

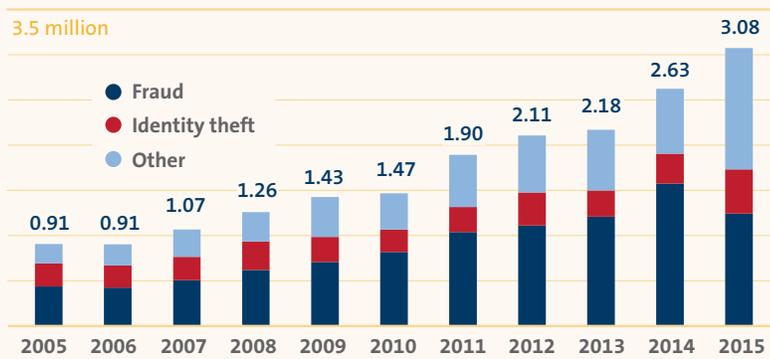
# Financial Crime

Financial and economic crimes cost American individuals and businesses billions of dollars every year, causing financial and emotional distress. Financial fraud occurs when someone uses deception or misrepresentation for financial gain. Financial fraud includes, but is not limited to: mortgage or healthcare fraud, romance scams, sweepstakes, and Internet scams. Identity theft, another type of fraud, is related to the misuse of personal information, most often to gain access to an individual's credit card or bank account. Measuring the extent of financial crime is complicated due to the many different reporting options available to victims. Some victims report to law enforcement, some report online to government agencies such as the Federal Trade Commission (FTC), and others report to multiple places or do not report the crime at all.

## Trends

The Consumer Sentinel is a database of consumer complaints made to the FTC that law enforcement can access to investigate fraud, identity theft, and other types of financial crimes. Prior to 2015, the most common type of consumer complaint reported to the FTC was for fraud. In 2015, however, the most common complaint changed to “other,” a category that includes debt collection, funeral services, auto-related scams, and education scams. While the total number of complaints has continued to increase every year, it is difficult to attribute the growing volume to a rise in fraud or an increase in reporting.<sup>A</sup>

**Complaints Reported to the FTC, by Type<sup>A</sup>**  
in millions of complaints



### Did You Know?

**75%** of consumers who file a fraud complaint were contacted by the fraudulent company **via phone**.<sup>A</sup>

Households with annual incomes of \$75,000 or more are **2x as likely to experience identity theft** as households making \$24,999 or less.<sup>C</sup>

**1 in 10 identity theft victims** experience **severe emotional distress**, compared to 1 in 3 victims of violent crime.<sup>C</sup>

The Internet Crime Complaint Center (IC3)—a partnership among the FBI, National White Collar Crime Center, and the Bureau of Justice Assistance—collects complaints about crimes committed online. Internet crime encompasses many different types of fraud, scams, hacking, and identity theft. The IC3 analyzes commonalities among complaints and alerts law enforcement and the public about emerging Internet crime issues. In 2015, the IC3 received over 275,000 complaints, a **7% increase** from 2014.<sup>B</sup>

**Complaints Reported to the IC3<sup>B</sup>**  
in thousands of complaints



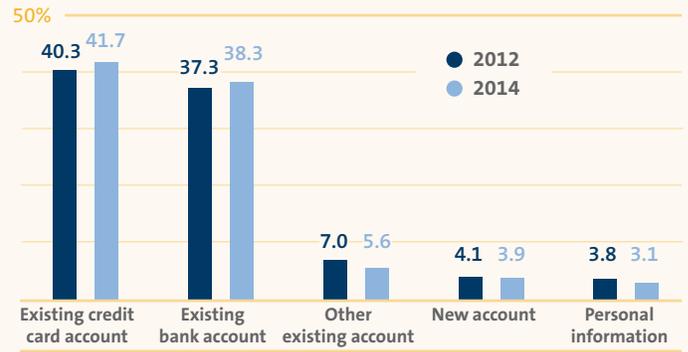
# Current Data on Financial Crime

Victims of **identity theft** experience a wide variety of incidents such as the misuse of existing credit card, bank, and other accounts; the creation of new accounts; and the misuse of personal information. In 2014, an estimated **7% of U.S. residents** age 16 or older had experienced **at least one identity theft incident** in the past 12 months. Of those identity theft victims, **86%** most recently experienced **misuse of existing account information**: 42% had existing credit card accounts misused and 38% had existing bank accounts misused.<sup>C</sup>

