

# **ID Theft and Fraud Report 2022**

# Contents

<b>An Introduction</b>	<b>3</b>
<b>Worst States for ID Theft (2019 – 2021)</b>	<b>4</b>
<b>Worst States for Fraud Protection</b>	<b>5</b>
<b>Metro Areas with Worst Potential</b>	<b>6</b>
<b>Comparison of Average Income to Average Loss</b>	<b>7</b>
<b>States with the Best ID Theft Protections</b>	<b>8</b>
<b>Ranking States that Help Fight Fraud</b>	<b>9</b>
<b>The Exponential Growth of ID Theft and Fraud (2018 – 2021)</b>	<b>10-11</b>
<b>Security is Your Best Tool to Protect Yourself</b>	<b>11</b>
<b>Batten Has the Tools You Need</b>	<b>12</b>

By the second quarter of 2020, the United States found itself in a precarious situation. As COVID-19 spread rapidly across its borders, state-level decisions spurred a lengthy shutdown.

The longer the pandemic lasted, the more city streets grew quiet as a general panic settled in. While on the surface, COVID was wreaking havoc, there was something else brewing during the 2020 pandemic that, for many, would have a longer lasting impact than the virus.

As the **Federal Trade Commission** reported, from 2019 to 2020, the number of fraud reports increased **21%** from **1.9 to 2.3 million**. From 2020 to 2021, there was another spike of **26%** in fraud reports, resulting in a **\$2.7 billion** increase in fraud losses. That amounts to:

**78%**  
increase in consumer fraud reports  
from 2019 to 2021

**211%**  
increase in consumer losses from  
2019 to 2021



It's clear that while the nation was distracted by the spread of COVID, consumers were being taken advantage of and being set up for even more potential heartache and loss.

These figures also suggest that there is an acceleration in fraud and ID theft that could continue to get worse. This is why it is of the utmost importance that each of us take the protection of our virtual identity and information seriously.



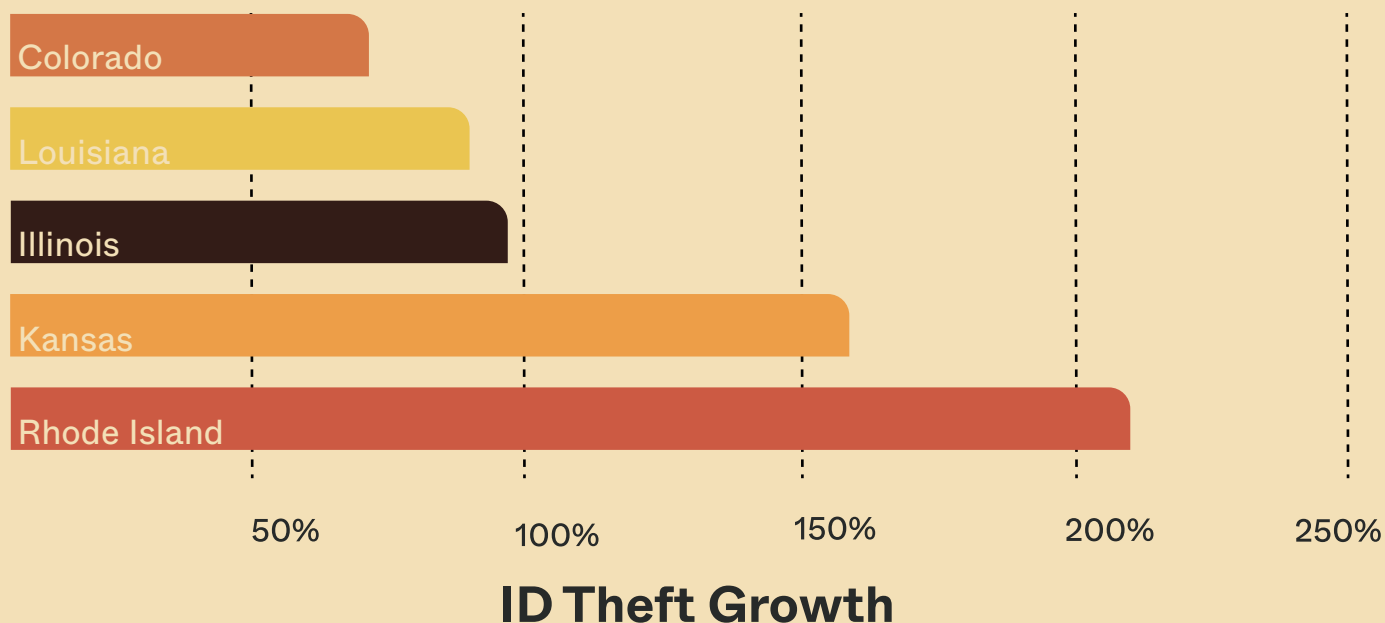
# Worst States for ID Theft (2019 - 2021)

According to the **Joint Center for Housing Studies of Harvard University**, March 2020 and December 2020 saw increases of **12%** and **14%** in permanent change of address requests from the prior year. This suggests that the onset of COVID and the winter surge drove relocation.

