



## President Bush Signs Feinstein Measure to Toughen Penalties on Identity Theft into Law

July 15, 2004

**Washington, DC** – President Bush signed legislation today, originally authored by U.S. Senator Dianne Feinstein (*D-Calif.*) in the Senate and Representative John R. Carter (*R-Texas*) in the House, to increase penalties on those who commit identity theft. The legislation was co-sponsored by Senator Jon Kyl (*R-Ariz.*) and Representative Adam Schiff (*D-Calif.*).

The Identity Theft Penalty Enhancement Act, which was developed in coordination with the Justice Department, imposes tougher penalties on identity thieves and makes it easier for prosecutors to target those identity thieves who steal for the purpose of committing the most serious crimes, including terrorism.

**“Identity theft has reached epidemic proportions in recent years,”** Senator Feinstein said. **“This legislation will give prosecutors a leg up in the fight against identity theft. It will particularly help in those cases where criminals use stolen identities to commit acts of terrorism, murder, and other serious crimes.”**

According to the Federal Trade Commission (FTC), there were 214,905 identity theft complaints filed in the U.S. during 2003, up sharply from 161,836 in 2002 and 86,212 in 2001. Of last year’s victims, 39,452 were Californians, giving California the third-highest per capita rate of identity theft of any state. However, a 2003 phone survey commissioned by the FTC suggested that as many 3.25 million Americans were victimized by identity theft during the previous year. The FTC also estimates that identity thefts cost U.S. businesses and consumers over \$50 billion in 2003.

Senator Feinstein’s work on the issue of identity theft was inspired in part by the story of Michelle Brown, a California woman whose personal information was taken from an apartment rental application. Starting in January 1999 an identity thief used Brown’s name and Social Security number to purchase over \$50,000 worth of goods and services including an automobile, phone service, utilities, store credit cards, and even a liposuction procedure. The identity thief also obtained a duplicate driver’s license in Brown’s name. Brown later discovered that a Federal warrant had been issued for her arrest stemming from drug-smuggling charges brought against the woman who had stolen her identity.

Specifically, the legislation will:

- Increase penalties by two years for anyone who commits “aggravated identity theft” in order to commit another serious Federal offense (including immigration violations, false citizenship crimes, firearms offenses, Social Security fraud, government theft, and other

serious crimes);

- Increase penalties by five years for anyone who commits identity theft for the purpose of committing a terrorist act;
- Expand the maximum penalty for identity theft under Federal law from three to five years;
- Clarify that the twenty-five year maximum sentence for identity theft in facilitating terrorism applies to both international and domestic terrorism; and
- Add the word "possess" to the Federal identity theft statute so that law enforcement can target individuals who possess identity documents with the intent to commit another crime.
- Direct the Sentencing Commission to amend its guidelines in order to punish insider offenses that involve an "abuse of trust" of the person's position.
- Authorize \$2 million each year for fiscal years 2005 to 2009 to the Department of Justice for the investigation and prosecution of identity theft and related credit card and other fraud cases.

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