounts and all of the other 18 19 issues that I have contacted each of the agencies as well as all the creditors and their companies that 20 21 have made inquiries on my account. So I would have 22 used it just as a third avenue, if you will.

23 MS. FOSTER: Eric?

24 MR. GRAVES: I guess if I had known, I would 25 have put it on immediately, too, but I also wouldn't

have stopped pursuing what other activity was going 1 on, just like he said, and however, maybe if I had 2 applied this alert first off, it would have been 3 more credible to the, you know, reporting agencies, 4 Because when I first started reporting 5 too. miscellaneous incorrect data, you know, they did ask 6 7 for ID, but maybe they wondered why there wasn't any alert on it to begin with. I mean, maybe there 8 9 should be some procedures internally there, too. Ιf 10 there was a fraud alert, then other things -- it's 11 not good to make assumptions, but at least some 12 things would piece together.

13 So, I wasn't aware of that, like I mentioned at the prior morning session, that that fraud alert 14 was an option to us, until actually the spring. 15 And if it was in the material that was sent, I quess I 16 didn't take it as serious as I thought it should 17 have been, and it wasn't -- I guess regarding all 18 19 those reports, some of them are text oriented, so as a result you don't know what's important and what's 20 21 So, you really have to read every word. not.

And be that as it may, we didn't report it until later, but no other activity was put on during the course of the two years, either, so that was positive. But if it had been the other way around,

I would have regretted not putting it on earlier.
 And if there was one place to give all the
 information and have it put on all three credit
 agencies, that would have been the way to go,
 because we had to do different things for all three
 and it was time consuming.

7 MS. FOSTER: Nicole?

MS. ROBINSON: Yeah, it would have been 8 9 helpful for me, although as I stated before, the 10 fraud alerts didn't do any good. The victims -- the 11 criminal, in my case, I'm the victim, the criminal 12 in my case was able to open three other accounts 13 even after the fraud alert was placed on my credit report, but it would have been good for me not to 14 15 have to spend two and three days just trying to 16 place the initial alert.

MS. FOSTER: Having heard that, and I would 17 like to ask the consumer reporting agencies and 18 19 Barry as well, and the rest of the panel, this is a proposal that has been around for a while. 20 It was 21 talked about at least back in March, but perhaps 22 before that at the Identity Theft Summit, and we would like to move forward on it. We have a 2.3 24 break-out session tomorrow specifically to address the hurdles, and I'm hoping we can identify now in 25

this session what we're seeing as the hurdles, why haven't we moved further up until now and what can we do now to move further on this important initiative?

MR. PRATT: I think I can give you at least 5 6 part of the response, and that is that one of our 7 concerns as the consumer reporting industry is that once you have contacted us you have begun triggering 8 9 a series of duties we have under the law. And I 10 don't want to make the law a reason as an -- I don't 11 want to make the law an impediment to doing the 12 right thing, but keep in mind that even in trusting 13 the FTC and saying we're going to do the following, and then the consumer misunderstands and thinks 14 they've submitted their dispute, along with the 15 fraud alert, so now there's more confusion rather 16 than less confusion. 17

So, keep in mind, what you're suggesting is 18 19 to re-orient the system away from the first three Now, we ought to make sure that those calls 20 calls. 21 get you through quickly and efficiently to the 22 people that you need to speak with. I think that's the point that was made very clearly in the first 23 24 panel. We've agreed in our initiatives that we will simply load a -- if you just leave your name and 25

information and say I've been a victim of fraud,
with no additional validation, on a voice mail
system, even on a weekend, we will load the alert,
we will opt you out of prescreening and we will send
you your file, you know, we will get it in the mail
within three business days.

7 We have done that because we have heard consumers saying we want to escalate, we want to 8 9 have assurances certain steps are taken quickly and 10 efficiently. We don't want to be an impediment, but 11 we do have certain duties under the law, and it's 12 just difficult for us to know whether cycling 13 through the FTC, consumers will assume our duties to have been triggered at a particular point or not. 14

MS. FOSTER: Well, the FTC, speaking on behalf of my own organization, has a long history of consumer education. I think we could take up that challenge of making sure that when consumers call us, as we do now, that they get the right story and they understand what the process is, if we could get the process in place to work.

The second thing that you mentioned is something we wanted to talk about on the fraud alerts and didn't get to, but if you are placing an automatic fraud alert, if you're calling as you're

saying and leaving a voice mail and your information 1 by virtue of identity theft doesn't match what is in 2 the file, we have consumers repeatedly telling us 3 4 well, I called and tried to place the fraud alert, but it wouldn't take, because the fraudster's 5 information is what's in my file, I can't verify 6 7 anymore with the consumer reporting agencies who I 8 am.

9 MS. BENNER: I think something that would help that is just to get a live person on the phone 10 11 when you call a credit bureau. A lot of victims 12 that I have spoken to say I go through, you know, 13 number after number and I enter all my information, I don't know what happened because I'm not talking 14 15 to anybody, any real person, and while I think one-stop shopping is a wonderful idea, I understand 16 there are problems with funding that sort of a 17 system. I think the first step is definitely just 18 19 to make sure that the credit bureaus always have a live person on the phone to deal with victims once 20 21 they call.

22 MR. McKEE: I would like to agree with that. 23 When we had the one member of our staff that tried 24 to go through the process, she was pretty specific 25 when I was brainstorming with my other staff members

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that she really didn't get to deal with a live person except at one place. And she found that to be very confusing, very difficult, even though we give out information, we have brochures about identity theft.

6 So, though she doesn't work specifically on 7 the fraud issue, she had ready access to all of the 8 information about what she should be doing. She 9 herself had a problem caused by the lack of 10 communication, and the inability to make a direct 11 contact with anyone except at Experian.

12 MS. FRANK: Not Experian.

13 MR. McKEE: If I can expand on that. We 14 were lucky in that one of our staff members is on a 15 board at Experian, and so there was another traction 16 method there.

MS. FRANK: You do not get a live person atExperian.

19 MR. GREER: I was in a situation where just this last August, my -- the whole ID theft began for 20 21 me in March of '99. In August of this year, I tried 22 to get all new accounts from all of the -- all new reports from each of the agencies, and I don't 23 24 remember which one it was, but they've got an automated system where you enter in your address and 25

some other information and then they automatically
 mail you the credit report.

Well, the fraudulent address was in as my 3 4 current address, and I could not talk to a real person, and I was asked to leave a voice mail 5 6 message with all of my personal identification, 7 which I will not do, but what I did leave is my phone number at home and at work and said that those 8 9 numbers matched the numbers on my security alert, 10 please call me. It's a way of verification.

11 My call was totally ignored. I got nothing. 12 Ended up searching for a few hours and making dozens 13 of phone calls and I ended up going in through some 14 of the business offices down in I think it was 15 Georgia, and I got transferred and I just worked my 16 way through until I got somebody that could actually 17 help me out.

They grilled me, which is the whole purpose 18 19 of the fraud alerts in the first place, and when they finally said, I mean they're asking -- not only 20 21 -- one of the accounts, they asked when I obtained 22 They wanted a month, day and year. On the card it. itself, you have the month and the year. 23 I haven't 24 a clue what day you get a credit card, and I doubt that there's any person here that can say that. And 25

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I pay off the balances every month, so I couldn't say what my balance was on one particular month or another. The person on the phone finally said the reason I'm putting you through this grilling is the address isn't matching, and then it clicked, and I said okay, if the address isn't matching, you either have this one, that one, this one, or the other one.

8 And I heard on the other end of the phone 9 yeah, yeah, yeah, my real address was four or five 10 addresses down, and once I got that established, 11 everything was very well established and worked 12 through. But -- getting through that stage is very, 13 very difficult.

MS. FOSTER: I wanted to give Maxine andRobin a chance to jump in here and respond.

16 MS. HOLLAND: What we at Equifax really believe, we understand how difficult it is for fraud 17 victims to go through and do everything that they 18 19 need to do, and so what we do is give a special number to credit grantors, so if the consumer has 20 21 notified the creditor grantor before anyone else, 22 the credit grantor can give them an 800 number that allows them to speak to a live person. 23 It is not a 24 long BRU system, it says you can give an alert or press 2 for a live body. 25

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So, we recognize that, and I think I would 1 2 like to point out, as Deborah said this morning, I think there's always areas for us to improve. I 3 think it's getting better, but are we where we need 4 to be? Absolutely not. And we want to work 5 together, because not one entity is responsible for 6 7 identity theft, and not one identity is going to solve it alone. We must, must, must work together. 8

9 MR. McKEE: I would like to suggest, though, that that number not be given to the credit 10 11 grantors, but should be made more publicly 12 available. Many times consumers are getting turned 13 down for credit, that's when they request the credit report and discover that oh, my God, I don't have 14 all -- I didn't have all of these accounts, I didn't 15 request all of this stuff. But the credit grantor, 16 when they turned them down, didn't realize it was a 17 case of identity theft, the credit grantor turned 18 19 them down because they had too much credit. And so this phone number isn't making it to the consumers. 20 MR. PRATT: Well, when the consumer has been 21 22 declined and if they have gotten their file, then

they do get a number with live personnel available, 23 so at that point they do have live personnel.

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MR. McKEE: But often --

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1 MR. PRATT: I'm not saying it's the whole 2 solution, Philip, I'm just saying it's a question of 3 let's make sure that we know in the right order when 4 a consumer has acces to personnel.

MR. McKEE: I agree, but unfortunately the 5 6 live personnel at the dispute, at that line for when 7 the person gets turned down for credit, are not always the best trained on ID theft. And we do 8 9 have, we have heard lots of problems on that, 10 because they get told, they're telling me this is my 11 credit problem, it's not my credit problem, my 12 credit has been stolen. And they are not getting to 13 the right place in the reporting bureau.

MS. TERRY: If I can add to that, at Trans 14 15 Union, we have been working in credit fraud many years, but in 1992, we actually had a group of 16 dedicated associates that are familiar with that 17 type of crime, and very familiar, deal with it day 18 19 in and day out. We have 800 lines that go into this unit that over 100 associates that are there to talk 20 21 to consumers.

Further, to, you know, we certainly are looking at any way that we can assist the consumer victims in a better, more accurate way, but right now, we do feel, and I'm convinced of it even more

hearing some of the victims speak, that allowing them to talk to an individual, I mean immediately, is the most satisfying and timely way that we can help the victim.

5 MR. GRAVES: Could I interject something?
6 MS. FOSTER: Sure.

7 MR. GRAVES: In terms of that, my son was turned down for credit for a used car loan, and it 8 9 was turned down by Trans Union, that was the credit reporting agency that Lockheed had used at the time, 10 11 but we couldn't get to any people, you know, it was all still a menu driven thing, and because that's 12 13 the time that we first got notified of this, and he was only 19 at the time. Granted, I'm sure that 14 15 your databases don't really check on age, but, you 16 know, why didn't we -- this goes back to address 17 changes, why didn't we get notification of this spurious address in Georgia where there wouldn't 18 19 have been any traces for that social security number, or why didn't we get any kind of 20 21 notification that I was listed as my son's spouse. 22 You know, some of these kind of things would just be a little proactive to help in eliminating some of 23 24 these things.

25 MS. FOSTER: Maxine, did you want to

1 respond?

2 MS. SWEET: Well, we are at this point automated, and the good news of that is that it 3 makes our number available 365 days a year, you 4 know, seven days a week, 24 hours a day kind of 5 thing. We, too, recognize that we still need to 6 7 improve the access, especially when the automated system fails. But I would also point out -- well, 8 another point is that we only have the one number, 9 10 so no matter where you get referred to us, you will 11 always have the fraud option or the option for all 12 the different situations that you might -- why you 13 might be contacting us.

And then -- I lost my other point. 14 Oh, the 15 other point I wanted to make is in terms of one-stop shopping and how do people know and why do they only 16 have an alert on one file. We also, several times 17 have mentioned that we send out advice and 18 19 information and tips to victims, and that's part of the information that we provide is to refer victims 20 21 to the other two credit reporting companies so that 22 they do know that they should contact them and get alerts on as well. 2.3

MS. FOSTER: And that's also a part of what the Federal Trade Commission has done with its

hotline, when you call here to get information or to
file your complaint with the Federal Trade
Commission, in addition to telling you you need to
place these fraud alerts, we do provide the
information on consumer reporting agencies and how
to contact them and the other steps that you need to
take. So, those sources are available.

8 I want to go back to the floor, we only have 9 a few more minutes left, so I am not going to get to 10 everybody and I apologize. Let's go all the way 11 over here on the left.

12 MR. CARMODY: Frank Carmody from the New 13 Jersey Division of Consumer Affairs. Have the credit reporting agencies had experience with phony 14 15 claims of ID theft? In other words, just for that 16 person to perpetrate things where they've gotten 17 credit and don't want to pay for it type of things, and also, how much have they found collusion with 18 19 the credit grantors in putting phony applications, let's say, through in order to gain credit for 20 21 someone else on that side as to finding out that the 22 actual, let's say loan company or jewelry store or something, employee is doing it. 23

MS. TERRY: Diane Terry, Trans Union. Yes, we do get, you know, fraudulent documents. We've

received fraudulent police reports as bold as the 1 2 criminals are, they have no problem doing that. The collusion, that would be a very care rare unusual 3 4 situation, typically that's not the case at all in identity theft. 5 6 MS. FOSTER: Robin or Maxine, do you want to 7 add to that? MS. SWEET: Yeah, I checked, and especially 8

9 like in California with the police report, the
10 estimates are maybe as much as 10 percent of those
11 are fraudulent. So, just it opens the door.

MS. HOLLAND: We do get some of that as well, but we have a special unit within Equifax that handles those type of things and I really wouldn't want to comment on what we do to pursue that, but just as Diane said, we really don't have any knowledge of collusion.

18 MS. FOSTER: All the way in the back on this19 side.

20 MS. LEWIS: Janice Lewis from the U.S. 21 Postal Inspection Service, the victim witness 22 coordinator. My question is, are you standardizing 23 or thinking about standardizing processes for law 24 enforcement agencies?

I had a situation where some victims were

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contacting the credit reporting agencies and they 1 2 were -- some of the agencies were asking for case numbers or complaint numbers and other agencies 3 4 weren't. So, are you trying to standardize processes for law enforcement agencies? 5 Also, real quick -- that's fine. 6 7 MS. FOSTER: So, the question is standardizing processes for law enforcement 8 9 communication? Diane? 10 MR. PRATT: Let me just respond on behalf of 11 the industry and that is that I think it's a great 12 suggestion. We have been in touch with the Postal 13 inspectors in a couple of regards. One of which is to help with the effort to educate law enforcement 14 15 about the need to issue police reports and about the need to investigate the crime and what are some of 16 the criminal statutes that are out there on the 17 books today. But as an extension of that, I think 18 19 it's a great suggestion, that if we can work in our fraud areas to make sure that we're asking for the 20 21 same information and there's consistency there, that 22 seems to be exactly why we have this task force in place within our industry. I don't know if 23 24 individually the members have anything to add. MS. TERRY: Well, Mari had mentioned the 25

California law relating to police reports, and I do 1 2 know at Trans Union, long before that law existed, the police report was still a very vital part of 3 4 information that was supplied to us by the consumer victims. So, we've been looking at police reports, 5 6 you know, for years. But certainly the police 7 report and the California law changed our process, and we do accept them nationwide. It can be a 8 9 Postal report. We know Postal inspectors, we deal with them, you know, on an ongoing basis as well, in 10 11 the area of identity theft.

MS. FOSTER: Any questions? Right backhere.

MS. NEWHOUSE: Joan Newhouse. I'm not clear 14 15 as to who is responsible for the initial 16 notification of the victim, and to give a guick 17 antedote, which is similar to what Eric's experience I was speaking with a gentleman who was denied 18 was. 19 credit from a banker that he knew and had known for a long period of time. He then asked for his credit 20 21 report and found that there was another gentleman 22 who had the same first name and whose social security number was one digit off. This gentleman 23 24 lived in Houston, the person I spoke with lived in the Dallas area. They had different spouses, 25

different addresses, different dates of birth, the only thing that was similar was their first name, and their social security number was one digit different. And yet he had never been notified until he was applying for a mortgage on a second home, and this friend of his who was a banker had said this fellow is on your credit report.

8 MS. FOSTER: So, your question is at what 9 point does a consumer get notified of --

10 MS. NEWHOUSE: Right, and should there be 11 some responsibility if the person who picked it up, 12 I mean there was -- that would have -- it was a 13 mistake, it started as a mistake, and somehow their credit reports were merged, yet this person who had 14 15 -- was the one with the good credit and the other 16 one had very bad credit, was never notified by anyone that it had happened, even though they didn't 17 even have the same last name. They did not have the 18 19 same last name, the same spouse, the same date of birth or the same address. 20

21 MS. FOSTER: I think this takes us a little 22 further afield from identity theft into what the 23 bureaus I know refer to as a mixed file problem, 24 which is something that they work on and have 25 different processes to identify those types of

anomalies. Do any of you want to speak to that?
MS. TERRY: Yeah, I would think that sounds
like someone with very similar identifying
information but not credit fraud as we're talking
here on identity theft.

6 MS. NEWHOUSE: But whatever the notification 7 process would be would be the same type of 8 notification process that should apply to an 9 identity theft victim.

