

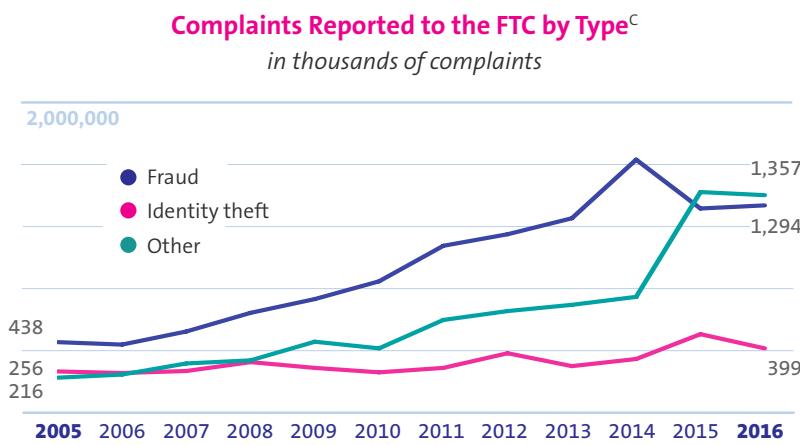


Financial Crime

Financial and economic crimes—including fraud and identity theft—cost American individuals and businesses **billions of dollars every year**, and take a significant emotional toll as well as financial. 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** is related to the misuse of personal information, most often to gain access to an individual's credit card, bank account, or other personal information. Measuring the extent of financial crime is complicated, in part 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, and others report to multiple places or do not report the crime at all. No matter the reporting agency or response mechanisms, **financial recovery is often limited**.^{A,B}

CRIME TRENDS

The Consumer Sentinel is a database of consumer complaints made to the Federal Trade Commission (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 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 unknown whether the growing volume indicates a rise in fraud or an increase in reporting.



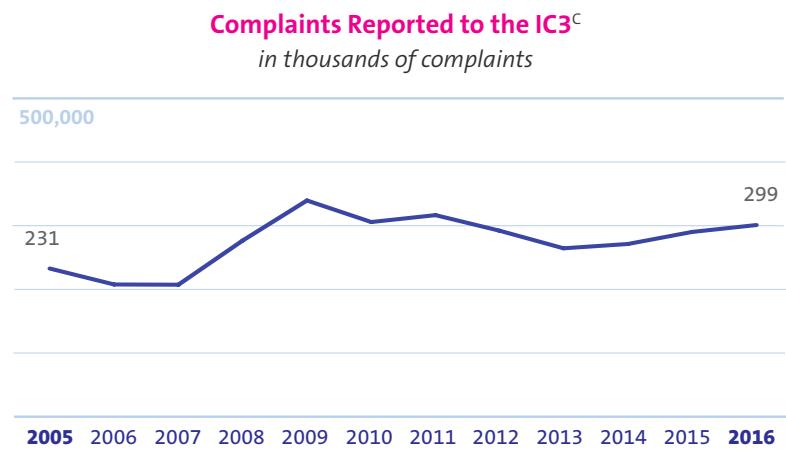
The Internet Crime Complaint Center (IC3)—a partnership between the FBI, National White Collar Crime Center, and the Bureau of Justice Assistance—collects complaints about crimes committed online. Internet crime encompasses many different types of fraud, scams, hacking, and identity theft. The IC3 analyzes commonalities among complaints and alerts law enforcement and the public about emerging Internet crime issues. In 2016, the IC3 received nearly 300,000 complaints.

DID YOU KNOW?

