

the growing threat of

IDENTITY THEFT

and its implications for employers

by Russell A. Jones

Identity theft occurs when thieves gain access to and use another person's personal information such as his or her name, Social Security number, credit card or bank account number, or other identifying information to commit fraud or other crimes.¹ Identity thieves gain access to personal information through a variety of sources such as lost or stolen credit cards, stolen paper mail, dumpster-diving, computer spyware or hacking, e-mail scams, or by accessing customer or employee records maintained by businesses.²

Across the United States, instances of identity theft have increased dramatically over the last several years. According to the United States Federal Trade Commission (FTC), in 2005 identity theft was the nation's top consumer complaint for the sixth year in a row.³ In 2005 alone, approximately 8.9 million Americans were victims of identity theft, at a cost to the economy of approximately \$56.6 billion.⁴ Because many cases of identity theft go unreported, the numbers are likely even higher.