

entitle consumers to free annual credit reports.

The Commission's participation in the March Summit on Identity Theft, hosted by the Department of Treasury, marked the beginning of a new dialogue among government, private sector and consumer groups on these critical issues. We continue to look for ways to expand on these efforts.

I. Meeting the Goals of the Identity Theft Act

In earlier testimony before this Committee, the Commission described the ways in which we have carried out our responsibilities under the 1998 Identity Theft Act.⁽⁴⁾ Since that time, we have built on these achievements.

A.

bring the perpetrator to justice, and because a police report is among the best means of demonstrating to would-be creditors and debt collectors that they are genuine victims of identity theft. More than half the states have enacted their own identity theft laws, and our counselors, in appropriate circumstances, will refer consumers to other state and local authorities for potential criminal investigation or prosecution.

B. Outreach and Consumer Education

The FTC also reaches consumers through the Internet. The FTC's identity theft website-- www.consumer.gov/idtheft -- gives tips on how consumers can guard against identity theft, warns consumers about the latest identity theft schemes and trends, and provides access to consumer education materials on identity theft. This website has received more than 108,000 hits since November, 1999. The site also links to a secure complaint form on which identity theft victims can enter the details of their complaints online, allowing consumers to contact the Commission at all times. After review by FTC staff, these complaints are entered into the Clearinghouse. To date we have received more than 1500 complaints through this electronic form.

The Federal Trade Commission continues to distribute the comprehensive consumer guide: ID Theft: When Bad Things Happen to Your Good Name. Developed in consultation with more than a dozen federal agencies,⁽⁹⁾ this booklet provides consumers with practical tips on how best to protect their personal information from identity thieves, summarizes the various federal statutes that protect consumer victims of identity theft, and details the victim assistance mechanisms

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sector entities to allow Clearinghouse users from law enforcement agencies to see as much complaint data on identity theft as possible.⁽¹¹⁾

With a database as rich as we envision the Clearinghouse becoming, we can and do refer cases for potential prosecution. To maximize use of the data, we now provide law enforcement partners with direct access to the Clearinghouse through Consumer Sentinel, our secure website for sharing complaints and other information with consumer protection law enforcers. Starting this month, law enforcement and appropriate regulatory offices can access the Clearinghouse through their desktop personal computers. This access enables them to readily and easily spot identity theft problems in their own backyards, and to coordinate with other law enforcement officers where the database reveals common schemes or perpetrators. The FTC will continue to comb through the data to spot cases for referral, but has also enabled others to use the data to ferret out the bad actors for prosecution.

The Identity Theft Act also authorized the Commission to share complaint data with "appropriate entities,"⁽¹²⁾

Identity Theft Clearinghouse with businesses whose practices are frequently associated with identity theft complaints. Our goal is to encourage and enable industry and individual companies to develop better fraud prevention practices and consumer assistance techniques. To that end, the Commission, in conjunction with the Department of Treasury and the other federal agencies who participated in the Identity Theft Summit, will convene a workshop for law enforcement and industry on Identity Theft victim

National Credit Union Administration; Office of the Comptroller of the Currency; Office of Thrift Supervision; Social Security Administration; United States Postal Inspection Service; United States Secret Service; United States Securities and Exchange Commission; and United States Trustee.

10. The FTC has provided the booklet on zip disk to other agencies who are interested in printing additional copies.

11. Our Consumer Sentinel database, which houses consumer fraud complaints, receives complaint data from Better Business Bureaus, consumer outreach organizations and others. We are looking to replicate this approach with identity theft complaints.

12. The Identity Theft Assumption and Deterrence Act provides, in pertinent part, "the Federal Trade Commission shall establish procedures to . . . refer [identity theft] complaints . . . to appropriate entities, which may include referral to . . . the 3 major national consumer reporting agencies." 18 U.S.C. Sec. 1028 (note).

13. The unique role of the consumer reporting agencies in resolving the problems of identity theft victims is discussed below.