THE CHANGING FACE OF IDENTITY THEFT

THE CURRENT AND FUTURE LANDSCAPE

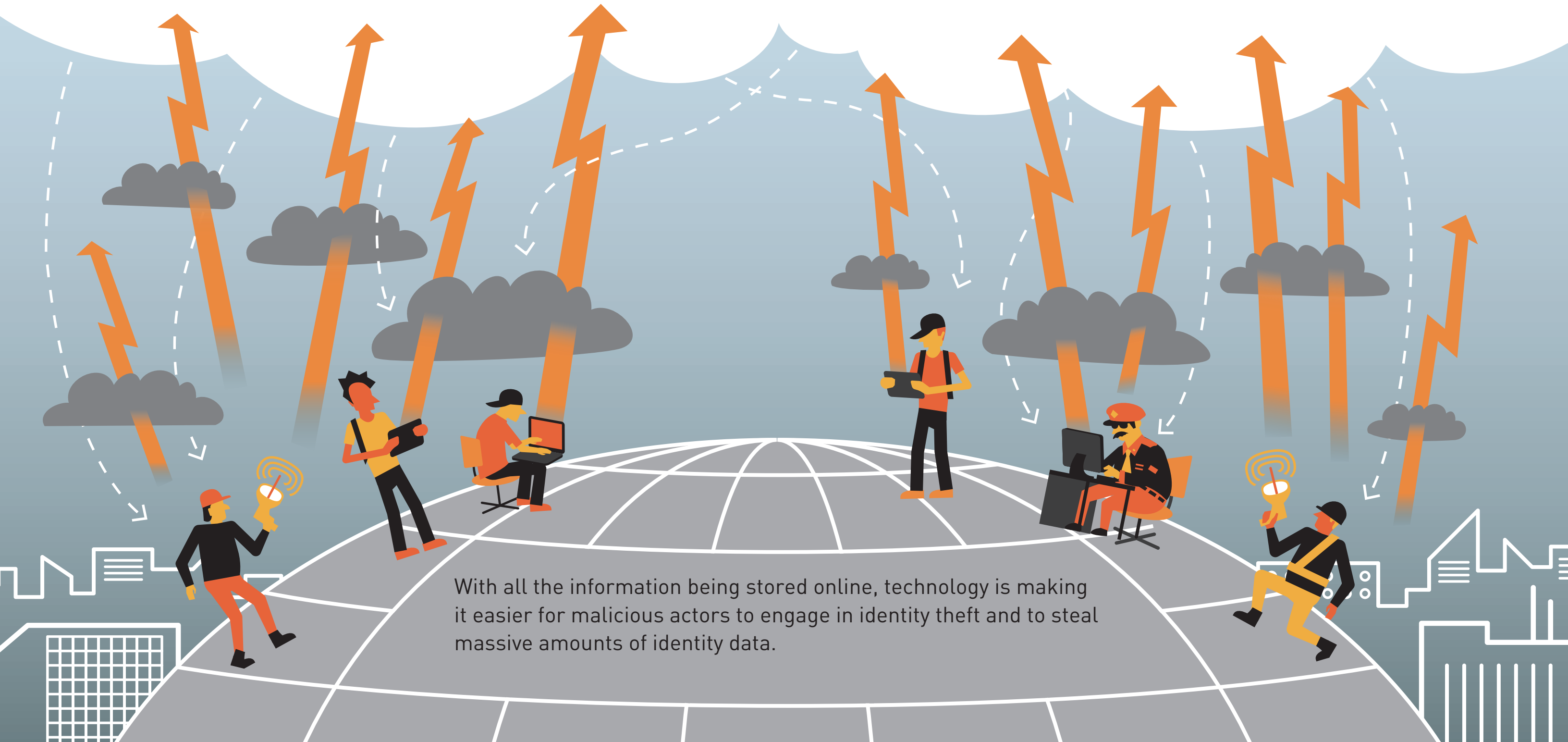
Identity is the unique set of characteristics that define an entity or individual. **Identity theft** is the unauthorized use of an individual or entity's identity to conduct illicit activity. To study identity theft, we first look at what constitutes identity:

IDENTITY FOR THE INDIVIDUAL

- GOVERNMENT ISSUED ID
- BIOMETRICS
- DEVICES
- PROFESSIONAL ID
- VIRTUAL SELVES

IDENTITY FOR THE ORGANIZATION

- LEGALLY ESTABLISHED ID
- BRAND + REPUTATION
- EMPLOYEES
- CUSTOMERS
- MISSION



With all the information being stored online, technology is making it easier for malicious actors to engage in identity theft and to steal massive amounts of identity data.