10 MS. FOSTER: It's a little different, 11 because usually the onus is on the consumer when 12 they discover that they are a victim of identity 13 theft to identify that to a consumer reporting agency, which may not necessarily know that this 14 15 information is anomalous or they think that one person has several addresses or that kind of thing. 16 So, it is a little different in the respect that if 17 it's not, you know, a fraud situation where a 18 19 consumer has been notified by multiple creditors that there are multiple fraudulent accounts, that 20 21 the consumer is usually the first person to know. 22 So, they are the ones on the front lines saying to the consumer reporting agencies, this is a problem. 23 24 So, in your situation, they found out because an alert creditor realized that there was this 25

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anomalous information, but unless it's picked up that way or by the consumer themselves checking their credit report or through some sort of anomaly package, there's no way, you know, that's the first --

6 MS. NEWHOUSE: So, there's no proactive 7 mechanism?

MR. GRAVES: Yeah, that's the problem, I 8 9 think. I mean there's enough technology out there to parse data and compare what's what. I know there 10 11 are all sorts of ramifications, especially like the 12 one that was cited like spousal abuse and stuff, you 13 certainly don't want information going to the wrong sources for those kind of reasons, but you don't 14 15 normally get notified of this until you're in a crisis, it turns into a crisis mode. You're trying 16 17 to apply for a home or you're trying to get a car loan. All of a sudden it's all stymied and you have 18 19 to go 360 degrees around and then you have to fight this as well. So, I don't see why it isn't really 20 21 the same thing.

22 MS. FOSTER: That is a topic that needs 23 further attention, I think, and in terms of being 24 able to monitor credit reports. We suggest that the 25 Federal Trade Commission recommends that consumers

check their credit reports at least once a year and 1 be very rigorous in that check for any information 2 that doesn't look right to you, inquiries that don't 3 4 look right to you, accounts that you don't recognize. But as Stuart mentioned earlier, there 5 are also processes that work where there are 6 7 packages that can recognize those types of anomalies and to be able to get that information readily to 8 9 creditors is, I think, really an annual goal would 10 help a lot.

11 I am afraid we have to stop now. We're 12 already over our time for our lunch break. We will 13 be reconvening back here at 2:00 for the panel 3, which is on credit information furnishers, and these 14 15 topics that we have discussed here, particularly one-stop shopping will be explored in more detail 16 tomorrow during the break-out session on one-stop 17 shopping. 2:00, please. 18

19 (Whereupon, at 12:40 p.m., a lunch recess 20 was taken.) 21 22 23 24

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AFTERNOON SESSION 1 2 (2:00 p.m.) MR. STEVENSON: I think we're ready to start 3 4 aqain. If everyone would like to take a seat, we would appreciate it. We're ready for our next panel 5 this afternoon. Before we start that, though, I 6 7 just wanted to mention a couple of things. Just a couple people said that a lot of this is about 8 9 raising awareness of what's happening, and I wanted 10 on that subject to make sure that everybody was 11 aware of the brochure that's in your pamphlet that 12 you received this morning When Bad Things Happen To

13 Your Good Name.

This is something that we at the FTC have 14 handed out to ID theft victims and that other 15 institutions have also handed out to ID theft 16 17 victims, and we just want to emphasize this is available to be reprinted and be handed out by your 18 19 organization. We can get you copies, Photo Ready or on ZIP Drive to get copies made, and we would 20 21 suggest this is a really helpful first step to 22 provide to the victims, and I just wanted to make sure that we didn't fail to mention that. 2.3

24 On the subject that came up this morning, I 25 think Mari mentioned the importance of making sure

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the law enforcers were aware of the information that's available to them when consumers provide it to us, and we would encourage any law enforcement people with interest in finding out more about that to contact us to (202) 326-2913 or by Email to Sentinel@FTC.GOV, S E N T I N E L to FTC.GOV.

7 And finally, for consumers reaching us, 8 obviously we would encourage you, if you have an 9 identity theft complaint, to call 1-877-ID-THEFT or 10 also visit us at the web site WWW.Consumer.

11 Gov/IDTHEFT.

12 With that brief commercial message over 13 with, we'll move on to panel three, Clearing up the 14 Victim's Credit History, and this is moderated by 15 Betsy Broder, Assistant Director from the Division 16 of Planning and Information, and also Bill Haynes, 17 who's an attorney in the Division of Financial 18 Practices here at the FTC.

MS. BRODER: Thank you. And did I mentionthat our toll-free number was 1-877-ID-THEFT?

Thank you all for being here. The earlier panel this morning addressed the issues with credit reports, cleaning up erroneous reports and other mischief left by the identity thief.

25 We're now going to go a little bit earlier

in the process for identity theft victims and talk 1 about how the victims report identity theft to 2 creditors and to law enforcement. Our consumer 3 education material that Hugh referred to advises 4 consumers to do three things immediately upon 5 discovering that they're victims of identity theft: 6 7 First, contact the three major consumer reporting agencies; second, contact each of the creditors or 8 9 other entities where a fraudulent account was opened 10 or where your identity was corrupted; and finally to 11 file a police report.

We're going to focus on the second and third of these issues this afternoon and ask if currently these practices are accomplishing all that they can.

As to the creditors, are they gathering all of the necessary information? Are their practices user friendly? Can it be made easier for the consumer, and are there opportunities to expand the use of the information that is given by the consumers?

We're not the first to ask these questions about streamlining and to suggest that there are easier ways of reporting identity theft to creditors and financial institutions. As Jody Bernstein noted this morning, this has been a subject of legislative
proposals, both in the Senate and in the House, and there was one proposal that called upon creditors and the consumer reporting agencies to draft a model fraud declaration and establish model protocols, and if they were unsuccessful in doing so within six months, the Federal Trade Commission would take on that obligation.

I say let's beat them to the punch. Let's 8 9 do it ourselves. We have distributed to everyone a copy of a model fraud affidavit. It's in your 10 11 packet. The participants in the panel and some 12 other folks have had this for a few days and have 13 given some clear time and thoughtful attention to this document, and so in the second half of this 14 afternoon's session, we'll go through this model 15 fraud affidavit and talk about what it does, what it 16 doesn't do. 17

We take no pride in ownership, although a 18 19 lot of work has gone into, thanks to Helen Foster, but what we do in this process is look to fraud 20 21 affidavits that are currently being used and to lift 22 out information that appears to us to be critical for the financial institutions and try to trim that 2.3 24 down, consolidate, and we would look to you for your comments and hopefully and ultimately your buy-in to 25

this system so that a consumer, a victim of identity theft need not fill out a different fraud affidavit for each creditor or financial institute. They would fill out this one form, attach their supporting documentation and send it to everyone.

But let's talk about the other point here 6 7 which is reporting to law enforcement, which is very important. We heard about it this morning. What is 8 9 law enforcement doing to take these complaints? 10 What are they doing with the information that they 11 receive from victims? Can they help victims in 12 reporting this fraud? What are police best 13 practices in dealing with victims of ID theft, and what about law enforcement that still does not see a 14 consumer as the victim of ID theft but still focuses 15 16 only on the financial institution that may have assumed most of the financial loss? 17

18 I'm confident that we can address and make 19 meaningful progress on these issues in the next two 20 hours or so. We have representatives from -- key 21 stakeholders in this discussion, from banks, from 22 creditors, law enforcement, and we also have the 23 guidance from victims, from consumer advocates and 24 others in this area.

25 So to this point I would like to introduce

our panelists, and let's get to work. Starting on my right, your left, our report performer Joe Genera who is a victim of identity theft and hails from Connecticut. Next to him is James Fishman, an attorney from New York City who has represented victims of identity theft. He's with the firm of Fishman, Neil & Armentrout.

8 Nicole I don't see, but Linda Foley, who has 9 confounded me by moving her space is the executive 10 director of the Identity Theft Resource Center. Oh, 11 my goodness, why did you do this? Jim Flynn next to 12 Linda is with the Bladensburg Police Department and 13 also is a key member of the International 14 Association of Chiefs of Police.

And Judith Welch sits next Thompson. She's an assistant vice president of Chase Manhattan Bank, and to my right sits Patsy Ramos from SBC Services hailing from California. To my left is William Haynes, who as Hugh said is an attorney, an expert on financial and credit laws from our division of financial practices.

And to his left is Barry Smith, the senior vice president for fraud, police and strategy with the Bank of America. Jack Jordan, no. Janine Movish is with, don't tell me, vice president of

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risk and fraud services, GE Capital.

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2 And who is sitting to her left? MR. JORDAN: Jack Jordan. 3 4 MS. BRODER: Thank you, and Jack Jordan is a lieutenant with the Los Angeles County Sheriff's 5 Department, and I'm hoping that Debra North -- that 6 7 looks nothing like Debra North, talk about identity theft, Werner Raes who is with the Anaheim Police 8 9 Department and who is also a long time concerned 10 person with the prosecution of identity theft. 11 Is there anyone between him and Shannon 12 McCallum? Yes, Debra North, a victim of identity 13 theft who is helping us out today and seeing these issues from a victim's perspective. Next to her 14 sits Shannon McCallum from Travelocity.COM who has 15 taken a lot of initiatives to address ID theft as it 16 affects his industry, and next to him Robert Cross 17 joining us from National City Bank. 18 What I would like to do, as I mentioned, is 19

hold off on our discussion of the fraud affidavit until the second half. We will be talking for about an hour now. We'll take a break and then reconvene and address the model fraud affidavit.

I would ask people when they talk to identify themselves by name, please. We have a new

court reporter, and it would be very helpful for her
 if she could get all the right names in the record.

I would like this panel to be as conversational as possible. I would like to see interaction between the members, to the extent we want to hear from you in the audience as well, but I would ask for the audience to more or less hold off until we can sort of develop a momentum on our own on this panel.

10 So I would like first to start out and ask 11 the question generally, and I think among --12 directed mostly to our creditors sitting on the 13 panel of what you found to be best practices that 14 have been adopted by your company for taking fraud 15 reports and proving the fraud for identity theft 16 victims and maybe, Barry, I will open up with you.

17 MR. SMITH: I would be glad to. We see disputes about identity theft and fraud applications 18 The most 19 coming in from several different ways. common seems to come in from our collection folks, 20 21 when they place a call to somebody and say, "Where's 22 our payment," the people that can't make a payment turn around and say, "I don't think I ever applied 23 for that card, that's not my transactions, I'm not 24 responsible for them." 25

1 Well, we've wrestled with this within the 2 bank going back and forth about just what do we do. 3 Here's a dispute. How do we resolve it as quickly 4 as possible and get back on track doing the day's 5 business and yet handling things correctly for the 6 consumer?

7 The process we came up with is we pull a copy of the application. We attach a questionnaire 8 9 to it, and we send it to the customer with a letter 10 that says, Please review the application, comment in 11 the questionnaire about the information on the 12 application, send it back to us within 30 days, and 13 if you read the application and you recognize the information as being yours, then you don't have to 14 go through the problem of sending it back. 15 30 davs later we'll resume collection efforts so we will 16 17 expect that you will have started to pay your bill.

We found this process to be very well 18 received by our customers, and we get back a 19 tremendous amount of investigative information. 20 21 People tell us that they did live at that address. 22 They tell us the name of the people. They tell us this may be an ex significant other. 23 It may be a 24 friend that lived with them for a little period of time that's gone out and applied for credit in their 25

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1 name.

2 In a lot of cases they just own up to the fact that -- or don't really come back to us and 3 4 tell us, but they just accept the fact that the application is really theirs. 5 60 percent of the documents that we send out 6 7 this way are just accepted by the consumer, so that means that more than 50 percent of the people that 8 9 are telling us on the phone that they don't 10 recognize the account, they have nothing to do with 11 the account, once they see the application, they 12 accept responsibility for it. 13 Now, of the people that send it back to us and say, "I had no part of that, however here's the 14 15 person that did," this is still a fraud application, and they are usually pretty happy to tell us how we 16 can get in touch with that person, especially if 17 there's been a relationship in the past and they 18 19 know where that person is today. Once we get that information, then we can 20

either go set up a billing account for the second
person. We can start collection efforts with them.
We can clear the bureau for the primary person
that's on the application if in fact they had
nothing to do with it, and everybody can get back to

1 their normal business.

2 In the cases that we get the dispute back and then proceed to find the other person to get 3 4 them to take responsibility for the application or the debt, about 50 percent of the ones that are 5 returned to us, we actually find the other person 6 7 and resume collection efforts with that other person, so that kind of skinnies the number down 8 9 quite a bit.

10 The other place where we get our 11 applications are, of course, just normal consumer 12 disputes coming to us because they found something 13 on the credit bureau, and they've contacted us. In those cases we do the same thing. We pull a copy of 14 15 the application, send it to them with the 16 questionnaire, and we get back a tremendous amount 17 of leads and information also through that source.

18 So I think that if there's something that 19 Bank of America feels that they're doing right in 20 regard to this dispute process, it's just this 21 because we are giving the people the information, 22 and we're letting them make the decision about 23 whether or not it's fraud.

24 MR. FISHMAN: I want to commend Bank of 25 America for that practice because I think you're the

exception. Most of my clients have a very hard time getting the application when they ask for it when they've been a victim, and often that can clear up the problem very early on, and I think Bank of America may be the exception in that area as opposed to certain other banks.

7 MR. SMITH: Thank you. But let me ask you 8 this question: If you can't provide the 9 application, then how can you continue with 10 collecting the debt?

11 MR. FISHMAN: I don't know that it's an 12 issue that they can't. It's that they won't, and I 13 don't know why they won't because it seems to me that your rationale of giving the application is a 14 sound one, and it should be one of the first 15 responses when somebody says, Fraudulent activity or 16 not my account because often I've seen -- finally 17 sometimes it takes litigation to get the 18 19 application.

20 And when I see that application in 21 litigation, I say, "Well, they didn't even spell my 22 client's name right, and if we had gotten that 23 application long ago, we could have cleared this up 24 long ago and we wouldn't be in this lawsuit now." 25 MS. BRODER: Let's see what the other

1 creditors are doing. Thank you, James. Patsy, am I
2 right, to SBC Services, what is your process?

MS. RAMOS: We're a telecommunications company, and our process differs depending on what region. Currently we've used the opportunity of merging companies over the last few years to go in and take a look to what the existing processes are in each of the regions and to try to pull out of there what is best practice.

10 And what we're aiming to do is to reengineer 11 the process to take in what we learn from the work 12 being done here and to centralize the claim handling 13 for all of the three regions.

So what do we do today? Basically, although 14 15 the processes differ, when we get a customer that 16 calls us to tell us that they have no knowledge of the telephone debt on their account, we ask them to 17 provide proof of residency during that period of 18 19 We do ask them in the states where they can time. place a police report to do that, and we ask them to 20 sign the affidavit, send it to us so that we can 21 22 exonerate them from the debt.

23 MS. BRODER: Do you provide them with copies 24 of the application for the account or any of the 25 documentation about the account?

That's a good guestion, and I 1 MS. RAMOS: 2 think it's probably typical for the telecommunications industry that the service 3 4 application is done over the phone, and it's not done in person. 5 6 MR. FISHMAN: Sometimes there's a tape --7 MS. RAMOS: No tape. MR. FISHMAN: -- over the phone. 8 9 MS. RAMOS: No, no tape, and so there is no application to provide the customer, and it also 10 11 brings up a question that we're kind of struggling 12 with right now. When a customer comes to us and 13 says that I have no knowledge of this account or we identify that they're serviced to a different 14 15 address and they become aware of this, they want the 16 information regarding that fraudulent account to try to understand where was the service installed, what 17 was the telephone number. 18 19 And we're struggling with whether or not -because of privacy issues and also because of risks 20 21 of whether or not that's information that we want to 22 provide to the victim of identity theft, our concern is that they may want to go by there and confront 23

24 the person which could be a problem.

25 MS. BRODER: I'm moving to the online world,

1 Shannon, what do you do to Travelocity?

2 MR. MCCALLUM: You bet. We're kind of 3 unique, the Internet is. It's growing every day. 4 We don't actually issue credit. You dial in or you 5 go through your web browser to our site. We are a 6 web portal so you use your Internet service 7 provider. You come to us looking for airfare, 8 hotel, rail, et cetera.

9 We provide a list of those services. We take your transaction online, pass it through to 10 11 that actual carrier, for example. What we see is 12 identity theft left and right, hotels, rental car 13 agencies, et cetera, et cetera. Your information is mined there. Usually they have the right to have 14 15 that. They are a merchant. They've already 16 verified your billing address, and perhaps you're 17 open to buy.

We say, "No, you have a little bit more left." They come to our site or any of the Internet sites, and they establish a profile to conduct business, and they pose as you and in turn book a flight for themselves or somebody else who needs to fly, and most of those flights are related to other criminal enterprises.

To this time, when we do find out that a

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flight has been booked through ID theft as far as 1 use of credit card, we want to immediately --2 because we can pinpoint people usually to a 3 4 particular space and time, to an airport terminal, to a city on a particular date. 5 We want documentation right then and there from the true 6 7 credit cardholder, and we get that from the issuing bank. 8

9 And we need something from you right a way 10 that a police department will take, and we've been 11 very successful with this program, with the port 12 authorities, with the airport police, with the 13 federal agencies if it's an out of country, and 14 we're to 100 percent prosecution right now.

