

Supporting Statement

A. Justification

1. Necessity of the Information Collection

We request clearance to conduct an identity theft supplement to the National Crime Victimization Survey (NCVS). The 2008 Identity Theft Supplement (ITS) is primarily an effort to measure the prevalence of identity theft and the overall economic cost of the crime to victims. The ITS was also designed to collect important characteristics of identity theft such as how the victim's personal information was obtained, physical and emotional impact, financial impact, interaction with law enforcement and credit bureaus, the physical and emotional impact on victims, offender information, and measures people take to avoid or minimize their risk of becoming an identity theft victim. The ITS will be conducted from January through June 2008. We are requesting a three-year OMB clearance, not to exceed December 2010. There are no plans, at this time, to conduct the ITS on a recurring basis.

The ITS is a collaborative effort sponsored by the Bureau of Justice Statistics (BJS), Federal Trade Commission (FTC), Office for Victims of Crime (OVC), Bureau of Justice Assistance (BJA), and National Institute of Justice (NIJ). The ITS will fill gaps in information that each of these offices has had in understanding the extent, nature, and consequences of identity theft.

The 2008 ITS is the first collection of a separate supplement to the NCVS on identity theft. Presently, the NCVS collects limited information on this type of crime from one respondent in each sample household. This respondent provides information at the household-level about how the respondent became aware of the identity theft, amount of financial loss attributed to the identity theft, whether the misuse has stopped, whether the respondent or their household is still experiencing any problems related to the identity theft, and how much time it took to resolve all the problems that surfaced as a result of the identity theft. These questions were included as part of the regular NCVS collection beginning in July 2004.

While the identity theft questions on the ongoing NCVS cover many of the important aspects of identity theft, ultimately the number of identity theft questions that can be fielded on the ongoing NCVS is limited by concerns for cost and increased

respondent burden. Moreover, the questions on the ongoing survey cannot provide an estimate of how many household members experienced identity theft. As a result, the NCVS identity theft data do not provide as comprehensive a picture as would be provided in an independent supplement like the ITS. The design of the ITS will expand upon the information currently collected by the NCVS and provide a more comprehensive picture of identity theft.

2. Needs and Uses

Although there are no comprehensive statistics on the prevalence of identity theft, the Department of Justice considers identity theft to be one of the nation's fastest-growing crimes affecting millions of Americans each year. In April 2007 the President's Identity Theft Task Force released a strategic plan entitled 'Combating Identity Theft.'¹ It states:

“One shortcoming in the federal government's ability to understand and respond effectively to identity theft is the lack of comprehensive statistical data about the success of law enforcement efforts to combat identity theft. Specifically, there are few benchmarks that measure activities of the various components of the criminal justice system in their response to identity thefts occurring within their jurisdictions, little data on state and local enforcement, and little information on how identity theft incidents are being processed in state courts.” (p. 70)

“There is considerable debate about the prevalence and cost of identity theft in the United States. Numerous studies have attempted to measure the extent of this crime. The DOJ, the FTC, the Gartner Group, and Javelin Research are just some of the organizations that have published reports of their identity theft surveys. While some of the data from these surveys differ, there is agreement that identity theft exacts a serious toll on the American public.” (p.11)

The Presidential Task Force also stated that “although greater empirical research is needed, the data show that annual monetary losses are in the billions of dollars. Businesses suffer most of the direct losses from identity theft because individual victims generally are not held responsible for fraudulent charges. Individual victims, however, also collectively spend

¹ The President's Strategic Plan is available at: <http://www.idtheft.gov/reports/StrategicPlan.pdf>

billions of dollars recovering from the effects of the crime.” (p. 11)

This supplement responds directly to a recommendation of the Task Force that, “BJS conduct periodic supplements to gather more in-depth information (p.70)” on identity theft.

There is a consensus that identity theft is a growing problem that requires more attention and study. In order to more fully understand identity theft and to obtain a more clear picture of its impact on society and consequences suffered by victims, surveys such as the ITS are needed. The findings from the ITS will not only be beneficial to the general public by increasing awareness of this serious crime but they also will have significance for legislators, policymakers, and law enforcement in making sound decisions regarding these criminal acts and providing assistance to its victims.

