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ID theft again tops list of FTC complaints Auction scams are still the top Web fraud

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For the fifth year in a row, identity theft topped the Federal Trade Commission's list of most-reported frauds, the agency announced Tuesday. The number of complaints about ID theft jumped 15 percent from the previous year, the agency said -- and represent about 40 percent of all complaints.

Some 250,000 consumers complained to the agency about ID theft last year, up from 215,000 in 2003.

The increased reports of ID Theft contradicts a study released last week by a private research group indicating that, while 9 million consumers were hit with ID Theft last year, rate of the crime has leveled off. The FTC's increase may simply reflect more willingness by consumers to report the crime to the agency, officials said.

"More people are referring victims to the FTC," said agency attorney Betsy Broder. "It's important consumers contact us because that makes it more likely we will identify scams, and one of our partners will investigate, and hopefully prosecute."

The crime data comes largely from consumers who self-report the incidents to the FTC by telephone or Web page. The complaints for the majority of reports in a database called called Consumer Sentinel, which now has over 2 million entries from consumers who think they've been scammed. The data is shared with 1,200 law enforcement agencies around the country, who use it to search for patterns of electronic crimes.

Of the 635,000 complaints filed last year, a little more than half were Internet-related, with auction scam complaints topping that list. The FTC places ID theft complaints in a separate category from Internet complaints.

Reports of auction scams have doubled since 2002, the agency said, jumping from around 50,000 to nearly 100,000 during that span. Most complaints involved non-delivery of auction winnings, or complaints that the item sold was described deceptively by the seller.

In all, consumers said they'd lost \$547 million in the various scams. Average loss per Internet scam was \$214.

"These are real people who have lost real money and the FTC offers them a direct link to finding a solution," said FTC Chairman Deborah Platt Majoras. "By filing complaints, consumers are one click away from thousands of law enforcement partners who can help restore their good name, protect their financial security, and give the FTC the information we need to stop fraud in its tracks."

Electronic-banking scams surge Criminals have clearly seized on electronic funds transfers as a new method for pick-pocketing consumers -- perhaps bolstered by the success of so-called "phishing" attacks, designed to trick consumers into divulging personal information through hacker-controlled Web sites. Complaints about electronic funds transfers have doubled since 2002, the agency said.

The increase supports findings published last year suggesting as many as 2 million consumers had money moved out of their checking accounts without their knowledge.

Complaints of about fraudulent tax returns also doubled from 2002 to 2004, perhaps suggesting more imposters are using someone else's Social Security Number to obtain work.

The FTC statistics suggest it's a good idea to ignore spam. About one-third of the time, or 35 percent, con artists initially contacted their victims through e-mail.

The Do Not Call list may be having a positive impact on telephone-related fraud, said Broder. Only about 16 percent of the time, initial contact came from phone solicitation. Two years ago, 20 percent of frauds began with a phone call.

Despite consumers' increased willingness to share information with the Federal Trade Commission, many still aren't telling law enforcement agencies about their crimes. About 61 percent told the FTC they didn't complain to a local police department. Another 8 percent went to police, but did not get a police report. That's important because several consumer rights are only available to those who obtain police reports which confirm the incident.

The hardest-hit areas in the country were Washington, D.C., San Jose-Sunnyvale-Santa Clara area in northern California, and Las Vegas, the report said.

Bob Sullivan is author of *Your Evil Twin: Behind the Identity Theft Epidemic*

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