MS. BRODER: It seems to me a pretty fast turnaround for a consumer to realize that their account has been accessed in order to obtain travel.

18 MR. MCCALLUM: It is, absolutely.

19 MS. BRODER: And you're able to be there at 20 the gate to welcome the traveler home. How often is 21 it that a consumer would be aware that quickly?

22 MR. MCCALLUM: Probably one out of every 23 five, but we still feel like that's a good rate, and 24 we're trying to increase that every day. Being an 25 Internet company, there are certain Email accounts

that you can just imagine that are only used for
 fraudulent purposes.

They get to us by using an IP address which is a definite string of numbers. We report that to the ISP security department at the individual Internet service providers. We do everything that we can. It is literally a net that we throw out. I try to catch as many people as we can.

9 With that in mind, we need something, either 10 something that's been provided to the issuing bank 11 as far as an affidavit or we have a little to go by 12 form that we hope to replace with something more 13 permanent.

Once I give that and it's notarized, most police departments, with us also being a victim, and under UCC since we do not collect a signature, it's all on us so we are a victim, and we will send in a statement usually from my office backing that up, and then we can do the apprehension after that point.

21 MS. BRODER: I would like to call on some of 22 our victims. We've heard a lot of discussion this 23 morning already on barriers that you encountered in 24 trying to establish that you were victims of 25 identity theft, but I wondered if you could point to

1 any best practices that you encountered also,

2 companies that you called or entities that you dealt 3 with where you said, Finally they get it, and 4 they're responding. Joe and Debra?

5 MR. GENERA: It seems like we've had the 6 most success with companies that did what they were 7 supposed to do, immediately sent us a fraud 8 affidavit. We filled it out, sent it back, and very 9 soon thereafter they went away.

10 The toughest one we had to deal with was a 11 credit card that for a year and a half I mean 12 literally on Saturday afternoons would call us up 13 cursing, their collections department call us up cursing, swearing. We're like, We're not even 14 15 supposed to be talking to you, we're supposed to be 16 talking to your fraud department, but eventually 17 even they went away.

Again I think it's pretty much the ones who 18 19 listened and also did what they were supposed to do as far as providing a fraud affidavit, have us fill 20 21 it out. We got them notarized and sent them back, 22 and for the most part I believe there were five of those that went away cleanly. There were three that 23 24 we contacted initially that we've never heard from since, but they have disappeared for the last few 25

years, so we don't know -- what worries about that is that they may come back to some point as some creditors do, will come back at some point, either show up again on the credit report or start hounding us for the money.

6 One of them we're talking about, we got 7 cleanly out from, we have actual letters from them, 8 yes, this is a fraud account, we won't be bothering 9 you anymore.

MS. BRODER: I'm going to ask people, we're kind of squeezed in here, but we need both mikes in order to be picked up. How long was the process for those banks or entities that had good practices and got back to you?

MR. GENERA: The first three legitimately went away -- I believe we notified in November, they went away by January or February, so three -- about two or three months. Average for the good guys were about six months, and the worse one that did go completely away was about a year and a half maybe.

21 MS. BRODER: And Debra, I know that this is 22 a fairly recent occurrence for you, but were there 23 any times where you called a bank or creditors and 24 you said that they were very responsive, and you 25 could describe what some of those practices were

1 that they helped you with?

2 It's only been two and a MS. NORTH: Right. half months, so I don't think I've given it enough 3 4 time to get the complete response, but the customer service department is friendly enough and they take 5 your information, but as far as forwarding you to a 6 7 fraud department and finding out that they're actually following up with it, I had one creditor 8 9 who took the information and said they would take 10 care of it, and I said, Please send me a letter 11 confirming this discussion.

12 And they sent me a letter, but they 13 addressed it to the other person, so that was 14 upsetting, and it just continues to -- I don't think 15 they really get the picture or listen to the story 16 sometimes, and I think the fraud department and 17 these institutions could really be worked on.

MS. BRODER: Were there any other thoughtson best practice? James.

20 MR. FISHMAN: Yes, one that I think you 21 touched on briefly is whether you get hooked up to 22 somebody in the customer service department or the 23 fraud department makes all the difference in the 24 world, but one thing I hear all the time from 25 clients is that every time they have to call in,

they get to deal with somebody different from
 scratch and start all over again from the very
 beginning.

4 For some of the people who have maybe the more severe cases, I don't know, but if they were 5 assigned a fraud assistance person in the fraud 6 7 department who knew their problem from the beginning and they didn't have to go over it every time, who 8 9 they could get a direct line to and not have to be 10 on hold for 20 minutes or so, that would go a long 11 way even just to give the consumer a sense that they are helping them and not feeling like just a number. 12 13 MS. BRODER: Robert Cross, what do you think

14 about that?

MR. CROSS: Well, we have a distinct advantage of being a relatively small credit card issuer with several million credit card accounts, and we do that. We assign a case worker in every case that comes up, and they work the case and work with the consumers.

They also have affidavits customized for each type of fraud. We've got for account take over, you wouldn't necessarily want to provide that information, and you do have to be careful and make sure you're not conversing with the wrong parties,

1 so it's always a challenge.

2 Let's talk about that. MS. BRODER: MS. FOLEY: May I jump in for a minute? 3 4 MS. BRODER: Please do, Linda. Linda Foley, and besides being a 5 MS. FOLEY: victim advocate, I'm also a victim of identity 6 7 theft. For those who don't know, my employer stole my identity. The information I gave her in terms of 8 9 employment was what she took and used to buy her 10 credit cards and cell phones. 11 I found out quickly because Citibank VISA 12 called and wanted to confirm a change of address 13 which got me on the process. The only way I found

out who was doing it and I found out so rapidly was Is I was able to get an application form from First USA. that was how I could point to the person who did it.

18 The police were out there with a search 19 warrant within three weeks. It did end in 20 conviction, and she was eventually -- she is a 21 convicted felon now out on probation unfortunately. 22 You would always like to see more, but the idea of 23 getting an application, and we're going back to that 24 again, is so important.

25 The one group that I couldn't get an

application from or any information from and I had 1 2 to argue and argue and argue was Pac Bell, which again is in the telecommunications area, and I hear 3 4 it over and over again from victims. It's almost easier to get an application form, whether it was 5 given by telephone, by the Internet or by mail, from 6 7 a credit card company than it is any company in the telecommunications industry, so that is a concern. 8

9 I do think they need to see those application forms. First USA did have someone who 10 11 worked with me step by step. When I had problems, I 12 simply called back that exact same person, and I 13 said, Hi, it's Linda Foley again, I've got a They pulled up my file, and I didn't have 14 problem. 15 to spend ten minutes explaining the whole thing 16 aqain.

I have a sheet back there, and I think we 17 need directed victim assistance personnel all the 18 19 way down the line from the credit card companies, the credit reporting industry, the CRAs, law 20 21 enforcement. We need someone who works with these 22 people. It doesn't have to be everyone. Some cases can be handled easily, but on these worse case 23 24 scenarios, they do need that assistance.

25 MS. BRODER: It's interesting. We've heard

this several times today that if consumers were only given access to the application form, it would really go a long way, and, James, you've mentioned that sometimes you've had to actually litigate to get access. How successful have those litigations been?

7 MR. FISHMAN: Once you get the -- just looking from a problem solving perspective, once you 8 9 get that document and you say, Here's the signature, 10 it doesn't match, it isn't even close, they didn't 11 even spell the name of my client correctly, so the 12 chances that a court is going to find that my client 13 is the one who opened this account is pretty slim, and those cases tend to get resolved. 14

15 But as I said before, it shouldn't have to 16 qo that distance. I'm sure that -- as an attorney I try to avoid litigation, I really do, because it's 17 very often not in my client's interest either, but I 18 19 find that I am often forced as the only -- the only way I can go to solve the problem is to go that 20 21 route when my client has tried and failed and I've 22 tried and failed.

And it does raise another problem, which I want to mention, which is as an attorney we -- as the FTC has said that we are covered by the Credit

Repair Act under the FCRA, and that makes it more 1 2 difficult for attorneys who really want to help consumers who have been unable to help themselves, 3 4 and that's something I want to throw out to the FTC to change so that it is easier for lawyers who want 5 to help consumers to do that because what we're 6 7 forced to do is bring lawsuits because that's exempt under the act, but non litigation resolution is 8 9 covered by that.

10 So that's something that would make it a lot 11 easier for lawyers to help consumers who have been 12 unable to do it themselves.

13 MS. BRODER: Thank you. I think I want to open this up a little more for our law enforcement 14 15 participants too and to talk for a little bit about 16 the balance between making it easy for consumers to 17 report fraud but also making certain that they are bona fide victims and not simply people trying to 18 19 get out of debt.

20 So I think this actually encompasses all of 21 us, whether law enforcement and private industry and 22 our victims on the panel, but I would ask, Jim, if 23 you have some thoughts on that and taking reports. 24 MR. FLYNN: Well, I'm an advocate of the 25 police throughout the nation taking reports, the

initial report from a victim. Sometimes we get a
little lazy. Sometimes we don't want to take a
report, but regardless, I've put it to my chief of
police who has taken it to the International
Association of Chiefs of Police.

6 They are presenting it in November, I 7 believe it is in San Diego, to make it a national policy. Don't know if it's going to happen. 8 9 They're going to present it. It probably is going 10 to take at least another year for it to become 11 standard throughout the United States, but we are 12 attempting to get that pushed in one direction, and 13 that is for -- if you are the victim of identity theft or fraud, that you should be able to contact 14 15 your local police department where you live and 16 report that.

We take accident reports. We take theft reports. We're not there when the theft occurs, but we take the report anyway. 90 percent of the time we're not there when the accident occurs, but we take the report anyway.

22 So there really isn't a reason why we 23 shouldn't because it doesn't qualify as an actual 24 crime to that point in time. We just want the 25 report written that there is a victim, that the

officer specifically met with that individual and
 that a report was written.

Now, the flip to that for most people that don't understand is that that means that you are reporting to me that you're the victim of fraud. I really don't know who you are any more than I know who most other people are.

So while I'm taking this report and 8 9 everybody is real, real comfortable now that the 10 police officer is taking that report, you want to 11 keep in mind that the officer doesn't know these 12 people that are making the report. He's only going 13 to try to do the same thing that the banks and everybody else are doing, and that is look to some 14 15 identification and things of that nature.

16 If you have good false identification 17 documents, passports, things like that, you could 18 probably scam most of the police officers out here 19 to a certain degree, so we're not the total answer, 20 and why the bank would require a police report when 21 the bank's not going to get a scope of the police 22 report, they just want the number.

I've been doing it for 21 years. I've
gotten five requests from the bank regarding those
reports, so why they want a number, I don't know,

but they want a number. I personally believe that if that's what they request, they should get one. I also believe in the FTC's database, and I will club this forever, if you're the victim of fraud and you have a police number, a case number, report it to the database.

7 And the reason why is because that database does 80 percent of the work that I used to have to 8 9 do for the last seven years. I'm the quy that you're calling. I'm not -- not me specifically, but 10 11 I'm the quy that you're calling, and if I can have a 12 computer system who's getting all the information 13 inputted into it by someone else and the only thing I have to do is access the information, 80 percent 14 15 of my job is done.

16 I can go out and catch bad guys all day That's what I do for a living. Sitting 17 lonq. around talking on a telephone and asking if the bank 18 19 has gotten an affidavit of forgery, whether you've sent us an affidavit of forgery and how many 20 21 different credit cards were compromised, it really 22 doesn't matter to me, the law enforcement officer, because I want to catch the bad quy. 23

I already know you're the victim. I feel bad for you, but to ten o'clock tonight when you're

in bed going to sleep, I'm the one that's out here hitting the door with a ram trying to get into the house to get the evidence to catch the bad guy. That's how I do my best for you, the victim, is to catch the bad guy.

So the FTC database and their hot line 6 7 number takes care of all of those problems that I've had to deal with for six years and that's, Feel 8 9 sorry for you, try to help you out and get you in 10 contact with the different credit reporting 11 agencies. These are the type of things that that 12 database does and that hot line does, and I'm a big, 13 big strong believer in it.

14 My best friend, who's a lieutenant from 15 Metropolitan Police Department, two weeks ago became 16 the victim of identity theft through scamming or 17 through skimming his credit card. He was unable to 18 get the information from the bank. He's a 19 lieutenant for the Metropolitan Police Department, 20 and I'm a sergeant.

I make one telephone call. I can get everything in the world. He's a lieutenant, can't get anything. They delivered the product that was purchased with the card two days after the fraud was reported, two days after, and they wouldn't tell him

1 where it was being delivered.

So when you all start deciding that law enforcement is really going to help out and do all that, I'm going to tell you if you're going to deliver two things two days after the fraud was reported, I'm not going to go real, real hard on this case, okay? I've got 4,000 cases. People that really want to work them, I'll work with those.

9 A bank's going to give the property away and 10 come back three months later and ask me to go and 11 investigate the case, I'm just telling you I'm not 12 gonna, so that's where we wind up with law 13 enforcement. We are trying to get the banks to work 14 with us. We believe in the victim being the victim, 15 not a suspect in the crime.

16 We feel for you. We want to catch the bad quy more than you do, so what we want you to do is 17 be very, very adamant with, number 1, law 18 19 enforcement that you want just a miscellaneous incident report, just an incident report that says 20 21 you're the victim of fraud or identity theft. 22 That's all you want, just a case number, and then report that because now we have a centralized 23 24 location that we can find the actual victim to the crime anywhere in the United States through the FTC 25

1 database.

| 2 | I'm a big, big I push for it. I believe |
|----|--|
| 3 | in it, so that's where we are. You've heard it from |
| 4 | law enforcement because I'm the guy you're going to |
| 5 | call. Like it or not, this is what you get. |
| 6 | MS. BRODER: I would just put in a plug and |
| 7 | then we'll go to Joe that usually in our ID theft |
| 8 | hot line, we receive about a thousand calls a week, |
| 9 | and as of this morning Kathleen told me between 9:00 |
| 10 | and 11:30 we received almost 200 calls, so clearly |
| 11 | this is touching a nerve, and we know that. |
| 12 | Joe, something to add? |
| 13 | MR. GENERA: Yes, I would like to ask a |
| 14 | question, this is open both for law enforcement and |
| 15 | the credit providers, credit grantors. It seems to |
| 16 | me when we're talking about ID theft, that there are |
| 17 | two crimes going on here. You have the identity |
| 18 | theft and that fraud in and of itself which is a |
| 19 | crime against me. |
| 20 | But it seems to me the greater crime to |
| 21 | times is going to be against the credit granter, |
| 22 | okay. If Citibank or Discover is out \$15,000, then |
| 23 | they have been stolen from. They didn't take money |
| 24 | from me, so if that's the case, I have yet to hear |
| 25 | both talking to victims and our own experiences, |

I have yet to hear whether or not credit grantors 1 2 are pursuing these perpetrators of these crimes through criminal or even civil means? 3 4 MR. RAES: Can I respond to that? MS. BRODER: Of course. 5 MR. RAES: Werner Raes from Anaheim PD. 6 7 I've been involved over the last 28 years, the last 15 years specifically in identity theft cases. I've 8 9 spoken throughout the country, written numerous 10 articles on this, et cetera. 11 It's not a problem that we're going to solve 12 in the room today, but it's one that I told the FTC 13 director today we want to become aware of, and I want to share just a few minutes to answer Joe's 14 15 questions in sort of a round about way the 16 perspective from law enforcement, okay, because

there is a little bit more to it than my esteemed colleague I think at the other end of the table 18 19 shared with you, and I would like to share my 20 perspective.

17

There is civil and there is criminal law in 21 22 this country, and a lot of what has been discussed openly today revolves around procedures, policies 23 24 and civil wants and needs. We all want things. We all wish things, but unfortunately law enforcement 25

1 is somewhat tied to a codified set of rules and 2 regulations in each state called the penal code, 3 okay?

Now, we want to help victims. I'll bend
over backwards to help victims. For the last 14
years I've been on a whirlwind talking tour talking
throughout this country speaking to legislators,
senators, everybody that will listen.

9 However, being tied to the two of these 10 codified rules and regulations, I'm here to say that 11 this is not one stop shopping as far as law enforcement is concerned. I wish it could be, 12 13 underline wish. It is not. We have two different crimes to deal with on almost every identity theft 14 case, what we've referred to as the front end crime 15 and the back end crime and, Joe, this kind of goes 16 to where you're headed I think with your question. 17

The front end crime is the individual, human 18 19 being who is impersonated and had their identity stolen, and in California and most other states this 20 21 is rapidly coming a law to do this. Right wrong or 22 indifferent, that law is usually a weak misdemeanor version. I don't care what the legislation puts 2.3 24 forth, if it's a felony, a wobbler or whatever. Normally that's a weak misdemeanor case. 25

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The bigger crime for the book, not to the 1 2 victim, is the back end. The back end is the financial institutions that Joe refers to. Now, in 3 4 order for us to solve the front end case because, by the way, we will take reports and I advocate we do 5 6 take reports throughout the country, if you're a 7 resident of the city, that that law enforcement agency generates a report and takes that report, so 8 9 I want to go on record as saying that.