**Percent of Population Experiencing One or More Identity Theft Incidents<sup>C</sup>**  
in the last 12 months

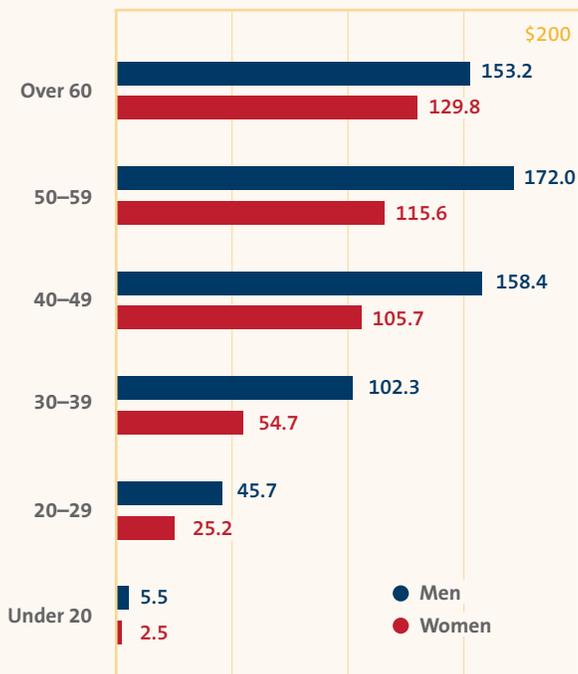


**Most Recent Type of Identity Theft Experienced<sup>C</sup>**



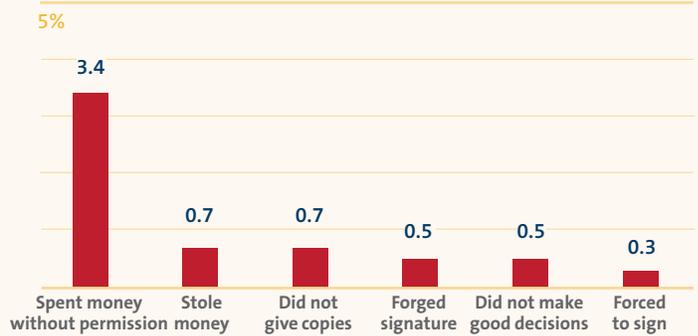
In 2015, over **\$1 billion in financial losses** due to Internet crime were reported to the IC3. **Men consistently reported higher financial losses than women**, with men age 50 – 59 reporting the highest losses, totaling about \$172 million. Men and women over age 60 also reported high rates of financial loss.<sup>B</sup>

**Financial Loss Reported to the IC3<sup>B</sup>**  
by victim age and sex, in millions of dollars



In the National Elder Mistreatment Study, researchers found that **5.2% of older adults** were currently experiencing **financial mistreatment perpetrated by family members**. The most common form of exploitation was spending money without permission.<sup>D</sup>

**Family Member Exploitation<sup>D</sup>**  
by type of exploitation



## SOURCES

- A Federal Trade Commission, *Consumer Sentinel Network Data Book*, January - December 2015, (2016), <https://www.ftc.gov/system/files/documents/reports/consumer-sentinel-network-data-book-january-december-2015/160229csn-2015databook.pdf#page=6>
- B Internet Crime Complaint Center, *2011-2015 Internet Crime Reports*, <https://www.ic3.gov/media/annualreports.aspx>
- C Bureau of Justice Statistics, *Victims of Identity Theft, 2014*, (U.S. Department of Justice, 2015), <https://www.bjs.gov/content/pub/pdf/vit14.pdf>
- D Ron Acierno et al., *National Elder Mistreatment Study*, (2009), <https://www.ncjrs.gov/pdffiles1/nij/grants/226456.pdf>