CURRENT STATE

Identity Theft 2013

The following statistics illustrate the scope and cost of identity theft in 2013.

Credit, debit and prepaid cards worldwide experienced gross fraud losses of

$11.27 BILLION in 2012

Identity theft accounts for an annual loss estimated at

$21 billion

in the U.S.

CHILD ID FRAUD

1 in 40 households with children under 18 have experienced child ID fraud.

IRS FRAUD

The IRS could issue approximately $26 billion in fraudulent tax returns resulting from ID theft between 2013 and 2018.

MEDICAL ID FRAUD

Nearly 1.8 million Americans are victims of medical ID theft every year. This is not only costly but it also threatens lives.

SMALL BUSINESS

Small business presents a high degree of potential exposure to identity theft via online means. More than 77% of small and medium-sized business owners believe their company is safe from cyber threats, however...

83% of small businesses have no cybersecurity plan.

MOTIVES

75% of reported data breach cases are financially motivated.

FUTURE STATE

Identity Theft 2017

Identity thieves use technology to keep one step ahead of security experts and law enforcement. By 2017, identity thieves will reach into every part of our lives and into institutions and organizations from anywhere in the world. Here is a snapshot of the emerging trends in identity theft in 2017.

MOTIVATION:
SOCIO-POLITICAL
TARGET:
ORGANIZATIONAL

REPUTATION

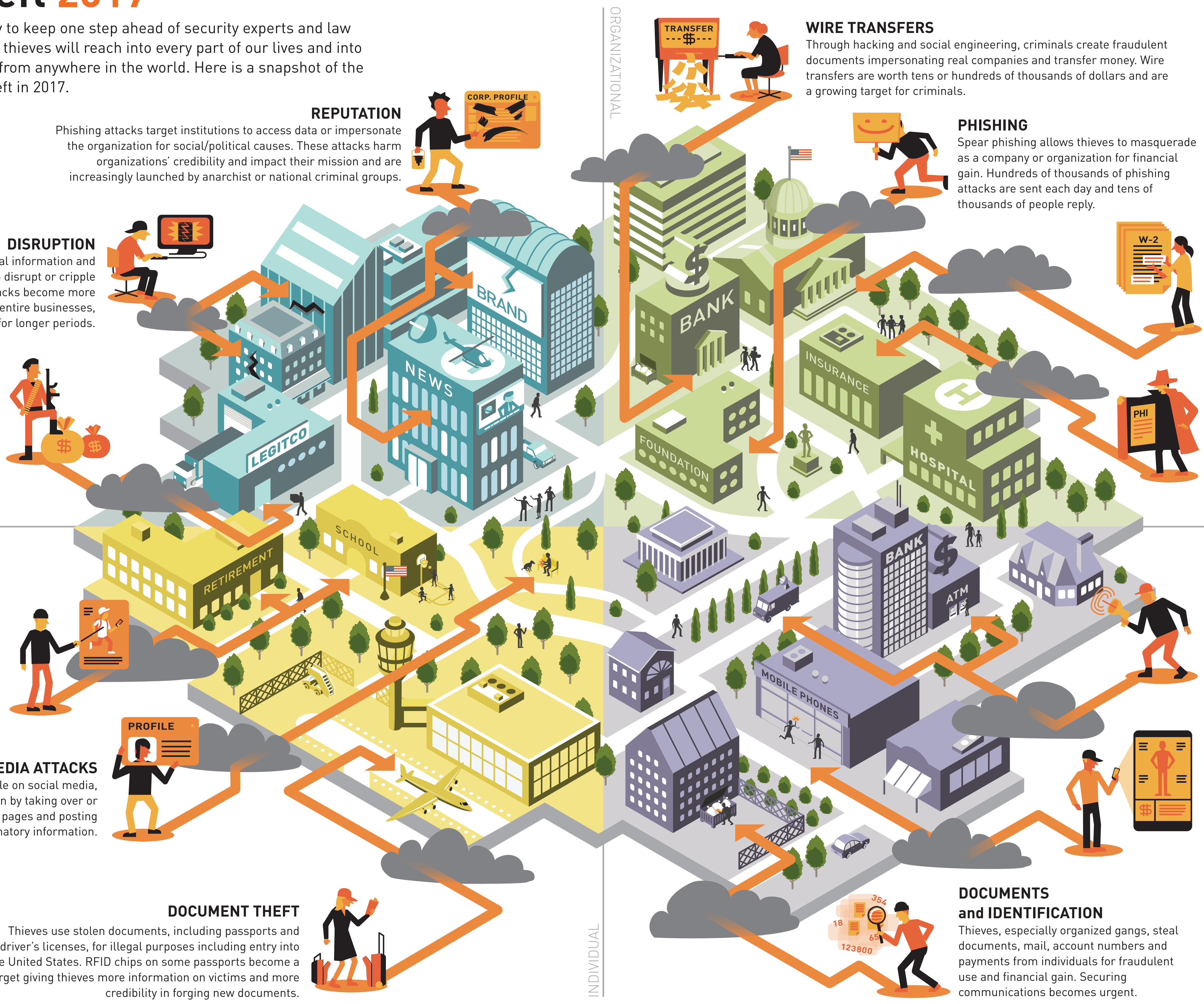
Phishing attacks target institutions to access data or impersonate the organization for social/political causes. These attacks harm organizations' credibility and impact their mission and are increasingly launched by anarchist or national criminal groups.