10 However, having said that, the back end 11 crime is what the district attorney wants. Aqain, this goes back to wants, wishes and needs. 12 Ιt 13 doesn't matter what you want, what I want. The DA is the person that's going to file and stamp that 14 15 thing against that crook, and if the DA says, and 16 they say routinely, the only cases we're going to 17 file is where we can show the back end crimes, the monetary losses and we can fly those witnesses in on 18 19 the bigger cases.

In other words, Joe, you came to me to Anaheim and you say you're the victim of identity theft, somebody is using your identity in Georgia, New York or whatever. We'll take your report. To prove your case I might have to send and allocate resources to Georgia, New York, et cetera, et

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cetera. Keep in mind too that the feds normally
 won't work a case unless there's a hundred thousand
 loss.

4 This is not bad mouthing my fellow federal agents. They have a lot of big fish to fry, okay, 5 and there are exceptions, but generally they want a 6 7 hundred thousand dollars loss, so, Joe, getting back to the example, I now have to allocate resources to 8 9 go to where, Georgia, New York, whatever, or I can 10 network over the phone or the Internet to have that 11 back end resolved.

Let's say everything comes to fruition, 100 percent solvability, okay, the bigger case, the better case is filed in the jurisdiction where the back end occurred. Most people would agree, so that leaves you, the frustrated victim back in Anaheim saying, Well, what about me, what are you going to do, what about my case.

And the DAs normally are going to say, Well, it's been adjudicated in another jurisdiction, I'm not paying to fly X number of witnesses from New York in this example to Anaheim or California to prove again what is going to ultimately be, and I'll call it my words, a weak misdemeanor.

25 So I think this -- that's part of the

awareness that I want to share, okay. It is not that law enforcement doesn't want to help victims or that we give people the run around. I think there's a total lack of awareness and understanding of the procedures that have to be involved.

6 The simple example I give is if you buy 7 something to Sears you've got to return it if it's 8 defective to Sears. You can't take it to Penney's 9 just because we do the same kind of a job, kind of 10 sort of the same but not really, and we are bound by 11 the penal code to effectively enforce the rules 12 within that code.

13 MS. BRODER: I don't want to get too far afield here because we're really talking about the 14 15 challenges of prosecuting a case that has victims around the country and victims in different 16 17 perspectives, and so I think what I would like to return to somewhat is the balance between we 18 19 encourage consumers to get copies of police reports. It's an indication of the authenticity of the crime 20 21 against them. At the same time we're telling, we're 22 asking credit grantors and others to consider the burdens that they impose upon consumers in 23 24 establishing that they're victims of ID theft, and there's a little bit of a tension there. 25

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So I quess I would ask some of the 1 creditors, and maybe, Judy, I'll ask you whether 2 Chase requires copies of police reports; if so why; 3 4 what could be a substitute document for that, if anything, and maybe some others on the panel could 5 jump in, and if the victims think that if it was a 6 7 real burden to get a police report, what that means to you, so starting with Judy from Chase. 8

9 MS. WELCH: Chase does require a police 10 report generally, although it's a case by case 11 basis. We want to make sure that the consumer is 12 going to be there to prosecute with us should that 13 ever come about, and that's why we request the 14 police report.

In lieu of a police report, again the prosecution is the issue, so I'm not sure what we would get in lieu of a police report to solve that problem other than something signed by the consumer saying if it is ever prosecuted I will be there with you to testify. I don't know what else.

MS. BRODER: So you require the actualpolice report attached.

MS. WELCH: No, no, just a number.
MS. BRODER: Just a number. And what does
that indicate to you?

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MS. WELCH: That it has been filed. A lot of that I think has to do with friendly fraud. If it's a relative, we want to make sure that again they will prosecute.

5 MS. BRODER: Linda.

MS. FOLEY: I would like to jump in on that. 6 7 I work with a lot of victims, and I currently have three cases right now where the victim knows who the 8 9 imposter is. It's a member of the family. They 10 don't want to turn this over to the police. There's 11 a lot of family issues. They are trying to get 12 letters from the relative who did this to send on to 13 the credit card company, to send on to the 14 collection agency.

15 They're not accepting that because if you're 16 not serious enough to file a police report, then 17 you're probably trying to skip out a bill. That's 18 what they hear repeatedly, so if it's a family 19 member, they don't want to file a police report, 20 it's brother, it's mother, it's spouse.

They're in a catch-22. They can't clear it with you because you guys won't take them seriously, and, Barry, you've talked about that as well that you have a lot of them that don't come back. It could be a family member, once they see that

1 application form and they're trying to deal with it 2 inside the family, but it's not a case of identity 3 theft. Then what?

MS. BRODER: Janine and then Patsy.

4

MS. MOVISH: This is Janine Movish with GE 5 Capital, and we issue private label credit cards, 6 7 and I just want to mention something that Werner said as well. We don't require a police report, but 8 9 we do send out an affidavit, and we do send a 10 closure letter to say we've taken care of this, 11 we've cleared your name with the credit bureaus, but 12 we handle thousands of cases a month just like law 13 enforcement, so we too have certain standards and procedures that we have to follow to say, "Are we 14 15 growing to call the police on this one."

But certainly if law enforcement calls us, we cooperate with them, and we do everything that we can to provide them what they need for their investigation.

MS. RAMOS: Similar with us. We like to encourage the customer to file a report with the police department because we've had many successes, and they're doing that, and there was some local law enforcement agencies that the same day that the customer files their claim, they're out there
1 knocking on the door and arresting the suspect.

Now, although we know it's not like that in every jurisdiction, we don't know which ones will and which ones won't take that kind of aggressive action on the case so we like to encourage that they file a report for that reason.

7 MS. BRODER: To the extent that the credit 8 grantors are also victims of this, do you report 9 these independent -- these instances independently 10 to police when you take the hit?

MS. RAMOS: When we have a large case we do call law enforcement. In fact, we have several going on right now, but if it's a case of a \$1,500 account or \$2,000, again we have thousands of cases a month as well so we have to set standards where we charge off and where we pursue with law enforcement.

MS. RAMOS: I think we get as frustrated as the victims sometimes in their dealings with law enforcement to work the case, that depending on the agency and what their priorities are, we too have a hard time getting the case worked by law

22 enforcement.

23 MR. RAES: Betsy, I just want to make a 24 comment on that. I think again we need to 25 understand with law enforcement, we're more than

willing to work these cases, but we are bound by jurisdictional issues. In other words, say a phone company files a case in one jurisdiction, it may not be the same jurisdiction as the identity theft victim.

6 If again Joe comes to me and he files a case 7 of misuse of a telephone account or whatever or if somebody opened it in his name, we can bend over 8 9 backwards to help him but if this occurred in 10 another jurisdiction maybe two counties away, in my 11 case that might be San Diego or San Francisco County 12 ten hours a away, I can't legally go and file that 13 case.

Even if I wanted to go and investigate it, how am I going to file that case, much less in New York, Texas or wherever where it becomes more exacerbated. You can't with law enforcement look to it as one stop shopping because of the laws.

MS. BRODER: So am I the only one that is
very curious to know how Travelocity has 100 percent
prosecution rate.

22 MR. MCCALLUM: Well, let me clarify that. 23 It's not 100 percent. That's my goal. I started in 24 May with the company, and everybody I could get my 25 hands on -- we do ask for the statements. We do ask

for the police reports for several reasons. If we can make an apprehension at the airport, and the carrier's security departments are cooperative, we'll do it, and our rate is one out of every five since that time.

6 The other thing is my understanding is these 7 police reports feed Consumer Sentinel, is that 8 correct?

9 MS. BRODER: We would like to receive data 10 from as many sources as possible, and we not only 11 get our sources from the consumer calls and Emails 12 that we receive but also from private contributors.

MR. MCCALLUM: Very good, and then also the Uniform Crime Report. If we're having an outbreak of identity theft, then those that allocate the funds need to know about it so that's another piece of that.

18 The other thing is too like Barry was 19 mentioning unfortunately we have a certain amount of 20 persons who take a trip to Hawaii, get back and 21 decide not to pay their bills, and we can't call 22 every hotel, but those that we do verify that they 23 were there. When you ask for a police report or a 24 statement, those problems go away.

25 So as a business interest coming from a law

enforcement background, I have to put on that hat too, I have to do that for my company. I have to ask you to at least to a minimum call your PD or your SO or your federal agency and put in that report for me.

Shannon and the rest, I would 6 MR. RAES: 7 like to also mention that Consumer Sentinel is a wonderful product, but it is a tool in law 8 9 enforcement's tool box. Anaheim does belong to the Sentinel, and there's a valuable database there, but 10 11 I think we all need to understand that neither the 12 FTC nor Sentinel take over complete case 13 investigations nor do they file criminal complaints. They only handle things from a civil 14

perspective or a clearinghouse perspective, so back to law enforcement, which this panel's focusing on, we use Sentinel and other tools in that tool box to establish jurisdiction, to validate if a crime has been committed and then to try to pursue that on behalf of both victims, front end, back end, et cetera.

But I think it's important to know because I know a lot of my federal detectives I speak to don't understand some of the good and some of the things that can't be done with Sentinel, so it's a tool,

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1 but we need to learn to use it like anything.

2 MS. BRODER: I would emphasize here, one of the benefits that we think Sentinel and the ID theft 3 4 clearinghouse component of Consumer Sentinel offers to law enforcement in the context of identity theft 5 6 is a way to aggregate data so you don't simply see 7 an independent complaint, but rather you can see a pattern of complaints, and therefore you can more 8 9 likely reach your threshold of financial loss by 10 looking into the database.

11 It's not just one person who's been 12 victimized by someone at this address, but it's a 13 dozen of them, and quickly you have a big case there 14 that's more attractive to law enforcement, so we do 15 think that it offers that promise, but thank you 16 very much for the plugs. Bill?

17 MR. HAYNES: We've talked about prosecution, police reports. I would like for us to turn to how 18 19 you deal with consumer reporting agencies, both from the perspective of the creditor being contacted by 20 21 the consumer reporting agency and the creditor being 22 contacted by the consumer and then contacting the consumer reporting agency, what has worked 23 24 particularly well? Are there any problems that people see? 25

So I would like to turn to the creditors.
 Maybe Janine could start on this issue.

MS. MOVISH: Sure. We have a strict 3 4 operating instruction guideline that we follow. Ιf someone is the victim of fraud, after we send out 5 the affidavit, it's returned, we send a closure 6 7 letter to them stating we're going to delete all this information from all three credit reporting 8 9 agencies.

10 Our system automatically sends a message to 11 all three of the agencies to delete that from the 12 credit bureau.

MR. HAYNES: Does it work effectively?
MS. MOVISH: Yes, it does. It's automatic.
It goes to the bureaus, and then as soon as they get
tapes from us and as soon as it's reported to them,
they delete it from the victim's credit bureau.

18 In the meantime if there is a lag say 30 to 19 60 days, they have that letter, so if they're going 20 to apply for a mortgage, they have that letter from 21 us to state that they were a victim of fraud, this 22 has been cleared.

23 MR. HAYNES: What about the situation where 24 we heard this morning things reappear? Do you see 25 that yourself, that you've sent it to the credit

1 bureau to take it off and then somehow it gets back 2 on?

MS. MOVISH: I don't see that very often. MNN MOVISH: I don't see that very often. When my fraud investigators work a case, they work it. It's closed. It's done. If we get some calls like that, it's very far and few between.

7 MR. FISHMAN: I would like to say something on that score. James Fishman, New York. This is 8 9 something that I see a lot of, and I think the 10 problem may be that when can you send a UDF or 11 Universal Data Form to the reporting agency saying 12 delete or whatever, you're supposedly certifying on 13 that form that you have also deleted it from your own records. 14

15 And that often is not the case, and I see 16 lots of situations where I even get a copy of the UDF for from my file, so I know it was sent, but 17 then a year later that trade line is back on the 18 19 credit report, and when I contact the credit reporting agency about it, their response is, "Well, 20 21 it was rereported because it was never fully deleted 22 from the creditor's records."

23 So I think it's a two step process, and 24 simply telling the consumer that we've notified the 25 credit bureau to delete is only half the story, and

they can't rest assure that it's not going to come back unless you've also certified to the consumer that you've corrected your own records.

4 So I think that's something consumers need 5 to be aware of to get that two step assurance and 6 not just the first step.

7 MS. MOVISH: I can't speak for B of A or 8 Chase, but we are required to keep accounts on our 9 books. We can't just delete a record completely 10 from our system. The account is closed. It's 11 notated. No one can reopen it, and there are notes 12 stating to that effect.

MR. FISHMAN: But they do find their wayback.

15 MS. MOVISH: Yeah.

MR. FISHMAN: And some banks have more problem with this than others, and I don't know if it's a way of designing your system so that that can be safeguarded better, but I think that is something that banks need to look to and find a way to make sure that it doesn't leave your hands again.

22 MR. HAYNES: Barry I think has got something 23 to add.

24 MR. SMITH: Jim, I'm baffled that people 25 talk about it coming back a year or so later because

once an account is blocked as fraud, it's going to 1 2 move through a process and be charged off. It's going to be blocked as a fraud account. It's going 3 4 to be charged off and considered dead on the books. Ideally, not always the case. 5 MR. FISHMAN: 6 MR. SMITH: Again, we can't talk -- I can't 7 talk for every bank. I can talk to some of the banks that I'm familiar with and of course our own 8 9 bank. It's marked as a fraudulent account and moves 10 through the system. Now, if some bank misses it as 11 a fraud account, and it ends up moving through a 12 collection account or doesn't charge off or is 13 reenaged or something like that, some sort of exception process, then I can make stretch the 14 15 imagination and understand that it's out there for 16 more than a year.

But I know that in our case after 90 days that account is going to be gone from the books. If's going to be charged off. It's going to be marked as fraud. Social Security number is taken off it, and it's certainly flagged as do not report to the bureaus, so I can't understand how those can come back on.

24 MR. FISHMAN: I don't either, but it does 25 happen, and I don't work in banks so I don't know

1 what systems are being used, but it is a very common 2 problem that this stuff just comes back out of the 3 blue.

4 MR. SMITH: I have no doubt.
5 MR. FISHMAN: And it's extremely
6 frustrating.

7 MR. SMITH: I have no doubt that it does and I think, go back to the statement that said working 8 9 with the people that are attempting to do this right 10 or do it right and the process is not as painful as 11 it is in some of the other areas, so maybe we ought to look to just where these accounts are coming 12 13 from, and maybe we can take a sample of them and try and trace them back, maybe turn them over to the 14 15 bureaus and ask them exactly where did they come 16 from.

17 MR. FISHMAN: I think you hit it a minute ago when you talked about accounts that are put out 18 19 for collection. I know that some accounts go to secondary and tertiary collection and maybe even 20 21 beyond that before it eventually works its way back 22 to the bank, and maybe that's the year we're talking about, that it's been out there from one agency to 23 24 the other.

25

MR. SMITH: That's possible too because that

does pop into an exception process. If an account 1 2 is moved through the collection process because we haven't been able to contact somebody and it charges 3 off and those accounts end up being sold somewhere 4 else and now the collection agency comes back and 5 6 contacts the victim through a skiptrace and says, 7 "You're the person who owns this," and the person says no and starts the dispute process, if that 8 9 account has been sold several times, it may be 10 difficult to locate that account and bring that 11 account back.

12 But I have to think that that is surely an 13 exception process, and it troubles me if it's 14 happening that much.

MR. FISHMAN: I don't think it's exactly that much of an exception. I think part of it is that every time it is sold it gets rereported to a credit reporting agency under the new collection agency's name so you can't even tell from looking to it that it's the previous Citibank or Bank of New York account anymore.

Although they're supposed to have the account number follow it, it doesn't always happen. That's for the obsolescence rule, but it doesn't always happen.

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MS. FOLEY: And the collection agencies 1 won't always tell you where they've bought the 2 account from. That's been the other problem. 3 4 MR. FLYNN: And if none of you all are telling us anything. Really, has anyone done here 5 6 ever done a subpoena before? For every one of them 7 they want a subpoena. For every account number, for every piece of paper, they want a subpoena. 8 I can 9 find 15 or 20 good fraud investigators for a bank 10 that are friendly, that will give me everything that 11 I need without a subpoena.

12 So those who do want subpoena go at the 13 bottom of the stack again, so we're now dealing with a big stack and a whole bunch of helping me out at 14 15 the top and a whole bunch of never getting anything done at the bottom, so that's what you're dealing 16 17 with along with we have a bank saying that we want to do it this way and we have an attorney saying 18 19 that it is happening this way, and law enforcement is stuck in the middle going, We want to help you, 20 21 we will do everything in our power because we are 22 today.

23 Most of us don't like sitting around to a 24 table and talking about things. We like to go out 25 and hit the door and go catch the bad guy. We're

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here today to tell you we're all now trying to talk
 and to get this worked out so that a standard
 reporting system comes in to place nationally.

4 It's going to start with local law enforcement. It's going to start with the banking 5 6 systems, and it's going to start with the attorneys, 7 That's where all this is starting, and that's okay? why we're here today is to go over this, but I want 8 9 to let you know we don't do subpoenas either, so all 10 the lawyers and everybody here, law enforcement 11 doesn't do subpoenas.

MR. HAYNES: Could we turn to the situation where the creditor, whether it's the bank or the telephone company, first hears from -- about the fraud from the consumer reporting agency? In other words, the consumer does not contact the creditor. It comes first through this intermediary.

