

2005

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### Recommended Citation

Eileen Hughes, *Government, Business Tries to Keep Pace with Growing Identity Theft Crisis*, 10 Pub. Interest L. Rptr. 20 (2005).  
Available at: <http://lawcommons.luc.edu/pilr/vol10/iss1/12>

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# Government, Business Tries to Keep Pace With Growing Identity Theft Crisis

By Eileen Hughes

In the United States, people wake up each day to find that someone has stolen their identity - to buy a car, run up debt on a credit card, or to create a new identity.

Recently, a California company, ChoicePoint, was under fire for information it gave to identity thieves posing as legitimate companies, according to various news reports. And, as the media and the public's attention to the issue of identity theft increases, more and more incidences of identity theft are being publicized.

According to a *Public Advisory: A Special Report for Consumers on Identity Theft* published by the U.S. Department of Justice on its Web site, "[I]dentity theft complaints to the Federal Trade Commission have increased five-fold in the last three years, from 31,117 in 2000 to 161,819 in 2002." The DOJ's report details how consumers may become victims overnight, simply by "charging dinner at a restaurant."

These incidences reflect what [www.usdoj.gov](http://www.usdoj.gov), calls "one of the fastest-growing crimes in the United States and Canada."

Jordana Beebe, communications director of the Privacy Rights Clearinghouse, [www.privacyrights.org](http://www.privacyrights.org), acknowledges that anyone may become the victim of identity theft.

"Identity theft knows no bounds," Beebe said. "We hear children becoming victims of identity theft when [a child's] Social Security number is misused by a parent or adult. At times, a person who is deceased will have their SSN misused by someone, too."

Beebe noted that it's not just careless or uneducated consumers who discover they have become victims of identity theft.

"Recent studies indicate that the 18- to

29-year-olds are the ones who are experiencing identity theft the most," she said. "Usually, this demographic represents pretty savvy consumers. In essence, it's not just the unsophisticated or those who are not knowledgeable about technology who become victims."

*"Identity theft knows no bounds."*

Jordana Beebe,  
Privacy Rights Clearinghouse

Privacy Rights Clearinghouse, has taken steps to help protect consumers.

"We've done a lot in the past to get legislation introduced and passed in the state of California and we still work on getting better laws passed. We also assist consumers when they run into problems when attempting to resolve their own identity theft situation," she said.

As far as consumers protecting themselves, Beebe said there are no magic formulas for preventing identity theft.

"...Though there are certain steps consumers can take to minimize their risk for the crime, there's really no silver bullet that will ensure they will not become a victim," Beebe said. "For instance, once you give your personal information over to a company, it's out of your control."

The Federal Trade Commission has entered the identity theft fray, publishing identity theft information for consumers, and advice on how to protect one's identity or deal with the aftermath of identity theft.

The FTC's Web site, [www.ftc.gov](http://www.ftc.gov), contains detailed information on how consumers can rectify the problems resulting from identity theft. According to the site, consumers should put fraud alerts on their credit reports and check their credit reports for mistakes or fraudulent accounts. The FTC's Web site also cites filing a police report as a key component to rectifying

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identity theft.

The FTC cited the recently revised Fair Credit Reporting Act (FACT Act) as a source for consumers to combat identity theft. The revised FACT Act requires that the three major credit-reporting agencies provide one free credit report per year to consumers. The schedule for when consumers may access their yearly free

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credit report, as well as an online request form, is available on the FTC's Web site or [www.annualcreditreport.com](http://www.annualcreditreport.com).

According to a 2003 TransUnion press release, the three major credit bureaus, Experian, TransUnion, and Equifax, instituted a policy that allows consumers to make one phone call to alert all three major credit agencies to possible identity theft on the consumer's account.

Despite increased consumer vigilance and awareness of creditors, Beebe and the Privacy Rights Clearinghouse believe that the credit industry needs to step up its internal protection of consumers to better deal with identity theft.

"We feel that really the credit industry needs to take more responsibility for identity theft. There's a possibility that the government needs to step in and regulate industry practices because the credit industry simply isn't doing it voluntarily," said Beebe. "For instance, we feel that the credit industry could stop identity theft in its tracks if they simply compared more information on the credit application with what's contained in a person's credit report. Without minimum security procedures in place, identity theft will continue to proliferate. However, the credit

industry seems more focused on their bottom line and simply incorporates identity theft into the costs of doing business," Beebe said.

But Beebe also said that the government could also improve areas to protect consumers.

