

**PREPARED STATEMENT OF
THE FEDERAL TRADE COMMISSION ON
THE IDENTITY THEFT PENALTY ENHANCEMENT ACT OF 2002**

Before the

SUBCOMMITTEE ON TECHNOLOGY, TERRORISM AND GOVERNMENT INFORMATION

of the

**SENATE JUDICIARY COMMITTEE
Washington, D.C.**

July 9, 2002

I. INTRODUCTION

Madam Chairman and members of the Committee, I am Howard Beales, Director of the Bureau of Consumer Protection, Federal Trade Commission ("FTC" or "Commission").⁽¹⁾ I appreciate the opportunity to present the Commission's views on the importance of strengthening the tools available to law enforcement as a means to both prevent and deter the crime of identity theft.

In March of this year, I had the opportunity to testify before this Subcommittee on the serious consequences that can result from identity theft.⁽²⁾ In that testimony, I described three main components of the FTC's identity theft program: our Identity Theft Data Clearinghouse (the "Clearinghouse"); our consumer education and assistance resources, including our toll-free hotline, website, and educational brochures; and our collaborative and outreach efforts with law enforcement and private industry. Today, I would like to focus on the various ways the FTC works with law enforcement in order to facilitate their investigation and prosecution of identity theft crimes, and to express the Commission's support for the Identity Theft Penalty Enhancement Act, which will help achieve that goal.

Recognizing that investigating identity theft often presents unique challenges, the FTC in conjunction with the Secret Service, DOJ, and IACP planned and directed training seminars for state and local law enforcement around the country in Washington, DC, Des Moines, Iowa, Chicago, Illinois, and in San Francisco. More than 440 people from over 100 different government departments and agencies have attended these seminars since we began them in March. Over three-quarters of the attendees were from state and local law enforcement and prosecuting authorities. An additional training program is planned for Dallas, Texas on August 14.

The training is designed to provide officers with technical skills and resources to enhance their efforts to combat identity theft. The training draws on the talent of local police and prosecutors, in addition to the core training staff from the FTC, DOJ and the Secret Service. While particular details may vary between venues, we stress two basic elements in the first half of the day: the value of Task Forces and the utility of the Clearinghouse to build and augment cases. The training also touches on the consumer educational and informational aspects of the FTC's identity theft program, because many law enforcement departments use our booklet, *When Bad Things Happen To Your Good Name*, as part of their victim assistance effort.

The training then moves to segments providing practical advice and demonstrating hands-on tools to help improve investigational strategies. In addition, presentations are geared towards familiarizing the attendees with the many different resources available to them from the federal, state and local government, and also from private industry, for investigating identity theft. Local prosecutors identify the key components they are looking for to bring successful identity theft actions. The feedback we have received has been very positive, and has enabled us to fine-tune each subsequent seminar.

IV. CONCLUSION

The Commission supports S. 2541, the Identity Theft Penalty Enhancement Act of 2002, and embraces its goal of increasing the prosecution and criminal penalties when the identity theft facilitates particularly pernicious crimes. When these crimes are committed under someone else's identity, it stigmatizes an innocent person who must struggle to clear his or her name from association with an exceptionally horrific misdeed. It is only just that such a crime should carry an additional penalty. The FTC will continue to do its part to support the prevention, investigation, prosecution and mitigation of identity theft by providing law enforcement with education, training, access to the Clearinghouse, and case referrals.

Endnotes:

1. The views expressed in this statement represent the views of the Commission. My oral presentation and responses to questions are my own and do not necessarily represent the views of the Commission or any Commissioner. 1624(fo91.36 re W n B50 pan)178.92(

2. See Testimony of J. Howard Beales, Senate Judiciary Committee, Subcommittee on Technology, Terrorism and Government Information gy.xhanman)-1(u)15((J)-0 1 Tf 9.96 0 0 9.96 126w 7.56 0 0 7.56 88.56 232.8 Tm [(1624(fo)8(r)24(mQ qka)-1(nd)