How does that impact the way that the creditor deals with it or does it impact? Maybe we can start with Chase and the telephone company.

MS. WELCH: I'm only dealing with the non credit side of it, more the DDA, so we're not dealing with the top three, the Equifax, the TransUnion and Experian. We're dealing with a TeleCheck, the check systems, and we will be

notified by them that fraud has occurred on an account we've opened because they're aware as we're opening a DDA, we're going out to them for information so they know what accounts we're opening accounts on, a checking account.

6 MR. HAYNES: A checking account, demand 7 deposit.

8 MS. WELCH: Yeah, demand deposit, and they 9 will notify us, and we will take measures to secure 10 the account and notify whoever we have to that --11 whoever we can find to notify that this is an 12 account opened by fraud or to find out if in fact it 13 was an account opened by fraud.

14 MR. HAYNES: Then you go back to the 15 consumer?

16 MS. WELCH: If we can find the consumer, but 17 sometimes we're going back to the bad guy per se. We're not going back to the innocent victim because 18 19 we haven't found really that person yet. We've been notified only by a third-party that something has 20 21 occurred, but we're given minimal data to go back to 22 somebody and talk to them.

23 MR. HAYNES: What about a credit card type 24 situation, Barry or Janine, does this happen where 25 you hear first from --

MS. MOVISH: Oh, sure. We have automated 1 consumer dispute verification letters that we work 2 daily, and by law we have to work those within 90 3 4 The Fair Credit Billing Act says we must work days. those and resolve them within 90 days, so we work 5 very closely with the credit reporting agencies when 6 7 they report information to us that we did not necessarily know about from the consumer. 8

9 MR. SMITH: We take those disputes very seriously, and we work them the same way. If it's a 10 11 phone call that comes in because something big is 12 going on and it's part of a ring or something, we 13 assign someone to it right away. We find that your best cooperation with law enforcement, to get even 14 from the bottom of that small pile that Jim has over 15 16 there without subpoenas, is that if you can identify 17 the person, send someone out to do an investigation and identify where they are and be prepared to 18 19 present a case that's pretty much ready to be taken to the district attorney, then you're going to get a 20 21 lot of cooperation from law enforcement, and where 22 possible, that's our attitude. We try to do that so we can prosecute. 23

24 MR. HAYNES: But when you're dealing with 25 this process where it comes from the consumer

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1 reporting agency, do you then -- do you need to get 2 a fraud affidavit from the consumer or how does that 3 work?

MR. SMITH: We do ask for a fraud affidavit from a consumer. We come back and we contact the consumer, and we have a fraud affidavit, and if in fact there's an application that we have, we'll send them the application and them to give us the information back.

10 Now, if a person for some reason can't send 11 the information back to us, if there's somebody in custody being prosecuted for a case, we like to have 12 13 this information to support the case, but if somebody doesn't send it back and we know that it's 14 15 fraud, well, we often have elderly people who are 16 victims of this, that this is a very big burden for 17 them, and yet it's pretty clear to us from the surface information that this is a case of ID theft 18 19 or a fraudulent application and we're going to treat 20 that one the right way.

We're not going to punish the person just because it will make it difficult for them in a situation like that, but when we know it's a crime, we're going to take it as a crime regardless of the source.

MS. BRODER: Jack Jordan, you look like you
 have something to say.

MR. JORDAN: Yeah, I would like to pony up on what Barry was just saying. There's two adages that I believe we need to address here. One is knowledge is power, and the other is that 90 percent of the people or 90 percent of the crime is committed by 10 percent of the people.

9 And what really I think needs to be done is what we're doing here, and that is exactly meeting 10 11 people that are in the business with one's sole 12 focus. We all have the same goal, and the goal here 13 is to assist the victim in removing this bad information from their credit and to prosecute 14 15 successfully people that are committing these 16 crimes.

17 I think the biggest reason that these crimes should be reported to the police is because it 18 19 quantifies how big the problem is. A couple years ago when I got involved in identity theft we made a 20 21 concerted effort to educate not only the people in 22 our communities where we serve, I'm from Los Angeles County, California, we educated the people that we 23 24 served but we also educated our own department members so that when the first responders go out to 25

take these crimes, they don't tell the victim what they used to tell them and that is, You're not a victim, it's the bank or it's the financial institution.

5 So I think in meeting here, meeting the 6 people behind the name that we knew a couple of 7 weeks ago, I encourage everyone body to join associations. If you're in the financial community 8 9 or if you're in law enforcement and you're prosecutorial, you should go to association meetings 10 11 so that when I pick up the phone and I call Janine, 12 I'm not just another annoying phone call.

13 I go, You remember me and we went to the Capitol Grill and yeah, I do, what do you need, 14 15 Jack, and that's what happens. I see more success 16 -- we have probably, what's this October 23, we 17 probably have over 2,000 cases of identity theft reported to Los Angeles County Sheriff's 18 19 jurisdiction alone. That's about a 43 percent 20 increase over last year. It has to do with a couple 21 things. One, obviously we've educated the public 22 that there is this crime out there.

The law changed in '98 to make the victims a crime in California, so we have an inundation of a new reported crime and an initial group of victims

1 to address.

2 I am very aggressive with the deputies that work with me. We do go out and do control 3 4 deliveries and arrest people and prosecute them. We have a couple of excellent success stories wherein 5 you're dealing with white collar crime, you're not 6 7 going to get the same long prison terms or federal penitentiary terms that I got when I worked gangs, 8 9 but we are getting some that are approaching five 10 years in law enforcement -- or five years in the 11 penitentiary for some of these crimes.

I agree totally with Werner. They're very, very labor intensive, because they're complex. They cross jurisdictions. What I want to be able to do by knowing people in other law enforcement communities is again pick up the phone, tell them that they have a crime.

We take the first report. If you live in a 18 19 sheriff's jurisdiction in LA county, we will take the first report, and I started that two years ago 20 21 because I was having people tell victims, There's 22 nothing we can do for you. Well, there is something we can do for you, we will take the first report. 23 24 That does not mean like Werner says, we're not going to Florida generally speaking, we have 25

actually gone to New York. We're not necessarily
 going to go on every single case, but it gets the
 ball rolling for the victim.

I agree with something someone down here, I don't know if it was Jim, the attorney from New York, that said it, but there are a lot of -- there is a lot of reluctance on some victims to prosecute the suspects because of the knowledge that they have with them, the relationship that they have either currently or they had in the past.

11 We encourage that because again you go back 12 to reporting these crimes. It's a deterrent to most 13 people to commit them. I encourage you to get to know the people that are in this room, whatever walk 14 15 of life they're in, and realize that no one person -- somebody said earlier this morning, there's no 16 17 one person -- the lady from I think it was Experian, no one person is going to be able to create this 18 19 problem, no one person is going to solve it.

But every person, and I say this from the Shine trustee at one of our sheriff's station to the sheriff of Los Angeles County, has to do his or her job, and when one of us doesn't do the job it just propagates the problem.

25 MS. BRODER: I think we'll take this

opportunity now to take a brief break. I'm sad to say the cafeteria is closed at this time, but you can get coffee across the street, and let's reconvene to 3:30 to which point we'll start discussing the proposed standard fraud declaration.

(A brief recess was taken.)

6

7 MS. BRODER: Thank you all. This is the snooze part of the afternoon, so we'll try to keep 8 9 things as lively as possible. I wanted to start by 10 commenting that during the break, there was all this 11 wonderful networking going on. People were making great connections, and this is something that we've 12 13 all recognized as one of the values of getting together, bringing folks from the financial 14 15 industries, from the consumer reporting agencies, from law enforcement, consumer advocates, putting us 16 17 all in a room and see what happens.

And we would like this dialogue to continue, so from my selfish perspective, I would ask each of you on behalf of your organizations to establish someone to be the point of contact, preferably yourselves, and to give your business cards to Helen Foster, wearing the ID theft colors over here.

They are fight colors, we're going to have a song too, and so that we can keep this going because

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1 I think that this is incredibly valuable.

2 On the same line, I owe an apology to Doug 3 Johnson from the American Banking Association, 4 Bankers.

5 MR. JOHNSON: Bankers.

6 MS. BRODER: Bankers Association, the other 7 ADA who joined us, and I didn't acknowledge him on our panel, but I think he has a few words to share 8 9 with us on training banks, their member 10 organizations on identity theft and dealing with 11 their customers who become victims of identity 12 theft. Doug, when you can kind of round that up, 13 and then we'll go on to the standard fraud affidavit. 14

MR. JOHNSON: Great, thank you, Betsy, but if you come in late to a meeting, you can't expect everybody to stop what they're doing, particularly when such a good dialogue was occurring, and I was struck by the level of detail and how much content was within the discussion beforehand.

But I did think that there was one thing that we to ABA could particularly add to the conversation as it goes on and that's, Okay, this is all fine and good, we've got very large institutions doing supposedly the right thing, and they want to

do the right thing for the most part. How do you 1 2 transport those sort of procedures and how do you transport that knowledge to 10,000 financial 3 4 institutions that are throughout the United States? And that's just your depository financial 5 institutions, not just -- there are all sorts of 6 7 other institutions that are out there as well obviously, and so from other standpoint, that's one 8 9 of the things that we to American Bankers 10 Association have tried to accomplish because we 11 obviously have seen the trends. We see that 12 identity theft is becoming an increasing problem 13 within our financial institution industry and that it's not just the larger financial institution that 14 have been in concert with consumer victims of 15 identity theft going forward. 16

It's all institutions, and that's going to 17 be a trend that's going to continue and one that we 18 19 have to meet as an industry, and so one of the things that we've striven to do is attempt to 20 21 transport some of that knowledge, particularly 22 organizations such as Chase for instance have, in to the community banking environment particularly so 23 24 that they have the tools that are able to try to meet identity theft. 25

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And the one thing that we particularly try 1 2 to do is what happens when the consumer comes to you, either through the phone or at the teller line 3 4 because the consumer has been struck by identity theft is going to come into the banking system or 5 6 into the system generally from any type of different 7 angle and you're teller line, your customer service representatives on the phone, pretty much the 8 majority of your staff have to be properly trained 9 and educated in terms of how to attempt to assist 10 11 this consumer because if you don't do that right at the onset, first of all, the relationship isn't as 12 13 good as it could be because you have to recognize and we have to recognize as an industry that we're 14 15 partners in this.

I think one of the comments that was made that is very true is there's more than one victim to this. The individuals are obviously victims, but at the end of the day it's the financial institution that goes through the process of charging off that loan to the extent that there is a loan that is ultimately not paid back.

And so to the extent that the relationship is productive from the onset, obviously that's for the best of all parties, and it's a win win to the

extent that that happens, and so that's one thing that we certainly attempt to stress is that we want to make sure that our financial institutions have the ability and the tools to train their customer service reps and everybody to the extent possible.

And one of the things that we've attempted 6 7 to do, for instance, is to provide the standard little tools such as the ten steps to prevent 8 9 identity theft and the standard types of other types 10 of information that would be helpful to accomplish 11 that, but at the same time, what we also want to do 12 is take advantage as an industry of opportunities 13 that present themselves.

Like for instance in the course of trying to 14 15 adhere to certain privacy preventions which are in law now in the United States, we're viewing that as 16 17 an opportunity for institutions to go through and review all of their information sharing practices 18 19 with all the parties that they share information with because one of the things that you do when you 20 21 do that is you understand, if you map it out, 22 exactly how information is going from the bank to the credit bureau to all the people within the 23 24 system so that you can see where you may have some difficulties in that system and maybe rectify the 25

1 system.

2 So, for instance, to the extent you can possibly have control over it, loans which have been 3 4 charged off in your institution but may be in a collection process somewhere, don't end up back on a 5 credit report to the extent possible, things of that 6 7 nature so that you do have a full idea as an institution how your information is shared 8 9 throughout the entire process. 10 But the other thing that we certainly want 11 to stress is that to the extent that the customer enters a system in the bank to some place which 12 would not necessarily be anticipated, that there is 13 a central receiving. There is someone who is 14 15 responsible and owns that process within the community bank, within the financial institution so 16 that people know within the institution who has that 17 responsibility, and that person can then in turn 18 19 take ownership of the person's problems, not just within the institution itself but also again try to 20 21 act as a partner for that individual consumer in 22 their challenges generally because one of the things that we attempted to do, for instance, is to try to 23 24 put together a modest report and not certainly extensive as the standardized fraud report, but a 25

report that at least our financial institutions 1 2 could use to provide to their customers to say, Okay, these are the things -- these are the people 3 4 you need to contact, these are the phone numbers that you need to call and this is the process, this 5 is the information that you need to have in order to 6 7 help you along the way in terms of trying to rectify the situation. 8

9 So we heartedly endorse the concept of having some standardized report that can be utilized 10 11 across all parties, from a database standpoint obviously makes the most absolute sense to have that 12 13 information, but also from the standpoint of making sure that everybody has the information that is 14 15 necessary going forward to try to rectify the 16 problem.

MS. BRODER: Thank you. Let me ask a question. I hope there are no answers to this question, and that is we all are working under the assumption that a standard fraud affidavit is a good thing, that it would help consumers in the process.

Is there anyone that has anything to say to the contrary, that it is not the right thing, not this particular one, Linda, but the concept because I would like to air that out before we play with the

1 nuts and bolts, so Werner, anything?

2 Only that I think we should MR. RAES: define that an affidavit as you normally -- and I'll 3 4 just pick a one page piece of paper, an affidavit as 5 opposed to a report, so --This is a declaration actually. 6 MS. BRODER: 7 This is a standard fraud declaration. MR. RAES: I'll hold off until we get into 8 9 the discussion. I think standardization is good, but I think we have to define what we want -- where 10 11 we want the vehicle to qo, what we want to tailor it 12 for, so I'll hold off. 13 MS. BRODER: James? MR. FISHMAN: One of the things that 14 15 consumer victims often experience after awhile, a tremendous amount of paranoia, and I can see a 16 17 situation where if you present this to someone who has been through the ringer on identity theft, 18 19 they're going to say, Why should I put all this information in one place where if it falls in the 20 21 wrong hands, they're off to the races all over 22 again, and I think you're going to have a hard time convincing some people to do this for the same 23 24 reason that some people won't answer the census. They don't trust anybody. 25

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1 MS. BRODER: So your point has to do with 2 the information that is requested in this form or 3 the concept?

4 MR. FISHMAN: I think that's more -- well, I don't see how you can have the concept without the 5 6 information because it's information driven really, 7 and what you're doing is you're giving everything in It's one stop fraud right here if it 8 one place. 9 falls into the wrong hands, but on the other hand, I 10 don't want to say that steps shouldn't be taken to 11 make it easier for consumers to report this stuff, 12 and this is one way of doing this.

I think you have to be aware of some of the road blocks and hurdles that will be faced. This is not that different -- the information that is in here is not that different than the information you're required to give to apply for a membership at Blockbuster Video, and look what happens there.

19 Those applications get stolen all the time, 20 and they're used -- there's more than enough 21 information on that one piece of paper to open up 22 all kinds of credit accounts for people, so for 23 somebody that has been victimized that way, looking 24 at this I think is looking at another victim --25 being victimized all over again if this were to fall

1 under the wrong hands.

2 MS. BRODER: Linda, was that your concern as 3 well.

That's part of my concern. 4 MS. FOLEY: I'm also concerned with the fact that this type of a one 5 step declaration not only is overburdensome to the 6 7 victim in terms of information, but also to the recipients. A merchant for instance, Wicks 8 9 furnisher, or my boutique down the street that's 10 been ripped off is going to take a look to this and 11 not know what to do with it.

12 They're interested in one page only maybe, 13 and I guess the concept I would like to go to instead -- if we're going to do something standard 14 15 maybe as a cover sheet or a couple -- then have like a letter kit that would go with it where this letter 16 17 would go to this particular type of a merchant or a vendor, this would go to the banks, this would go to 18 19 credit card companies, this would go to collect agencies, this would go to the CRAs and work it that 20 21 way so it's more specific.

As someone who's affidavit of fact was put in to the imposture's hands because of a court case, and I looked to this and I went, if this had gotten into my employer's hand who was my imposter, I would

have died. You might as well just give me a new
Social Security, shoot me now because she had not
only what she had stolen from me, but a dozen more
pieces of information that could have been used at a
future time.
MS. BRODER: Actually Joe, then I have
something.

8 MR. GENERA: I would just like to point to 9 two things that we saw on this, that I'm not sure --10 MS. BRODER: Actually I think we want to 11 look at the big picture first.

MR. GENERA: Yeah, but I'm hearing you say you want this sent to every affected creditor, et cetera. In our case, if there's 14 or 15 creditors, and that's a ten-page long document, that's 150 pages that we need to copy, duplicate and again the possibility of leaks.

I like the information because looking through there that is a lot of information that we had to provide to entity A, B and C but perhaps instead of sending that form to every entity, make it truly one stop, send it to one clearinghouse, whether it's here at the FTC or somewhere but one clearinghouse, one document.

25 MR. RAES: Betsy, too this information

number 1 is going against a lot of prevention law enforcement is putting out as far as your mother's maiden name is on here, Social Security some of that kind of thing, so I don't think law enforcement will support those small points of that.

