Financial Crimes Enforcement Network
A bureau of the U.S. Department of the Treasury

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FinCEN Study Examines Rise in Identity Theft SARs; Awareness Helps Deter Greater Loss

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) today released a new **study** analyzing Suspicious Activity Reports (SARs) citing identity theft that shows while suspected cases of identity theft are on the rise, vigilant financial institution employees are reportedly rejecting over half of fraudulent vehicle or student loans facilitated by identity theft prior to funding. The report, *Identity Theft – Trends, Patterns, and Typologies Reported in Suspicious Activity Reports (SARs) Filed by Depository Institutions*, shows the number of SARs characterized as identity theft rose 123 percent between 2004 and 2009, out-stripping the rise of total SARs filed by depository institutions which increased 89 percent during the same five years.

Though the study notes that credit card fraud continues to be the most reported type of identity theft-facilitated financial fraud, reporting trends for that type are moderately down, while reporting trends of consumer loan fraud facilitated by identity theft are significantly up.

"FinCEN's study of identity theft SARs reveals how important suspicious activity reports can be to deterring illicit activity," said FinCEN Director James H. Freis, Jr. "In many instances involving identity theft, the vigilance of employees of financial institutions is apparently deterring greater losses when the employees suspect loans are tied to false identities."

The identity theft study, a first for FinCEN, also found that about 27 percent of sample SAR narratives reported that the victim of identity theft knew the subject of the SAR, who was usually a family member, friend, acquaintance, or employee working in the victim's home.

The report also found that victims reportedly discovered identity theft by reviewing their own account activity in about 28 percent of sample filings. The analysis also found that filers credited routine financial institution account monitoring with uncovering identity theft in nearly another 21 percent of SAR filings, and reviews of commercial databases at account initiation in 15 percent of filings.

FinCEN defines identity theft as using identifying information unique to the rightful owner without the rightful owner's permission.

The release of FinCEN's report coincides with National Protect Your Identity Week, October 17-23, a public-private educational effort of the National Foundation for Credit Counseling (NFCC) and the Council of Better Business Bureaus (BBB) to publicize steps the public can take to prevent identity theft.

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FinCEN's mission is to enhance U.S. national security, deter and detect criminal activity, and safeguard financial systems from abuse by promoting transparency in the U.S. and international financial systems.