

## **Financial Crimes and Identity Theft: Law Enforcement Response, Challenges, and Resource Needs**

The recent story of a Minnesota Army National Guard soldier charged with stealing the personal information of roughly 400 other soldiers to fund his private militia is a high-profile and alarming example of a serious problem experienced every day by many individuals. According to a recently-released report from the U.S. Department of Justice Office of Justice Programs Bureau of Justice Statistics (BJS), approximately 16.6 million persons, or 7 percent of all U.S. residents age 16 or older, were victims of one or more incidents of identity theft in 2012.<sup>1</sup> Not surprisingly, responding to reports of identity theft and financial crimes is a common occurrence for Minnesota law enforcement agencies.

This past fall, the Office of Justice Programs conducted a survey of police departments and county sheriffs' offices regarding identity theft and financial crimes. The goal of the survey was to better understand the extent to which law enforcement agencies respond to this type of victimization and identify ways OJP can improve the response given to these victims. This survey was prompted by our recognition of the significant challenges to investigating and prosecuting these crimes, with many—if not most—never prosecuted, and of the advocacy gap for victims who still need assistance and support in dealing with the aftermath. In addition, we had heard, anecdotally, that some agencies had checklists and guides for their officers focused on financial crimes, and that some agencies had materials they distribute to victims who report such crimes. Rather than recreate the wheel, our thought was to reach out to those agencies that might already be engaged in best practices related to victims and find ways to build on and disseminate

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<sup>1</sup> Harrell, E. and Langton, L (2013), *Victims of Identity Theft, 2012*. Bureau of Justice Statistics, U.S. Department of Justice Office of Justice Programs. <http://www.bjs.gov/index.cfm?ty=pbdetail&iid=4821>.

those practices to the wider law enforcement community. We also took this opportunity to ask about the kinds of financial crimes that get reported to law enforcement agencies and the challenges faced by law enforcement. The survey results provide an interesting glimpse into the reality faced by law enforcement agencies in responding to these crimes, confirm many of the oft-expressed challenges, and identify some good efforts employed by agencies.

### **Most Common Crimes**

Law enforcement agencies indicated that financial crimes related to the exploitation of the elderly were of the greatest concern to them. They were not, however, the most commonly reported financial crimes. The most commonly reported financial crimes were: check overpayment scams, unauthorized ATM card usage, and other scams including Nigerian and lottery scams. Most law enforcement agencies are trying to raise the profile of these crimes by doing public outreach and prevention education. Agencies reported they would make prevention and education a priority if more funding was made available.

### **Professional Training and Collaboration**

The survey shows that law enforcement would benefit from more training and greater collaboration on financial crimes and identity theft. While most law enforcement officers are at least somewhat knowledgeable about financial crimes and identity theft, very few agencies reported that all their officers received financial crime and identity theft training, and less than a third of departments have staff specifically trained to work on these types of crimes. The survey also draws attention to a need for local, cost-effective training for law enforcement with step-by-step instructions on how to investigate these crimes. Agencies stated a desire to increase cross-department information sharing on these cases. Improved data sharing and enhanced

opportunities for joint investigations through local or regional collaborations, along with a better understanding of the role of the Minnesota Financial Crimes Task Force, could help improve local law enforcement agencies' ability to investigate these complex crimes.

## **Victim Assistance**

Connecting victims to resources is important given the often complicated and burdensome steps victims must take to unravel an identity theft or financial exploitation situation. Moreover, along with the financial impact of these crimes, victims often suffer emotional harm. The BJS identity theft study found that about 36 percent of identity theft victims reported moderate or severe emotional distress as a result of the incident.

Respondents in our survey indicated they would like to provide more help to victims of financial crimes and identity theft. Currently, most agencies advise victims to close compromised accounts and to contact credit reporting agencies. However, few agencies report offering other useful options or resources. Of all respondents, only 7 percent report always or often advising victims to sign up with the [NCIC Identity Theft File](#) or referring victims to an advocacy agency.

Given the needs of victims in the aftermath of identity theft or financial victimization, providing key information to victims at the time of their initial contact with law enforcement is a good first step. Written materials that list victims' rights, direct them to state and federal online resources, identify key action steps, and connect them with local and state agencies should be developed specifically for victims of financial crimes and identity theft. In addition, law enforcement should become knowledgeable on the NCIC Identity Theft File, a process initiated at a law enforcement agency, as well as the Bureau of Criminal Apprehension's [Questioned Identity Process](#), which provides a means for a victim of criminal identity theft to correct erroneous criminal history data.

## **A statewide problem**

Minnesota law enforcement agencies routinely respond to reports of financial crimes and identity theft, but their efforts are hampered by a lack of resources and other challenges including the complexity and cross-jurisdictional nature of these cases, and difficulty identifying perpetrators. While the survey results demonstrate that law enforcement agencies in Minnesota are engaged in efforts to prevent and investigate these crimes, more could be done to improve current efforts. With proper law enforcement training and resources, public education efforts, useful victim materials and referrals, and enhanced cross-jurisdictional collaboration, law enforcement could significantly improve its financial crimes and identity theft outcomes.

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Click [here](#) to view full report:

Buskovick, D. *Financial Crime and Identity Theft: Law Enforcement Response Challenges and Resource Needs: Report of Minnesota Law Enforcement Identity Theft Survey*, Minnesota Department of Public Safety Office of Justice Programs (December 2013).

### Helpful Resources:

Information for victims of identity theft, including useful guides and links to other helpful online resources, can be found on the [OJP website](#).