3. Use of Information Technology

The ITS will be conducted in a fully automated interviewing environment using computer-assisted personal interviewing technologies (CAPI). The use of CAPI technologies reduce both respondent and interviewer burden. Furthermore, automated instruments afford the opportunity to implement inter-data item integrity constraints which minimize the amount of data inconsistency. More consistent data, in turn, reduces the need for extensive post-data collection editing and imputation processes which will significantly reduce the time needed to release the data for public consumption. The use of technology results in more accurate data products that are delivered in a more timely fashion giving data users access to information while it is still relevant.

4. Efforts to Identify Duplication

Several organizations, both public and private, have sponsored surveys and studies relating to identity theft over the last few years to understand identity theft. However, these studies have not been able to provide a comprehensive picture of identity theft. The ITS meets the recommendation in the President’s Strategic Plan that, “The BJS should conduct its surveys in collaboration with subject matter experts from the FTC.” (p. 70)

Previous studies are listed below beginning with the most recent. The ITS will be larger in scope and size than any of the previous studies.

- o Javelin Research released the Identity Fraud Survey Report in February 2007.
- o Javelin Research and the Better Business Bureau released updates to Federal Trade Commissions 2003 Identity Theft Survey Report in January 2005 and 2006.
- o BJS released a report in April 2006 based on the first six-months of household-level data. The full report is located at <http://www.ojp.usdoj.gov/bjs/pub/-pdf/it04.pdf>
- o In late 2004, the Federal Deposit Insurance Corporation released a study regarding 'account hijacking' which involves the misuse of someone's personal information to access and misuse a person's existing accounts. The full report is located at http://www.fdic.gov/consumers/consumer/idtheftstudy/identity_theft.pdf. This study specifically focuses on this subset of identity theft because the misuse of a person's existing accounts primarily affects institutions insured by the FDIC.
- o The Identity Theft Resource Center released a study of 173 known victims of identity theft in September 2003.
- o The Federal Trade Commission (FTC) sponsored an identity theft survey in 2003. The full report is located at <http://www.ftc.gov/os/2003/09/synovatereport.pdf>. The main objectives of this survey were to estimate the incidence of identity theft, measure the impact on victims, identify actions taken by victims, and explore measures that may help future victims of identity theft. The results were based on a random sample of 4,000 households. The FTC is a co-sponsor of the 2008 ITS.
- o The Gartner Group released a report on identity theft in July 2003. The press release can be accessed at http://www.gartner.com/5_about/press_releases/-pr21july2003a.jsp.

5. Minimizing Burden

During the design phase of the 2008 ITS all attempts were made to balance the needs of the sponsors while minimizing the respondent burden. Furthermore, to minimize respondent burden and nonresponse on supplements to the NCVS, supplemental questionnaires are designed to take no longer than 10 to 15 minutes to administer. In fact, most supplements to the NCVS usually contain no more than 50 to 60 questions. For the ITS, it is important to note that recent prevalence estimates indicate that 3 to 4 percent of all Americans experience

some form of identity theft each year. So, for the purposes of the 2008 ITS, 96 to 97 percent of all eligible respondents 16 years of age and older, who did not experience identity theft within the stated reference period, will receive 10 or fewer questions and take at most 3 minutes to administer. The remaining 3 to 4 percent of eligible respondents, who experienced some form of identity theft, will be asked a more extensive series of questions about their identity theft experience. The estimated interview length for these respondents is 15 minutes.

6. Consequences of Less Frequent Collection

The ITS is being conducted as a one-time supplement to the NCVS. If data are not collected at all, the scale of information required by the President's Plan will not be available.

7. Special Circumstances

Collection is consistent with the guidelines in 5 C.F.R. 1320.6.

8. Consultations Outside the Agency

The U.S. Census Bureau, the Bureau of Justice Statistics (BJS), the Federal Trade Commission (FTC), the Office of Victims of Crime (OVC), the Bureau of Justice Assistance (BJA), and the National Institute of Justice (NIJ) collaborated to develop the questionnaire and procedures used to collect this supplemental information. Mr. Michael Rand, Ms. Patsy Klaus, Dr. Katrina Baum, and Ms. Wendy Lin-Kelly, from the BJS; Ms. Joanna Crane, Ms. Kathleen Claffie, Mr. David Lincicum, and Dr. Keith Anderson, from the FTC; Ms. Laura Ivkovich, from OVC, Ms. Michelle Shaw from BJA, and Ms. Christine Crossland from NIJ were the principal consultants. Ms. Marilyn Monahan and Mr. Jeremy Shimer, of the Demographic Surveys Division, and Ms. Theresa Demaio, Ms. Jennifer Beck, and Ms. Dawn Norris, of the Statistical Research Division, were the principal consultants from the Census Bureau. Ms. Elizabeth Newsom of the Office for Community Oriented Policing Services in the U.S.