MS. BRODER: Well, that's why we're here 6 7 today. I'll tell you, this document was put together not as a creative writing assignment but 8 9 using the fraud declarations that are currently in 10 use, and some of you on this panel provided declarations, and we used your form affidavits, and 11 12 we use that information to put together and now 13 let's kind of deconstruct.

Let's go through it and find out those areas that are problematic, what can be trimmed down because if we can get a buy-in on both sides of this conversation, that is it's overly inclusive, and it -- but we need to confirm the identity, the actual identity of the person, maybe we can find some common ground here.

We have a comment from the audience, and if you could wait until you're miked and identify yourself, sir, please.

24 MR. MUNSON: I'm Steven Munson. I'm a 25 deputy Attorney General from the State of New

Jersey, Division of Criminal Justice, and my concern with the fraud affidavit is exactly what law enforcement has expressed. It will, not may, it will get in the wrong hands.

5 I think if you're going to use something like that, it needs to come with a confidentiality 6 7 quarantee of some sort. I don't know what, but it needs a confidentiality guarantee, and it also needs 8 9 somehow without violating the constitution to stay 10 out of the hands of the defense in discovery because 11 the moment you go to criminal prosecution, defense 12 is going to want that plus a whole lot more.

13 MS. FOLEY: Yes, thank you.

And as a prosecutor quite 14 MR. MUNSON: 15 frankly I don't want to revictimize any of those That's the reason I'm here, and so there I 16 victims. think needs to be an honest broker, whomever that 17 may be, government or a private entity or a 18 19 nonprofit who would be the guardian, if you will, of the information disseminated to those to whom it 20 21 should rightfully go, and maybe not entirely.

I can't see that all credit givers need all of the information. Many of them probably don't even have a fraud department because if they're a little boutique that granted credit, who knows.

1 That's probably the boss saying, Yeah, I think I'll 2 do that. There does need to be a parsing out of 3 this.

4 The other thing I think we need to keep in mind from the victim's standpoint is that there is a 5 law enforcement component, nobody denies that, but 6 7 law enforcement, the criminal justice system, has limitations. The moment we bring an indictment, the 8 9 defendant is entitled to all constitutional rights, 10 and the state or the federal government must prove 11 that case beyond a reasonable doubt. The defendant doesn't have to do a thing, again potentially 12 13 revictimizing the victim.

Maybe there's a different way of pursuing remedies without using the criminal justice system. There are civil penalties. There's forfeiture. There's all of that.

MS. BRODER: Just as a question, are these fraud affidavits that consumers report currently discoverable in the criminal process?

21 MR. MUNSON: I would venture a guess that 22 they most likely are, certainly if they fall into 23 the hands of the state in any form.

24 MR. GENERA: Right, but the ones you're 25 sending in -- I'm sorry. But the ones you're

sending in, if I send a fraud affidavit into
 Citibank, I'm only including their particular
 information.

MS. FOLEY: And they can turn it over to the defense attorney who can then turn it over to the imposture because that is their right, and that's exactly what happened to me.

We have a situation here where a MR. SMTTH: 8 9 crime has been committed which is a pretty ugly 10 defect of people's lives, and I think that one of 11 the reasons that some of these don't get prosecuted 12 is because if you send Bank of America information 13 about our account and we have a thousand dollar balance on it, even if you would tell us on the 14 15 phone that you're also a victim of Citibank and maybe First USA or whoever else is out there, we 16 can't talk to those people. We don't have the 17 information to discuss those cases. 18

We're putting ourselves behind the eight ball before we even start because we don't have enough information to look at the case and say, It's only a thousand dollars with us but maybe it's 15, 20,000 dollars overall, and maybe if we noted -- if we come upon a suspect and we decided that this is a case we can get somebody to take, if we call law

enforcement or talk to prosecutors and say, I've got this case, it's a thousand dollars on my side and I hear stories there's several other victims that suffered financial loss, wouldn't it be so much better if we could present the information about the entire case to somebody?

7 I agree with some of the personal 8 information, and I think we're going to talk about 9 the personal information, but I think it's great 10 that a fraud department can suddenly get a complete 11 picture of what the identity theft impact was on the 12 individual and how big the case is, I could probably 13 get a lot more on that.

MS. BRODER: Let's look at the affidavit. As pointed out on the cover sheet, while it's not exactly a confidentiality agreement, that the last line says that "except as otherwise noted the information you provide with this form will be used only to process your fraud report."

20 While it doesn't guarantee it won't get into 21 the wrong hands, it certainly does make clear to the 22 consumer that no one is going to use this for 23 marketing purposes, something that is of great 24 concern.

25 I would like to go through this sort of

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systematically page by page and elicit any comments that you have, and I would hope -- well, let's go through the first page and any issues that anyone has?

5 MR. SMITH: I would add point 5 to what the 6 form asks for is where have you applied for credit 7 in the past six months so that we can separate the 8 good fraud -- good credit from bad fraud. That's a 9 highlight because I'm going to suggest that a little 10 bit later on.

11 Right up here number 5, you say the form is 12 going to ask you for information about you, the 13 victim, how the fraud occurred, the accounts and 14 companies involved and the steps you've taken in 15 response to the fraud, and I think it's also going 16 to ask for where have you applied for credit in the 17 last it could be past six months or a year.

MS. BRODER: Do you currently ask for thatin your standard fraud?

20 MR. SMITH: No.

21 MR. FISHMAN: There's a risk there because I 22 think so many times people -- for example you go to 23 the mall, and there's a table there where you get a 24 coffee mug for signing up for a credit card. That's 25 something you may have forgotten about, and if you

didn't put that down on here and they know about it, 1 2 then you're being viewed with suspicion because you left one off. 3

4 MR. SMITH: Again I would hope that as we go through this that we're not looking to grade this 5 paper or say someone made a mistake, we're going to 6 7 disallow their dispute or their claim or something like that. 8

9 MR. FISHMAN: But that's typically when consumers complain that they're fraud victims, they 10 11 are being evaluated, and I have seen banks use 12 whatever they can find and inconsistencies in the consumer's story to say, "You're not a victim, 13 you're a thief," so I think you have to be cognizant 14 15 of the fact that people are evaluating consumers and 16 finding ways to disallow their claim.

17 MR. SMITH: I certainly know that we try to figure out ways to disallow claims when claims 18 should be disallowed, and I hope that the wording 19 that we're trying to build in here --20

21 MR. FISHMAN: I think that's something to 22 keep in the background, that's what's going on. MR. MCCALLUM: Regarding the Internet, which 2.3 24 I think is important to talk about because it's going to be 20 billion worth of sales in the next

25

year, we need to talk about the ways in which Internet companies are accessed, so if you're telling me that your Email account is such and such but it was accessed by another one, it's a very vital piece of information, that you did not own the Email account that was used to get to me.

7 So I think we need to ask in the case of 8 Internet related crime that we're asking, can you 9 verify as to the ownership of this Email account and 10 what is your current account, that is how they get 11 to Internet companies is through the Email address, 12 and it goes deeper into the IP address strain, but 13 typically my people figure that out.

14 MS. BRODER: So you're asking for Email not 15 as a point of contact but as a way to verify --

Exactly, exactly. And the 16 MR. MCCALLUM: 17 other thing on any Internet site, the very first thing you have to do in order to do a transaction 18 19 typically is to establish a profile. Whether that's us, Expedia, EBAY, et cetera, are you the owner of 20 21 that profile. Typically if it's legitimate fraud, they're going to say, no. We established that very 22 critical point. 23

MS. FOLEY: I would like to go back to the first page, please. Mari pointed out something

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interesting last night. We're dealing with people 1 who have been victimized that are sensitive to this 2 point and have seen more legal documents than they 3 4 care to see. I would like to see something a little more humanistic in the beginning, something like, We 5 6 understand you've gone through a lot, we're sorry 7 about that, we are here to help, if you will kindly fill this form out, we will do our best to make this 8 9 process as easy, something like that.

10 It sounds just like a lawyer wrote it? 11 Yeah, it does. We need to be a little more human 12 with this. They have been wounded, and many compare 13 it to a rape. We need to be very cognizant of their 14 emotional status to that point.

MS. BRODER: Thank you. I think that'sactually an important point to include here.

Betsy, if I could, Werner Raes. 17 MR. RAES: I think that again I would like to go back and 18 19 revisit defining because I know you said this was a declaration, okay. Right now currently we have an 20 21 affidavit system that goes to most financial 22 institutions and others, and that's the legal vehicle -- the one-page affidavit, not necessarily 23 24 the declaration, that's the legal vehicle that basically says, Hey, financial institution, you 25

screwed up you, owe me money, please put it back in
 my account.

That's not lawyer talk, so what I'm asking 3 4 is could we not standardize an affidavit, a one-page affidavit much more quickly and simply with this 5 group working forward and get that in circulation? 6 7 I could probably help promote that in on the law enforcement sending it to the International 8 9 Association of Financial Crimes Investigators to 10 whom hopefully everybody belongs to in this group. 11 Then if with we want to do a declaration, 12 and quite honestly from a law enforcement 13 perspective, this is more than any police report -this goes to like a homicide report. If I was a 14 victim and received this, I'm not sure that -- I 15 would go, "It's overwhelming, I'm under enough 16 stress," and there's no law that requires them to 17 fill this out. 18

And by the way, while we're on that, again remember earlier I said we have civil law, criminal law, wish list, we want to, we wish we could. This is a wish thing. It's a nicety. It's the cherry on top. I'm saying that the meat and potatoes is the one page affidavit of fraud or forgery.

25 This is kind of a nicety. It's not a

necessity, and my final point is, and this is jumping a few pages ahead, but the notarization of this thing, there is no law that requires anybody anywhere to spend money to notarize it.

5 When people call me to my desk to Anaheim, I 6 tell them, if you want to do that, that's up to, you 7 work that out with your financial institution, I 8 would ask them to pay for it if you even want to 9 consider doing it because that's an undue hardship 10 on the victims who have been already victimized.

11 And a side note as far as law enforcement is 12 concerned, I don't know how many of you are 13 notaries, but a notary is not what it used to be ten 14 years ago. It means absolutely nothing to me in 15 fraud anymore.

MS. BRODER: Then I'm going to -- we jumped from the first page to the last page, and let me ask the financial institutions, notarization, so what? What does it mean to you, and does it make any difference, so, Judy?

21 MS. WELCH: I don't think it makes any 22 difference to us for our existing customers where we 23 know who the customer is. We have information on 24 the customer. We know what the customer's signature 25 is, is like.

When it's a non customer, somebody who 1 2 doesn't do business with Chase and hasn't, we don't know anything about this person, so it's -- I quess 3 4 it just gives us a comfort level that somebody else was looking to maybe some identification when this 5 person was filling out the affidavit or the 6 7 declaration, and we draw the line on whether or not it was a customer or a non customer as to whether we 8 9 require notarization.

MS. BRODER: I think we hear from a lot of 10 11 people that if an identity thief is resourceful 12 enough to open up accounts and maybe even create 13 false identifications, what stops them from going someplace and just signing the paper and having 14 15 someone witness it? And so I quess I think there is 16 some rethinking in the industry of the value of notarization, but, Patsy, do you have -- do you 17 require notarization? 18

MS. RAMOS: We ask first for them to file a police report, and if they do that, there's no request for notarizing. In those situations where they're in a state that the local law enforcement won't take the complaint, we do ask that it be notarized, and I think the value that that brings are for us as a corporation is to understand that

1 this customer is serious about this, that it is a 2 crime, that they have no knowledge of -- truly have 3 no knowledge of the debt.

And again it's a question -- we don't insist, and if that is a hardship for the customer there are other options for them.

MS. MOVISH: I was going to say we don't require notarization or a police report. If they provide a police report, fine. If they provide a copy of their driver's license, that's even better, but we don't require a notarization.

MS. BRODER: I wonder from Doug sort of from an industry perspective is notarization something that you think is generally required among the banks that are members of your organization?

MR. JOHNSON: Just like you heard here, it's all the way across the map. I think that for customer information that as Chase indicated it's probably less relevant than it would be for frauds that have occurred outside of the customer arena.

MS. BRODER: To put it in concrete terms and based upon what we saw of other fraud affidavits, this requires either notarization or a police report, and I would ask the panel whether you think that makes sense, whether it's overkill. Robert

1 Cross?

2 MR. CROSS: I think it's -- it could be requested, not required. We don't require it. 3 Ιf 4 we're not sure who we're dealing with, we may request a police report. I agree that notary is of 5 little or no value. 6 7 MR. SMITH: A police report can be filed over the phone, and here at least the signature that 8 9 we're getting we know is the signature that's on it, 10 driver's license or another piece of identification. 11 MS. FOLEY: No, you don't. MR. SMITH: 12 What? 13 MS. FOLEY: No, you don't. You know how many fraudulent driver's licenses have been issued 14 this year in California? Over a hundred thousand. 15 16 MR. SMITH: Yes, I do, but I also get 17 disputes that come in where the individual has completed the application, has his brother sign the 18 affidavit when it comes back, so the affidavit 19 doesn't match the signature and doesn't match the 20 21 sales slip, but if the sales slip come in because 22 they signed it with their left hand or they did something like that, so if it creates an undue 23 24 burden and so many people send it back to us and it's not notarized, and --25

MS. FOLEY: My driver's license has my signature on it. What's the difference between that and a notarized? You're getting a bank verification guarantee of signature. I guess I'm still troubled by the fact that calling up the police and filing a complaint somehow legitimizes my victimization.

7 MR. RAES: That's very true. A lot of 8 times it's looked upon by law enforcement as the 9 dump all receptacle, and if you go file a report, 10 whether it's a fender bender which by the way most 11 law enforcement agencies are not taking any more, 12 you just exchange information because it's paper 13 filling up filing cabinets.

14 It's the same sort of thing, if you have a 15 legitimate identity theft victim here, yes, you live 16 in our city, we should take that report, and I'll go 17 to bat for that throughout the country and have 18 been, okay?

But just because you want to report some miscellaneous item or event to a local law enforcement agency should not legitimize it in and of itself and those reports should absolutely not be taken by law enforcement.

MS. FOLEY: There's been no investigation made. It's just a complaint.

MR. FLYNN: And I just want to add one 1 2 little small thing in here. For everybody out here that's thinking about ten pieces of paper and the 3 4 lawyers and banks, how many people have the same fingerprint? I'm telling you now, you don't know 5 how to read fingerprints, you don't need how to read 6 7 fingerprints. If your fingerprint shows up on a check, how is anybody going to know? 8

9 The only people that need to know are the people who read them. Those people are law 10 11 enforcement. You cannot say your finger wasn't on 12 the check if your fingerprint is on the check, can't 13 do it. You've got prosecutors. You don't lose cases where there's fingerprint identification. 14 Put 15 the fingerprint on the check, put it on the receipt.

It's still customer friendly because it 16 doesn't mess with your thumb or your finger. You 17 just put it on there. It stays on the receipt. 18 Ιf 19 you say that's fraud, the only thing I need to do is come back to you and say, Do you mind providing me 20 21 with your thumb print, very, very non intrusive. 22 The only thing I need is the thumb print to verify whether or not that print on the receipt is the same 23 24 person there.

If it isn't, what do I do know? I go to a

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computer system that's now nationwide. I dump the fingerprint in the computer system, and I let the computer tell me who the bad guy was, and then I don't have a problem finding a prosecutor that wants to prosecute because there's only one person in the world with that fingerprint.

7 It's an easy case. It's open and shut. But 8 the banking system and whatnot will tell you it's 9 too intrusive and not customer friendly, and I'm 10 telling you that they lost 40 percent of the fraud 11 in Florida in one month when they went to 12 fingerprints.

MS. BRODER: And I think biometrics is something we're going to talk about a lot soon, but I'm going to try to keep us on track.

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16 MR. FLYNN: Sorry.
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MS. BRODER: That's okay, and talk about the affidavit and maybe go through points where I know we have some people who have concerns about privacy and access to this information so Mari Frank?

21 MS. FRANK: I would like to make a general 22 comment about it. I admire the fact that you're 23 trying to do something to actually make it easier 24 for victims, but in my view it really makes it a lot 25 harder for victims.

Also we talk about privacy in the 1 2 information age and the right to know. I know that when I was a victim, I sent over 90 letters myself 3 4 that -- in trying to get letters back from these different creditors, that they didn't even really 5 read my letters to begin with, that I had to -- they 6 7 were looking to it. And I would get a form letter back and the same thing with the credit reporting 8 9 agencies.

10 So there is no reason that if I had a Bank 11 of America problem, that you need to see all the 12 other creditors' statements. It's a lot of 13 paperwork that you're going to hopefully shred, and 14 you're not going to look to it because you're 15 dealing with fraud departments that don't have the 16 time to look to all this stuff.

17 The truth of the matter is you want 18 something that cuts to the chase, that you can look 19 to your fraud stuff. You can make a determination 20 if this is fraud. You can fix the file. You don't 21 have the time.

And then what scares me is what Joe was talking about and what Jamie was talking about, having all that information out there, there's no safeguards, there's no need to know.

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I really like what Werner was saying about having a one-page affidavit. This is what I originally thought was going to happen and then maybe some sample letters. Like when I did the identity theft survival kit, I put sample letters in so people could fill it in with a diskette.