"In terms of government involvement, we'd like to see the Medicare system transition away from using a person's SSN as [an] ID number. And we'd like to see California's security breach notification law made into a federal standard or passed into law in other states," Beebe added.

Mari Frank, an attorney, mediator, and privacy consultant in California, knows the ins and outs of identity theft. Not only has she become an educator in identity theft issues, but she has been a victim of identity theft, as well. As detailed in an introduction to her book, *From Victim to Victor*, Frank describes how one person stole her identity in 1996 and accumulated more than \$50,000 in debt, all in Frank's name.

Given her past experience with identity theft, Frank has insight into the recent identity thefts making the news, including ChoicePoint, and its recent troubles.

"...They gave the key to the door of the databases without much ado; they are now saying that they will be more careful with verification," she said.

In a recent press release available on its Web site, [www.choicepoint.com](http://www.choicepoint.com), ChoicePoint stated that it "[would] discontinue the sale of information products that contain sensitive consumer data, including Social Security and driver's license numbers, except where there is a specific consumer-driven transaction or benefit, or where the products support federal, state or local government and criminal justice purposes."

While this move will further protect consumers, other precautions can be taken by companies to safeguard consumers' information.

Frank believes that credit card and credit reporting companies can institute more precautions to protect consumers' identities.

"Of course-they must institute proper

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**Identity Theft**, *continued from page 21*

information handling practices-slow down in issuing credit-and verify identity and authenticate-limit access to sensitive info-to those who need to know-have audit trails-and respect privacy," Frank said.

Legally, Frank believes more power needs to be put in the hands of the consumers to protect their identities. "The new [FACT Act] took away a private right of action from many violations of the Fair Credit Reporting Act - we must provide for lawsuits by individuals and attorney generals to enforce the new laws," she said.

Ultimately, Frank believes that government, both state and local, must do more to protect consumers' personal information. "Hold the creditors and companies with information accountable," she said.

In the meantime, consumers will need to watch their personal information and check their credit reports to keep thieves from stealing their identities.

## Public Interest Resources

### Job Opportunities, Funding, Loan Repayment Information, and More!

#### **Equal Justice Works**

[www.equaljusticeworks.com](http://www.equaljusticeworks.com)

#### **Equal Justice America**

[www.equaljusticeamerica.org](http://www.equaljusticeamerica.org)

#### **PSLawNet**

[www.pslawnet.org](http://www.pslawnet.org)

#### **ABA Law Student Division Advocacy**

[www.abanet.org/lsd/legislation](http://www.abanet.org/lsd/legislation)

#### **Public Interest Law Initiative**

[www.pili-law.org](http://www.pili-law.org)

#### **National Lawyers Guild**

[www.nlg.org](http://www.nlg.org)

#### **Illinois Legal Aid**

[www.illinoislegalaids.org](http://www.illinoislegalaids.org)

## Report Explores Indigent Defense

By **Katherine Licup**

The American Bar Association's Standing Committee on Legal Aid and Indigent Defendants released a report in February showing funding for indigent defense in America is in a state of crisis.

*Gideon's Broken Promise: America's Continuing Quest for Equal Justice* was commissioned in 2003 to commemorate the 40th anniversary of the landmark Supreme Court case *Gideon v. Wainwright*, which guaranteed the right to counsel for poor people accused of certain crimes.

The ABA committee held a series of public hearings around the country to determine whether the ruling in *Gideon* is being fully realized. The committee's report makes clear that it is not. The report states that funding for indigent-defense services is inadequate, that lawyers who provide such services often are not properly trained, and that there are times where counsel should be provided to a defendant, but is not. As a result, the report says, many defendants who are innocent are actually convicted, as illustrated by recent cases where convictions have been overturned due to DNA evidence.

In addition to an increase in government funding, the report recommends establishing state oversight committees and disciplinary reporting procedures when lawyers violate their ethical duties to their clients.

Many states, such as Georgia, which has established a statewide public defender system, and Virginia, which has a statewide commission that oversees indigent defense, are taking steps toward mitigating wrongful convictions. However, the report says that even those programs are not funded adequately.

In Illinois, the hearings revealed that the 25-year-old statute governing payment for assigned counsel in a felony case caps reimbursement at \$1,250 - a meager amount that discourages attorney volunteers - and thus the burden of indigent defense is being borne almost entirely by public defenders. Because of the burden on those offices, a defendant frequently is represented by different lawyers at different stages of the case.

The full report is available at [www.indigentdefense.org/brokenpromise](http://www.indigentdefense.org/brokenpromise).