

New York Identity Theft Up 50 Percent, Says Manhattan D.A.  
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By Colby Adams and Brian Orsak

Instances of cybercrime and identity theft in New York City rose 50 percent over the past five years, while some municipal precincts are citing the violations more than any other crime.

Overall, the crimes have grown at an “alarming rate” in New York, according to Manhattan District Attorney Cyrus Vance, who cited the figures during a speech at the 16th Annual International Anti-Money Laundering Conference. The Manhattan office reviews 200 to 300 cases per month, he said, in his comments.

“The threat is growing and it’s real,” said Vance, during the speech. The office, which launched a unit to fight cybercrime in March 2010, has 80 attorneys who spend all or part of their time reviewing related cases, he said.

The figures cited by Vance likely “only represent a fraction” of the actual instances of identity-theft because much goes unreported, said Jeremy Saland, a former assistant district attorney and identity theft prosecutor with the Manhattan District Attorney’s Office.

“If you see a fraudulent transaction on your credit card statement, it’s more likely that you’d deal with it through the credit card company or the bank rather than calling the police or federal authorities,” said Saland, now a partner with Crotty Saland PC in New York City. “As long as you’re not on the hook for the losses and your financial institution makes it right, then most people usually leave it at that.”

Financial institutions are less likely than law enforcement agencies to try and connect the dots between seemingly separate incidents of identity theft-related fraud that, in fact, may be part of a larger scheme, said Saland. Consequently, the bigger picture often remains concealed, he said.

“Because the losses incurred are usually low relative to their other expenses, it’s just approached as a cost of doing business” and dealt with on an ad-hoc basis, he said. To many banks or credit card companies, a loss in the tens or hundreds of thousands of dollars is merely the cost of managing a billion dollar business, he said.

High Intensity Financial Crime Areas (HIFCA), including New York and California, experience a higher frequency of identity theft, which is often tied to financial crime, said Linda Foley, founder of the Identity Theft Resource Center, a San Diego-based organization that lobbies for tougher data security laws.

“New York is the largest population center and financial center in the country, with a vast concentration of businesses and a lot of wealth, and lots of cyber crime,” said Foley. “These things lend themselves to identity theft, which goes where the jobs are, and where the drugs are, as well.”

There were nearly 16,500 identity theft complaints from New York victims in 2010, with credit card fraud, the most often reported category, comprising 20 percent of the complaints, followed closely by government documents/benefits fraud, according to a March 2011 report from the Federal Trade Commission.

New York had the fourth highest total of reported identity theft nationwide, while the highest number of identity theft complaints was recorded in Florida, according to the report.