7 I'm not trying to sell it here. I'm only 8 saying I was trying to make it easy for victims when 9 I did it, and I gave a copy to the Federal Trade 10 Commission to David Medine saying, Let's make it 11 easy on victims, but I really have a problem with 12 giving all this information not knowing where it's 13 going to be.

One of the last pages say that this may be shared with other entities. Well, what does that mean? I think you did a good job in trying to meet all the needs of everybody, but what it did was give far more information than is ever needed to know.

19 The other issue is if I am a victim and I 20 find out that someone has been working in my name, 21 then I have send something to the IRS. Am I going 22 to send them this? No. The truth of the matter is 23 is I am going to send a specific letter to each 24 creditor because it's going to be a different issue 25 with each creditor.

And my specific fact haves to be clarified, so a one-page affidavit along with your cover letter is a far better way to go. There's no problem with getting a sample letter with maybe some spaces like I did in my mine, here, fill in what's appropriate for you.

7 But the truth of the matter is from all the 8 victims I've spoken with and from my twice being a 9 victim of identity theft, I can tell you that 10 filling this out with all the documents I have --11 now, had five boxes of documentation. Am I supposed 12 to send five boxes to 15 different creditors? It's 13 going to cost me a fortune.

14 MR. SMITH: I don't think --

MS. FRANK: Let me finish. There is no need to give all that information on all of that, and there was another issue in here that said attach all of the documents that you have that show fraud.

Well, the other issue is when I'm originally contacting various creditors here, I probably won't have gotten that original application, and most of the victims aren't even able to get that. I was able to get it because I'm not a wall flower, and I just demand it.

25 Also most of them can't get the billing

1 statements. I was able to get the billing

statements, but I must tell you that it is -- if they don't give it, it's because they don't have it, so there is no reason, you're actually putting more of a burden on victims with this than you were without it.

And I just wanted you to understand that but
I really think the one page affidavit is a great
idea, and Werner --

MS. BRODER: Actually I would like to spend a couple minutes going through this and having people point out the information that they think is excessive or that will not serve the purposes of the fraud examiner who's looking to this and trying to figure out what's going on, and Patsy?

MS. RAMOS: I think maybe what we need to 16 17 consider is having something like a one-page affidavit. Some of these questions are good, and 18 19 there are questions that probably need to be asked of the consumer at the time of the claim to help 20 21 with the fact finding process by the investigator, 22 but I don't think it necessarily has to be in the form of an affidavit or a document. 2.3

24 MS. BRODER: Great.

25 MR. SMITH: You know, I think the focus has

When we met and we talked about this 1 turned. 2 affidavit, I think that what we were trying to focus on, all good intentions, was to figure out how 3 people can put down their information once and send 4 it to people and make it easier for the credit 5 granting institutions to arrive at the decision that 6 7 this is frozen because I think a one-page affidavit may be covering this. 8

9 And this being some sort of statement of information behind it and filled out as much as 10 11 people can might change some feeling about it, a one 12 page affidavit gets filed where the police. People 13 write us a letter and say, This account is fraudulent. What do we do? Do we say, Okay, we're 14 15 going to take it off the bureau, forget the debt, we're going to do this and that? 16

We're going to ask for more information so rather going back and forth, back and forth and trying to resolve the issue, we're trying to say if you fill this out and send it to us, we probably have enough information in maybe 90, 95 percent of the cases to arrive to a decision to make the process simpler and painless.

When the victims here have been through this for a year, two years, et cetera, this type of

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information should almost close the case out much,
 much earlier, so that's what I'm looking to, and
 what I'm hearing is some opposition to that.

And if we go through it and just ask that people look to it in that light, it's not to disprove the fraud. It's really trying to prove the fraud, but if we can't arrive to that agreement that that's the purpose for it, then we're never going to agree on what belongs in the document.

10 MS. BRODER: Joe, and then we're going to go 11 through the document.

MR. GENERA: Actually listening to both, especially the gentleman from Bank of America, I do understand the importance of people needing this information, and I'm also with you in terms of the more you can prove that there is a thousand dollars here, ten thousand dollars there, it makes for a stronger case.

But I also support the idea of a one page affidavit, and as we were talking about this morning, people want to talk to a real live person when they report their fraud to VISA, MasterCard, whomever it is, have this be the phone interview, have them fill out the notarized or however you want to do it -- their one-page affidavit but have

1 someone listen and go through this list and

2 definitely take off the mother's maiden name.

That is exactly what I was going 3 MS. WELCH: 4 This is almost in lieu of talking to the to say. This is everything you're ever going to 5 victim. need or want to know about the victim without ever 6 7 talking to them, but at Chase we talk with every victim, and this is the type of information we may 8 9 find out or we may ask, but this is long and 10 cumbersome.

MS. BRODER: I'll tell you one challenge we had with having a single page affidavit that you would send to any creditor or financial institution is as in Mari's case, there were 15 or some odd accounts that were opened, how in the space of one page can you list this? You have to fill it out 15 pages.

MS. FRANK: And then a cover letter that we 18 19 could give them for the different types of -- and then they would send the police report so it would 20 21 be three documents they would put together. I'm not 22 saying only the affidavit, but I'm saying that this cumbersome thing doesn't make sense with all of the 23 other documentation of other accounts that have no 24 relationship to Chase. 25

1 Chase only wants to see what I'm talking 2 about with Chase, and they can see a copy of the 3 police report, however, that will list the accounts, 4 the other accounts, so what Barry was saying about, 5 Well, maybe it will help us if we know this victim 6 was victimized by Citibank as well as Bank of 7 America and Providian and all these other banks.

8 Well, they're going to have a copy of my 9 police report, and my police report is going to list 10 these ten accounts, so instead of including all the 11 documentation from those accounts, just have the 12 police report, a cover letter and an affidavit. 13 That's it.

MR. RAES: I think too, I want to piggyback 14 15 real quick, I think it's important to go back to 16 that concept I espouse which is you have legal ramifications, and you have nice wish lists of 17 It's nice to provide the banks with things, okay? 18 19 the additional places fraud have occurred. There's no mandate anywhere that that occurred. 20

But in effect the legal mandate is that an affidavit of forgery or fraud is a legal instrument. It is the vehicle by which you as their customer are legally demanding that they put the money back in your account, okay, and then the bank acts upon

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that. That's the single, the green light that says, bank you have to do something, and they review it and they make their decision, but there's nothing incumbent upon the law that says you have to supply this other information.

I agree they should have it of course being a law enforcement member. I'm all for them getting it so if we go from a one page, I might say go for a two page or a major page and a half and include miscellaneous and list that stuff, but keep it in perspective is all I ask, legal and niceties and wish lists.

13 MR. FISHMAN: I would also add that there is another legal effect of this, and that is since it 14 15 was mentioned this morning by Ed Wernesky that we now have limited furnisher liability under the Fair 16 17 Credit Reporting Act. That is also triggered by notice, and this document or something like it, 18 19 whether it's one page or ten pages, will trigger furnisher liability so that if the account is not 20 21 cleared up, and it is reported again to a reporting 22 agency, then the consumer will have met the predicate for furnisher liability under that 23 24 statute.

25

So I think that maybe that's something also

to mention on here is that this satisfies your 1 2 obligation under the Fair Credit Reporting Act which you should be doing anyway. 3 4 MS. BRODER: Which wouldn't be any different with this document than --5 6 MR. FISHMAN: No, I'm saying adding to the 7 instructions --MR. SMITH: Add the statement. 8 9 MR. FISHMAN: -- add the statement that you're required under the Fair Credit Reporting Act 10 11 to notify the furnisher before you can sue them, and 12 that this satisfies that obligation. 13 MR. SMITH: I don't like that exactly. MS. FOLEY: This sort of reminds of a one 14 15 size fits all clothing item. It works for accessories, but when it comes to shoes and clothes, 16 it doesn't work. I still would like to see the idea 17 of going back to a simplified two or three page 18 19 document that's on top that becomes a cover letter that provides the general information everybody 20 21 seems to need. 22 MS. BRODER: So let's look to page 3. MS. FOLEY: So what do the CRAs need? 23 What. 24 do creditors need, and make it a pull apart kit. 25 MS. BRODER: Let's look at page 3. Thank

you, Linda, and the question that we asked on the page there with how the fraud occurred: Is this information that is important and useful to the banks and financial institutions where it states that other -- that the person has not authorized the account being opened, that someone used their information, all of these affirmations.

8 Is this information that the banks and other 9 financial institutions would want to receive in any 10 affidavit that they might use for identity theft?

11 MR. SMITH: Yes, but I think you need 12 another box that simply says -- the box that will be 13 checked most often and that is you do not know how 14 the comprise occurred, so I think we kind of have to 15 add that.

MS. BRODER: Although I guess 15, someone, a
person that I do not know, used my identifying
information which is it's invisible to me.

MS. FRANK: They might not know what theyused.

MS. FOLEY: Can we go back to the page before and I'm wondering how many merchants and banks really need to know four past names I've been known by or how many previous addresses because my imposture doesn't even have that information?

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MR. SMITH: Well, the previous address I 1 2 think is important because quite often the previous address is where the new fraud has occurred. 3 4 MS. FOLEY: Shouldn't you time limit it, or is this a case that only one specific group of 5 6 people need this information and not everybody? 7 MS. BRODER: Let's listen to somebody from our audience? 8 9 MS. CALDWELL: I'm not a victim of identity

10 theft and I still have some concerns with this form, 11 basically two of them. I don't understand why I 12 should give a creditor that is an organization that 13 I don't have a relationship with my date of birth, my Social Security number and my mother's maiden 14 15 name. I don't give those to anything but banks that I have financial relationships with. 16

I don't think I should have to give it out 17 to somebody else. I realize this may create 18 19 problems, but I'm very uncomfortable with that, and the other point I wanted to raise was I don't know 20 21 exactly what the intent is as to what happens with 22 this document, but we just heard from the gentleman from Travelocity that apparently there's a fair 23 24 amount of merchant fraud that gets promulgated through this system. 25

So, for example, if somebody at some sort of 1 2 travel organization has taken my credit card information because of a transaction I made with 3 4 them, and they are now -- they're now in the position of being a creditor, that I'm supposed to 5 report all this additional information to? 6 I mean, 7 this just doesn't seem to me like something that's safe for the victim to do. It seems to me they're 8 9 setting themselves out to be victimized more 10 thoroughly.

11 MR. MCCALLUM: I would like to clarify that 12 a little bit. Over 90 percent of the cases that 13 I've worked, they are not our customers. These are people that in restaurants, hotels, rental car 14 15 agencies, their ID haves been mined because they were their customers, and someone has taken that 16 information off of property, gone to Kinkos or some 17 other place, accessed a computer, gone to our site, 18 19 built a profile posing as that person.

20 It's not a breach of security to our system
21 at all.

MS. CALDWELL: Nonetheless I think there have been instances where companies have specifically set themselves up as a merchant in order to obtain this kind of information to

perpetuate fraud. I know there's a fairly well
 known one I think in LA.
 MR. JORDAN: Oh, blame LA.
 MS. CALDWELL: I'm sorry.

5 MR. SMITH: I would suggest that we look to 6 delete the mother's maiden name.

7 MS. BRODER: Is that fine with the 8 creditors?

9 MR. FISHMAN: I just wish banks would stop using the mother's maiden name in general. 10 I can 11 give you a specific and concrete reason for that. I have a lawsuit now in New York, I won't mention the 12 13 bank it's against, but the mother's maiden name is the security password, and when somebody calls in to 14 15 access the account, they are asked three questions, your name, the account number and your mother's 16 maiden name. 17

My client's wallet was stolen and she's from 18 19 Venezuela. In the Hispanic culture your mother's maiden name is part of your name, and it's in your 20 21 wallet, so asking the mother's maiden name, account 22 number and your name are three things that are in that person's wallet, and that imposter was able to 23 24 order access checks from this bank and run up tens of thousands of dollars. 25

And when I requested from the bank why are you using the mother's maiden name, what became clear is because it's very inexpensive to use because everybody remembers it, and if you required people to make up a password, they would forget it, and it's more time consuming and expensive.

7 But there's a serious downside and it's not just Hispanics in this country. I think Asians also 8 9 use the mother's maiden name as part of their name, 10 so I think a significant part of the population the 11 mother's maiden name is no security, and at the very 12 least if you're going to use the mother's maiden 13 name, at least tell consumers they have the right to choose something else because it's often used 14 15 without your knowledge or consent, and I think that 16 would go a long toward stopping some of this.

MR. MCCALLUM: Jim, what about a city ofbirth or a unique pin number? That's what I use.

MR. FISHMAN: Even that's available one way or the other, but let the consumer provide something. I don't know of very many web sites that require mother's maiden name. Yet you have to provide a password that you know, that you remember, but mother's maiden name really in this day and age has no business being in the banking industry

1 anymore.

| 2 | MS. BRODER: Speaking on behalf of those of |
|----|--|
| 3 | who us who didn't change their name when they got |
| 4 | married. We've made it to page 4. |
| 5 | MR. SMITH: It took a long time to get to |
| 6 | page 4 . |
| 7 | MS. BRODER: You see there's so much blank |
| 8 | on this form. I hope people appreciate we used |
| 9 | large fonts and have a lot of blank space, so it may |
| 10 | not be once he get down to it, it's not as much. |
| 11 | MS. FOLEY: I would like to see an addition |
| 12 | of the word checks because I have a lot of victims |
| 13 | who have had checks either stolen, lost, forged. |
| 14 | MS. BRODER: This is on number 16, Linda? |
| 15 | MS. FOLEY: 16 and 17 at least. |
| 16 | MR. GENERA: And 18? |
| 17 | MR. SMITH: A couple other fields that we |
| 18 | have on our statement when the credit card was |
| 19 | opened as a fraudulent application, I'm not sure |
| 20 | where they might fit in here or they might not, as |
| 21 | we'll hear from some people. One was we asked for |
| 22 | persons residing with us, with them, and the persons |
| 23 | residing with you, the name and the relationship so |
| 24 | we know the names of children or other household |
| 25 | members who may have applied for this account or a |

1 signed sales drafts.

2 We like to ask the people, Are you willing to prosecute, even if is a relative, yes or no. 3 4 MR. FISHMAN: What information does that give you? If the person says, No, I'm not willing 5 6 to prosecute, does that mean you discount the story? 7 MR. SMITH: We then want to know the reasons why, and we will try to figure out whether this is a 8 9 civil matter or a criminal matter. 10 MS. FOLEY: None of your business. 11 MR. FISHMAN: But if you don't want to prosecute their family member, that doesn't mean it 12 13 was any more authorized. MR. RAES: Barry, could I jump in? From a 14 15 legal law enforcement standpoint, again it goes to wish list and legal, okay? If you're not going to 16 prosecute, if you check the on the affidavit, that's 17 one thing we do want on the affidavit because if 18 19 you're not going to prosecute, it's not a police 20 matter. 21 We don't need to take a report. Remember I 22 told you we're not going to stuff the file cabinets full of nonsense, so if they're not going to 23 24 prosecute, that needs to be on there so we know right away it's a civil matter. 25

MR. FISHMAN: I'm looking at it in terms of the bank getting this, not the law enforcement. How are you going to translate the consumer saying, I'm not going to prosecute? MR. SMITH: But if somebody calls me and

6 says, I didn't open that account and therefore I'm 7 not responsible for it, it was somebody else in my 8 family and, no, I'm not going to support 9 prosecution, I'm not going to give you any more 10 information about it, should we be forgiving that 11 debt and just take that into --

12 MR. FISHMAN: I'm not saying don't ask for 13 more information. You can say it was my brother, it was my mother, et cetera, and tell you who it is, 14 15 but say I am personally not going to prosecute my 16 family member. If you want to prosecute them, that's your business, but I'm not going to do it, 17 and that should not detract from the validity of 18 19 their unauthorized use claim.

20 MR. SMITH: Okay.

MS. FOLEY: It's an unfair burden to put on a family member frankly. You don't want to get involved in the middle of family issues and this person definitely doesn't want to be in the middle of it.

1 MR. SMITH: You're going to be in the middle 2 of it. If we turn around and prosecute, who are we 3 going to bring in as a witness?

4 MS. FOLEY: That's different. I'm being 5 asked to serve your purposes. I'm not prosecuting 6 my brother.

7 MR. FLYNN: Let me through one in here. You 8 didn't give them the money, you wouldn't have to 9 prosecute them. If you didn't give them the money 10 or the credit or the loan, you wouldn't have to 11 prosecute them.

12 If you found out who the person was who got 13 the money from you initially, you wouldn't have to 14 prosecute them with the help of a family member. 15 That's your responsibility, not mine, but I will 16 tell you this, if somebody in my family does it, 17 they're going to jail.

MS. BRODER: We have no doubt about it, but that you would fill out in number 19 all of the identifying information about your poor relative who is going to spend the rest of their life in the woosca for stealing your information.