DISRUPTION

Hackers attack websites, internal information and security systems in order to disrupt or cripple organizations and businesses. Attacks become more widespread shutting down entire businesses, industries or locations for longer periods.

TERRORISM

Identity theft provides hundreds of potential terrorists entry into the United States. Fake identities or fraudulent account numbers are used by terror networks to launder money or to finance their operations.



WIRE TRANSFERS

Through hacking and social engineering, criminals create fraudulent documents impersonating real companies and transfer money. Wire transfers are worth tens or hundreds of thousands of dollars and are a growing target for criminals.

PHISHING

Spear phishing allows thieves to masquerade as a company or organization for financial gain. Hundreds of thousands of phishing attacks are sent each day and tens of thousands of people reply.

MOTIVATION:
FINANCIAL
TARGET:
ORGANIZATIONAL

TAX REFUNDS

With just a name, address and Social Security Number, organized crime groups file millions of fraudulent tax returns early to obtain refunds before individuals file their genuine returns.

MEDICAL FRAUD

A single medical insurance card is worth 40 times more than a Social Security card on the black market. Health care cooperatives have become a prime target for identity thieves. Erroneous information increasingly shows up on medical records leading to serious health risks, even death.

TARGETING VULNERABLE GROUPS

Criminal groups increasingly target children, the elderly and other vulnerable groups. Online gaming sites for kids have become a prime target for identity thieves.

SOCIAL MEDIA ATTACKS

Thieves impersonate people on social media, harming their reputation by taking over or creating false social media pages and posting pictures or other defamatory information.

DOCUMENT THEFT

Thieves use stolen documents, including passports and driver's licenses, for illegal purposes including entry into the United States. RFID chips on some passports become a target giving thieves more information on victims and more credibility in forging new documents.

MOTIVATION:
SOCIO-POLITICAL
TARGET:
INDIVIDUAL

BANK ACCOUNTS

Bank account numbers remain one of the biggest targets for criminals and organized crime. Large-scale theft of millions of account numbers and online transactions become commonplace across borders where criminals can evade law enforcement.

MOBILE ID

Mobile devices are the primary means of identification. The devices include fingerprint information, bank and payment accounts, airplane tickets, pins and passwords. The depository of information becomes an irresistible target for identity thieves.

DOCUMENTS and IDENTIFICATION

Thieves, especially organized gangs, steal documents, mail, account numbers and payments from individuals for fraudulent use and financial gain. Securing communications becomes urgent.

MOTIVATION:
FINANCIAL
TARGET:
INDIVIDUAL

Our Recommendations

EDUCATION

Design and implement a public education campaign leveraging schools, online users and companies.

GOVERNANCE

Designate a single agency and dedicate a single database for incident reporting and measurement.

INCENTIVES

Increase funds for law enforcement to pursue identity theft by adding manpower, resources and training.

Design and implement incentives for public and private compliance with best practices in identity security and privacy standards.

LEGAL / LEGISLATIVE

Adopt strict privacy regulations to better protect people and entities in virtual and physical environments.

Regularly revisit a globally-accepted legal definition of identity theft to encompass evolving perspectives.

Strengthen existing legislation and increase penalties for identity theft domestically and internationally. Evaluate annually to keep pace with criminals.

PROTECTION

Encourage individual and institutional online identities to obfuscate the location, source or one's identification through employing multiple virtual identities and/or proxies – rendering the act of identity theft increasingly difficult and complex.

TECHNICAL

Adopt a multifactor ID system for transactions and documents of significance.

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