77% of consumers who file a fraud complaint were contacted by the fraudulent company **via phone**.^C

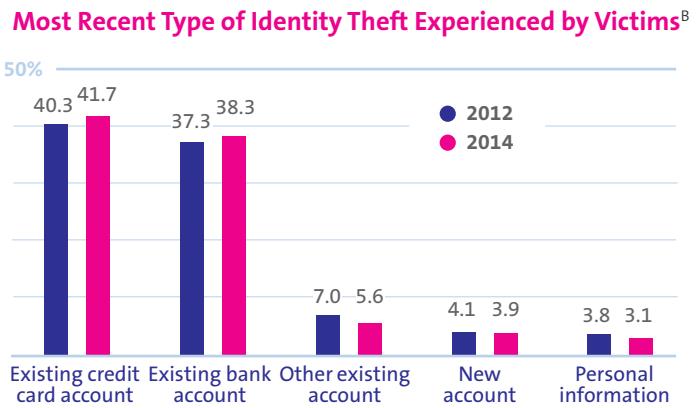
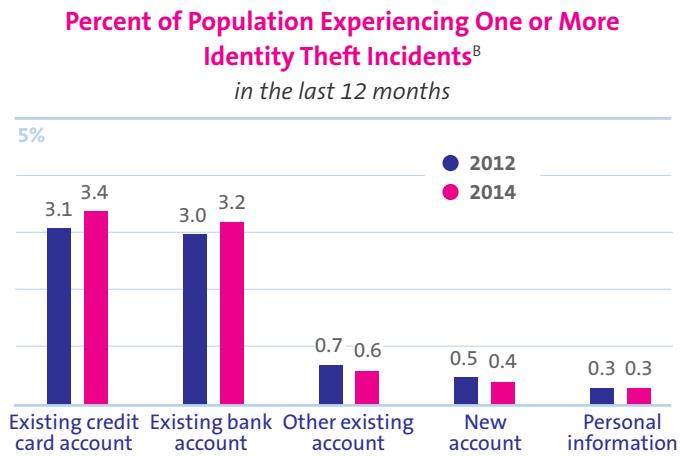
Households with annual incomes of \$75,000 or more are **2x as likely to experience identity theft** as households making \$24,999 or less.^B

1 in 10 identity theft victims reports experiencing **severe emotional distress**, compared to 1 in 3 victims of violent crime.^B

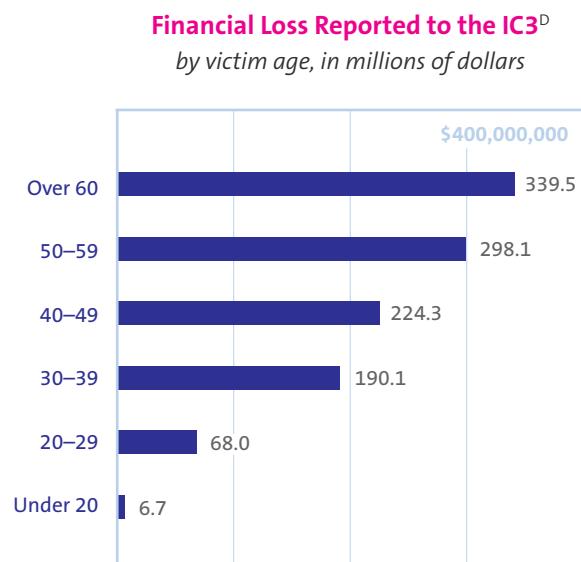


CURRENT DATA ON FINANCIAL CRIME

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 and 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.^B



In 2016, over \$1 billion in financial losses due to Internet crime were reported to the IC3. Of victims who reported their age, **adults age 50 and older reported the highest percentage of losses** (56%), totaling nearly \$640 million.^D



SOURCES

- A Javelin Strategy & Research, <https://www.javelinstrategy.com/press-release/identity-fraud-hits-record-high-154-million-us-victims-2016-16-percent-according-new>
- B Bureau of Justice Statistics, *Victims of Identity Theft*, 2014, (U.S. Department of Justice, 2015), <https://www.bjs.gov/content/pub/pdf/vit14.pdf>
- C 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-2016/csn_cy-2016_data_book.pdf
- D Internet Crime Complaint Center, 2011-2016 *Internet Crime Reports*, <https://www.ic3.gov/media/annualreports.aspx>