But section 19, part 19 here does give the opportunity to reveal information that, what, 30 percent of our people who call into our hot line

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have some kind of information about the person who 1 2 was involved in the ID theft. It may not be everything. It may be an address because they know 3 4 that a change of address form was put in, but they don't know the name of the person so we try to 5 collect this information here. 6 7 Now, is this information of interest and value to the creditors, that is the potential perp? 8 9 MR. MCCALLUM: It is. 10 MR. SMITH: Absolutely. 11 MS. BRODER: Do you ask for it now? 12 MR. SMITH: Yes, we do. 13 MS. MOVISH: Yes, we do. MR. SMITH: We usually get it in the case of 14 15 ex spouses very promptly. MS. BRODER: Or soon to be. 16 17 MS. FOLEY: Is there a way of combining 14 and 19 together as well as 15 and 20 together? They 18 19 seem to address the same subject but go into more detail. 20 21 MS. BRODER: Yes, probably, and that is the 22 identity of the person who stole or was thought to have stolen your identity, to bring that information 23 24 together. 25 I want to throw in another MR. FISHMAN:

family member issue that I've seen, and it may not be as common as all that, but I don't know, maybe it is. I have seen some situations where the family member who perpetrated the fraud owns up to it and is willing to take on the obligation, but the banks will not transfer that obligation to the family member who's willing to own up to it.

8 And so that puts them in a bind, and then 9 you're going to get less cooperation on prosecution 10 because the victim is saying, My brother is willing 11 to pay it, get it off my credit report, but the bank 12 won't do it.

MR. SMITH: Is the brother able to pay it? MR. FISHMAN: Maybe the brother has to fill out a credit application. Maybe the brother needs to get a cosigner, maybe something needs to be done, but I'm hearing it's falling on deaf ears. They won't even consider it.

MS. BRODER: I'm actually going to pull us back to the topic at hand. I think that's an intriguing problem, and as Helen said earlier in the day, that's for a later panel, but that's something very, very important to keep in mind.

24 MS. FRANK: It really does goes to the 25 issue.

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1 MS. BRODER: Can you wait one second until 2 you're miked?

MS. FRANK: I think it really goes to the 3 4 issue because then if you're asking for that information you could ask are they willing to take 5 on that responsibility. If you know who it is, I 6 7 had a judge whose stepson did this to him, and the judge didn't want to prosecute him because he was 8 9 afraid his wife would leave him, but he did get his 10 stepson to say that he would take it but could not 11 get the bank to agree to let him take it.

12 So the bank was willing to lose the money 13 instead of transfer the account, and in that case they would lose the money or prosecute the judge, so 14 it was a very difficult situation, and I think that 15 goes to the issue. If you know that person, is that 16 17 person willing to own up to it and take it, and then that -- then the person is the victim no longer is 18 19 the victim and you don't have to prosecute and you've got someone who takes on the responsibility. 20 So I think it's a real critical issue that 21 22 Jamie brought up. Let's put that in as we're 23 MS. BRODER: 24 trying to trim down this document, let's include

25 that information.

1 MS. FRANK: If you're going to put that in 2 there.

If you're going to put that in 3 MS. BRODER: 4 there perhaps I was working on the wrong assumption, perhaps the people who would be filling in part 5 19 which is -- excuse me, part 19 which identifies 6 7 the suspect would be doing so in order to prosecute, and if they didn't want to share this information 8 9 because it was a close relative or someone that they 10 didn't want to turn in, that they would not share 11 that information.

12 But I quess you pointed out a scenario, the 13 two of you, where it's not exactly fitting that way. If you could wait until you're miked, please? 14 Yes? 15 MS. BHAGWAKAR: I work for an auto financing 16 company. The family member wouldn't do that if they were creditworthy in the first place. They did it 17 because they knew they were not going to be 18 19 qualified with information they had with their Social Security number. 20

So at a later point when we diagnosed a fraud or we determined it's a third party doing it, that person is still not qualified to get a loan, so I would rather take my now or later on I'm going to have a bigger problem, so I'm not going to give the

son or the stepson the credit if you're saying that
 he's willing to take the responsibility.

But if his credit report indicates he has repossessions and charge offs, I'm not going to take a risk of giving him a loan at this point. I'm going to take my car from him and deal with the problem on with the deficiency.

8 MS. BRODER: Could you please identify 9 yourself for the court reporter?

MS. BHAGWAKAR: I'm Bharma Bhagwakar. I'mwith Volkswagen Credit.

MS. BRODER: After the workshop, if youcould spell your name for the reporter. Thank you.

We're all the way to item 20, which requests for the date when you became aware you were a victim of ID theft. I think that's of great importance to most creditors and certainly for law enforcement, and I was wondering if our privacy watch dogs had any concern with that. I say that in the nicest of ways.

We're on page 6. Now, page 6 and page 7 both ask for a listing of creditor information, that is all of the creditors who may have opened accounts or whose accounts may have been corrupted by an identity thief, and I understand that there are
strong misgivings, if I'm correct, about sharing
this information universally among all creditors.

First of all, that it makes it harder for the creditor involved to find the information pertaining to them, and second that it may circulate private information more broadly than most people and certainly victims of identity theft would otherwise choose to do so.

9 MS. FOLEY: It also opens us up to work 10 place identity theft issues as well, which we'll 11 talk about in a couple days.

12 MR. FISHMAN: But what you're doing here is really reproducing a credit report. Anything on 13 page 6 and 7 is what would be on a credit report, 14 15 and a creditor already has the right to pull your credit report as an existing creditor, so by giving 16 him this, why don't you just get your own credit 17 report and attach it and say, This account is mine, 18 19 this one isn't, this one is mine, this one isn't.

20 MR. SMITH: I think if we pull the credit 21 report, I don't think we can share that information 22 with the consumer. I think that's why the consumer 23 has to go through the bureau to get a report, but I 24 do agree that we get this information on the bureau 25 but we don't know which accounts are real or and

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1 which accounts are fraudulent.

2 MR. FISHMAN: That's why the consumer can 3 simply attach an Experion report and go through it 4 and cross off the ones that are not theirs and check 5 off the ones that are theirs.

6 MR. SMITH: I think that the one piece that 7 would be important in here would be somewhere 8 authorizing us to be able to contact other credit 9 grantors that have had fraudulent applications on 10 their behalf.

11 MS. BRODER: I'll tell you, one of the 12 reasons that we included this, and it was after 13 considering the issues that have been raised today, is that it gives some assurance to other creditors 14 15 that they're not the only ones, it wasn't just this one account that was created but rather that the 16 17 victim was subject to a whole rash of false accounts opened in their name which establishes some kind of 18 19 verification that they are not a bona fide victim trying to get out of a single debt . 20

21 Were you going to say something? 22 MR. MCCALLUM: I'm sorry. Jim, just to 23 address this a little bit. My ultimate goal is to 24 shut these people down, whoever's doing this. What 25 we do typically is almost a prosecution package

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where we work at maybe 70 percent. If I know my counterpart at that fraud department within that issuing bank or whoever and maybe a unique case number that they have, we'll get a lot done so I would just like to throw that in on this particular page.

MS. BRODER: Does anyone else think amongthe creditor, financial institutions? Patsy.

9 MS. RAMOS: I don't think personally this is 10 the level of documentation we would ask for.

MS. BRODER: What on page 6 or 7 would you ask for? Now account -- it asks for creditor, name, address, account number, type of unauthorized credits or goods or services, date issued or opened if known and the amount or the value provided. What of that would you look for?

MS. RAMOS: We would just like to know if they are aware of any other accounts that were fraudulently opened in their name, that's it.

20 MS. BRODER: What about the account for SBC? 21 MS. RAMOS: We would know the account in 22 question for ours. I'm just saying we wouldn't know 23 this level of detail for any other creditor grantor. 24 MS. MOVISH: I think if they just list the 25 creditor then we have a copy of the credit bureau

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report and we can go back to the credit bureau
report and if they have Ford Motor Credit we will
know when it was opened and what the account number
is.

MS. BRODER: Judy?

5

9

6 MS. WELCH: We don't pull credit reports, so 7 we don't have any of that information available to 8 us from the DDA side.

MR. RAES: We don't either.

10 MR. FISHMAN: One thing I would like to 11 throw out, and I realize it's all in line with the 12 same purpose here which is to solve the consumer victim's problem is going a little bit further and 13 saying when you have someone with 8, 10, 12 fraud 14 15 accounts and they spend a lot of time dealing with 16 each one of those banks, every time they finally 17 convince when of the banks that what they're saying is true and the bank agrees with them, it would be 18 19 good if the bank would issue what I would call a safe harbor letter that says, We have investigated, 20 21 we've taken your name off, you don't owe this money, 22 because once you have that letter, it makes it so much easier to go to the other eight or nine or ten 23 24 and say, Look, XYZ Bank agrees with me, and I've been victimized in ten different banks. 25

1 It gives you more credibility, and I would 2 encourage banks to do that wherever possible.

MR. RAES: And I think law enforcement would 3 support that on the peripheral. It's beyond our 4 scope, but I have no doubt that it does and I think 5 -- go back to the statement I would add getting back 6 7 to that instrument that goes to that financial institution that says, make a decision. You're 8 9 forcing their hand legally, make a decision, I am a 10 victim, and you're recompensating me or you don't 11 think I am, tell me why.

So to me the key in law enforcement is that one-page affidavit. They have to by law respond to it, so you're either a victim or you're not. The safe harbor letter is a nicety and sure, I would support it.

MS. BRODER: One of the things we hear from consumers, and I think one of the consumer victims who testified in Congress last year said that she would fill out that one-page affidavit, and then she would be sent another six to eight page form that she had to fill out to supply all of the information behind it.

24 So where does that one-page affidavit get us 25 in terms of the specific account information that

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1 necessarily would be sought by the financial

2 institution? Jack?

MR. JORDAN: Well, I don't want to steal his 3 4 thunder, but I think what I said earlier was you're not going to solve 100 percent of anything, and I 5 think what we're trying to do here, even with this 6 7 document or the affidavit that Werner is talking about or the police report, 98 percent of the people 8 that we deal with, A, want to prosecute, B, are 9 10 willing to give whatever information they have.

11 And I can only speak for recently in the 12 last year or so we're seeing successes rather than 13 -- my heart goes out to the people that have been fighting this stuff for five years. I wouldn't 14 15 fight life on Mars for five years, so I feel sorry for them, but I think now there is lot of change, 16 17 and the change is happening because of what happened in March, what's happening here today and what's 18 19 going to happen on Wednesday.

20 So I was once told that a camel is a horse 21 that was created by a committee, and I think we're 22 going to end up with the same thing if we keep going 23 here.

The goal is to help Barry and help Bob and the other financial institutions identify the people

that are trying to get out of a legitimate debt and
also prosecute the ones that are trying to defraud
the banks further.

4 MS. FOLEY: And let's not forget the people 5 we're really trying to help, the victims.

MR. JORDAN: That's what I said first.

6

7 MR. RAES: And, Betsy, too, to add to that I 8 think that the affidavit -- and I don't know the 9 state that we're talking about because each state 10 again has its own codified note or penal law, and 11 unfortunately like Japan or someplace we don't have 12 one set of laws.

13 Each state has their own, so I can't speak specifically to your point, but normally in about 98 14 or 99 percent of the cases, if that affidavit was 15 16 not honored, if that was me speaking personally, I 17 think I would find myself an attorney like the gentleman on the end there, and it would be 18 19 rectified very, very quickly because in most cases the financial institutions do and are very good at 20 21 responding because they're legally bound to respond 22 and they know that, okay?

The other thing too that I might add, Mari, this new brochure that Anaheim put out which is available back there for everybody, there's a sample

1 letter in here which addresses some of these issues.

2 MS. BRODER: Joe, yes? MR. GENERA: If I could add on to that, that 3 4 is a very, very good point, and we were fortunate, very fortunate to be able to find Attorney Fishman 5 6 to help us with this. There are a lot of people out 7 there who can't and who don't have the means, and there are also a lot of attorneys out there who 8 don't know what they're doing when it comes to 9 10 identity theft, when it comes to fraud, et cetera, 11 et cetera.

12 Now, we need to leave soon, and I just 13 wanted to leave you with a thought because we are not going to be able to join you all tomorrow. 14 А lot of this could be avoided. In fact so much more 15 of this could be avoided. Catherine and I don't 16 17 have to be here. As the gentleman just said, there are laws and regulations that credit bureaus and 18 19 credit grantors need to comply with.

We wouldn't be here if you had done yourjob. That's all I have to say. Sorry.

22 MS. BRODER: Thank you. We thank you for 23 making the effort to come today. Phillip McKee? 24 MR. MCKEE: Phillip McKee from the National 25 Consumers League. I just wanted to guickly jump

back a couple seconds before we had our discussion
about relative importance of affidavits versus
declarations and once again talk about item number
21 on this list.

5 It's a nice idea that was proposed by the 6 attorney to have the person make notations on their 7 credit report but that assumes the person will be 8 able to understand their credit report and know what 9 accounts on there are the fraudulent ones.

10 Unfortunately with the differences in 11 formats that are out there and with the often 12 confusing formats, unless at the same time as 13 creating this declaration you also created a standard easy to read, plain language form for a 14 15 credit report, most consumers who are brand new victims of identity theft would not be able to use 16 17 an attached credit report as a substitute for item 21. 18

19 They would not be able to figure that out. 20 Usually the people that we have contacting us become 21 experts in how to read a credit report, but that's 22 much later in the process. That first time when 23 they discovered it, there are many people who's 24 credit reports to them might as well be a foreign 25 language because that is so confusing for many

1 people.

MS. BRODER: The language we're looking for in 21 is the best information that the victim has on the accounts that have been opened in their name, and whether they obtain it because a debt collector has contacted them or because they've been able to interpret their credit report, they'll be in the same situation.

9 MS. FOLEY: I want to go back to the victim 10 is very frightened at this point. There's nothing 11 in here that says, Why do you need this information. 12 You're just saying, Give it to me, give it to me, 13 give it to me, and I'm going to start with I never 14 asked questions before now, I'm going to start 15 learning the word no.

16 And I want to know why you need each one of these steps, and there's nothing in here that says 17 that -- the other thing I'll bring up, and I know 18 we'll be talking about it tomorrow, and I hate to 19 make this longer, maybe on page 8 we need to talk 20 21 somewhere is there a criminal identity theft case 22 going on concurrent to this because many cases overlap or actually I would say criminal identity 23 24 theft cases also overlap into financial identity theft 25

MS. BRODER: I think on the first page with 1 2 the important instructions, you bring up an important point, Linda, which is we say what this 3 4 form asks for, what you should do, what you should know, but maybe we need a little bit of why we need 5 this, and when we figure out what that is, that is 6 7 how generally this will be used, that would bring us 8 ahead. 9 There's a gentleman in the back of the room.

MR. THOMPSON: Joe Thompson. I think there's another point here that we need to make. We have a little bit of a --

MS. BRODER: Can I stop you one second? Dowe have a better Mike?

MR. THOMPSON: Joe Thompson, President's Information Technology Advisory Committee. I think what's happening here to some extent is the credit industry is in the new economy, and the consumer, the potential victim is still back in the old economy.

The consumer particularly in the fast paced economy we have has become a commodity, but in establishing the fraud we are leaving the consumer as still an entity which is the way things used to be.

The speed of getting credit or getting a 1 2 cell phone or getting any type of this has really We had a minute ago that you can get a 3 qone down. 4 cell phone simply by calling a number and setting it If I could get out of such an account simply by 5 up. calling a number, perhaps the cell phone industry 6 7 might find a solution to the problem.

My point of it is that's the new economy, 8 9 old economy, and I think that we have got to face 10 this issue, that as we have made business -- the 11 credit industry, business, cell phones, et cetera, 12 operate so quickly and so easily and so instantly 13 for people, and particularly that's been not really so much to serve the people but because of 14 15 competition, that we've got to do the same thing for 16 the consumer.

17 We've got to bring the consumer in to the new economy also, and 12 pages on everything that 18 19 comes out is the old economy. I'm in danger every day of someone opening up some false account, and I 20 21 have to put another 12 pages on in principle, not 22 only some individual doing it, but there's nothing to prevent some person from getting a list of names 23 24 and Social Security numbers, opening up his own little small business and setting up financial 25

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liabilities for everybody on the list.

2 MS. BRODER: And it happens, and we've sued 3 them.

4 MR. THOMSPON: It does.

5 MS. BRODER: But actually I'm very 6 interested in if you have an idea of how to bring 7 this process that may seem cumbersome and a little 8 bit antiquated in a more timely --

9 MR. THOMSPON: You can look to it in 10 different directions. One thing that might choke a 11 little bit would be that if the credit industry 12 incurred a liability to the person when they set up 13 a financial liability because what you're doing, 14 what the company is doing, is establishing a 15 financial liability for that individual.

16 If the credit industry incurred a liability 17 for damages to that individual in doing that I think 18 they probably would redirect corporate resources to 19 finding a solution to the problem, and I have great 20 confidence that they could.

21 MS. BRODER: That's one perspective that I 22 think would generate a great deal of discussion on 23 this panel.

We have already gone over by about 15 minutes, and under other circumstances, I would plow

through except I know we have an opportunity 1 2 tomorrow in a smaller break out group to continue this discussion which I think is important. 3 4 We are determined and dedicated to 5 establishing something that will facilitate consumer's efforts in reporting their fraud, and 6 7 we're going to move ahead with that. We thank you so very much, all of you today, 8 9 for your important input. We look forward to seeing 10 you tomorrow morning at nine o'clock, and I remind 11 you also to share your business cards with Joanna Crane and with Helen Foster, the women in the ID 12 13 theft colors. 14 Thank you very, very much. 15 (Time noted: 4:46 p.m.) 16 17 18 19 20 21 22 23 24 25

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