Department of Justice also provided consultation on this project. BJS submitted the draft questionnaire for review to a number of outside reviewers who are experts in the area of identity theft: Mr. Mark Gage, National White Collar Crime Center; Ms. Kelly Buck, PERSEREC; Mr. Jonathan Rusch, Criminal Division of U.S. Department of Justice; Mr. Gary Gordon, Center for Identity Management & Information Protection; Mr. Vince Talucci, International Association of Chiefs

of Police; Dr. Dean Kilpatrick, National Crime Victim Research & Treatment Center; Mr. Henry N. Pontel, UC Irvine; Dr. Kevin Becker, Institute for Trauma & Crisis at Harvard Medical School; Mr. Kevin O'Brien, National Center for Victims of Crime; Ms. Anne Wallace, Identity Theft Assistance Corporation; and Ms. Kristen Hughes, Bureau of Justice Statistics.

The 60 day and 30 day notice has been published and no comments have been received.

9. Paying Respondents

Payment or gifts to respondents is not provided in return for participation in the supplement.

10. Assurance of Confidentiality

All information which can identify individuals will be held strictly confidential by the Census Bureau and the BJS according to the provisions stated in Title 13, U.S. Code, Section 9 and Title 42, U.S. Code, Sections 3789g and 3735 (formerly Section 3771). Only Census Bureau employees sworn to preserve this confidentiality may see the completed questionnaires. The respondents are assured confidentiality and informed that their participation is voluntary in a letter from the Director of the Census Bureau.

11. Justification for Sensitive Questions

No questions relating to sexual behaviors, drug use, religious beliefs, or other matters commonly considered private or of a sensitive nature are asked.

12. Estimate of Hour Burden

We estimate that 82,000 respondents will be eligible to be interviewed between January and June 2008. We estimate each screening interview will take .05 hours (3 minutes) and each full interview for persons experiencing identity theft will take 0.25 hours (15 minutes) to complete. Based on currently available prevalence statistics on the Federal Trade Commission website, identity theft affects 3 percent of the American population each year so we expect this to be doubled with a two-year reference period. Also, considering that the NCVS person nonresponse averages around 15 percent and

assuming the identity theft supplement achieves similar person nonresponse rates of approximately 10 percent, we estimate 62,730 of the 82,000 eligible respondents will be interviewed. Our assumption is that six percent of the 62,730 interviewed respondents will be victims of identity theft and therefore follow the long interview path in the questionnaire, the remaining 94 percent will not be victims of identity theft and as such will follow the short interview path. As stated above, our assumption is that the short interview path will take 3 minutes and the long interview path 15 minutes. Total expected respondent burden is therefore calculated as:

$$62,730 \times (.06) \times (.25 \text{ hours}) + 62,730 \times (.94) \times (.05 \text{ hours}) = 3,891 \text{ total hours}$$

13. Estimate of Cost Burden

There are no costs to respondents other than that of their time to respond.

14. Cost to Federal Government

We estimate the annual cost to the Federal Government for the supplement to be approximately \$900,000. BJS, FTC, OVC, BJA, and NIJ as the co-sponsors of this project will bear all costs of the supplement.

15. Reasons for Change in Burden

Not applicable.

16. Project Schedule

Interviewing for the 2008 ITS will be conducted during January through June 2008 by Census Bureau field representatives. Processing of the data will take place on an ongoing basis between February and September 2008. Computer-based clerical editing and coding, if required, will be completed by August 2008 and the computer processing, editing, imputation, and weighting of the data will be completed by the end of November 2008. The Census Bureau will prepare and deliver a 2008 NCVS/ITS microdata user file and accompanying file documentation to BJS by December 2008. The dates expressed above are good faith estimates and are subject to change.

The BJS, FTC, OVC, BJA, and NIJ will be responsible for the statistical analysis and publication of the data from the 2008 ITS, jointly and separately.

17. Request to Not Display Expiration Date

N/A.

18. Exceptions to the Certification

N/A. There are no exceptions to the certification.