If you are relocating, take note that the following ten states are currently experiencing the highest rates of ID theft. The percentage represents ID theft claim growth and is scored per capita per 100k people.

While median home prices, local wages, general crime rates, and cost of living were likely among the biggest concerns with these moves, savvy individuals also should have considered ID theft rates as well. During the pandemic, every state saw a noticeable increase in ID theft reports, but some were far worse off than others.

Interestingly enough, the states that reported the most ID theft during 2019 - 2021 were not the same states with the most reported cases in 2018. For example, Rhode Island reported **93 cases per 100k** people in 2018. But, in 2021, that number skyrocketed to **2,857 per 100k**.



# Worst States for Fraud Protection

The more identity theft grows, the more individual states will need to step up to manage fraud and ID theft cases. Some states are already taking action through legislation that protects those impacted by fraud.

By looking at the availability of consumer protections, preventative measures, and legal provisions like victim restitution, data disposal, and provisions against spyware, we were able to break down the states that are currently the most ill-equipped to protect their constituents from fraud protection.

These states were singled out for either providing absolutely no protections and provisions, or providing just one consumer protection, legal provision, or preventative measure against fraud.

The nine states with the fewest preventative measures and protections against fraud include:

1. Idaho
2. Maine
3. South Dakota
4. Vermont
5. Ohio
6. North Dakota
7. Missouri
8. Wisconsin
9. Kentucky



# Metro Areas with Worst Potential

It's difficult enough to hold onto your money. The last thing you need is someone being able to take it from you because you're not being properly protected.

Putting each state under a microscope, we can get a glimpse of how major metropolitan areas rank and just how much money is being lost to fraud.

For example, Tuscaloosa, AL ranked worst for ID theft and fraud. What's worse is that in Alabama, you could lose approximately **2.37%** of your income, or

**\$1,657**

based on the state's average income.

The second worst metropolitan area for fraud, Memphis, resides in a state with an average loss of **1.97%** of the average income of \$74,750, equating to

**\$1,469**

There does seem to be an adverse relationship between the placement of a state's major metropolitan area and the percentage lost to fraud. Nevada, for example, is home to Las Vegas-Henderson-Paradise, which landed at a moderate 22nd place on the overall ID theft and fraud scorecard.

The state itself, though, has among the highest average income loss, topping off at approximately **3.45%**.

Los Angeles and California share a similar relationship, with the city landing 76th and the state experiencing a **3.14%** income loss.

Why this relationship exists is inconclusive, though the Las Vegas Review Journal noted that **43%** of all out of state licenses surrendered in Las Vegas in 2020 were from California, indicating a potential population link that may account for the shared fraud and ID theft trend.





# Comparison of Average Income to Average Loss

When reading data like this, you want to look for correlations that can help pinpoint patterns or causes. Though you may think scammers would want to target higher earners as a higher average income would result in bigger gains, the data paints a different picture.

In fact, there may not be a correlation at all. Residents who experienced fraud in most states with an average income over **\$100,000** lost just under **2%** of their income to fraud.

There were two outliers, New York, which came in at **2.23%**, and California, which came in at **3.14%**. Both states are historically known for their high cost of living and rank relatively high in fraud prevention.

On the other end of the spectrum, a state like Mississippi, which has an average income of **\$62,835** saw a greater average loss than New York at **2.67%**. However, Arkansas, another low-income state at **\$66,557**, topped out at **1.55%** average loss, making it very difficult to connect income level and losses.



\* The people that lost 2% of their income experienced fraud.

# States that are Fighting Growth of ID Theft

ID theft can be crippling, forcing you to put your life on hold while you get things back in order. And even when you've cleared your identity, you may still feel the effects of the personal theft through a loss of trust and stress.

To determine the states with the best ID theft protection, we looked at the growth rates since 2018. A low rate, like those listed below, means the state is doing its part to protect its citizens' identities.



The percentages represent the growth of ID theft cases from 2018 to 2021, with these being the lowest percentages across all states:

1. South Dakota

**10.72%**

2. New Hampshire

**11.46%**

3. Montana

**11.73%**

4. Michigan

**13.74%**

5. Washington

**19.35%**

6. Connecticut

**20.08%**

7. Alaska

**20.92%**



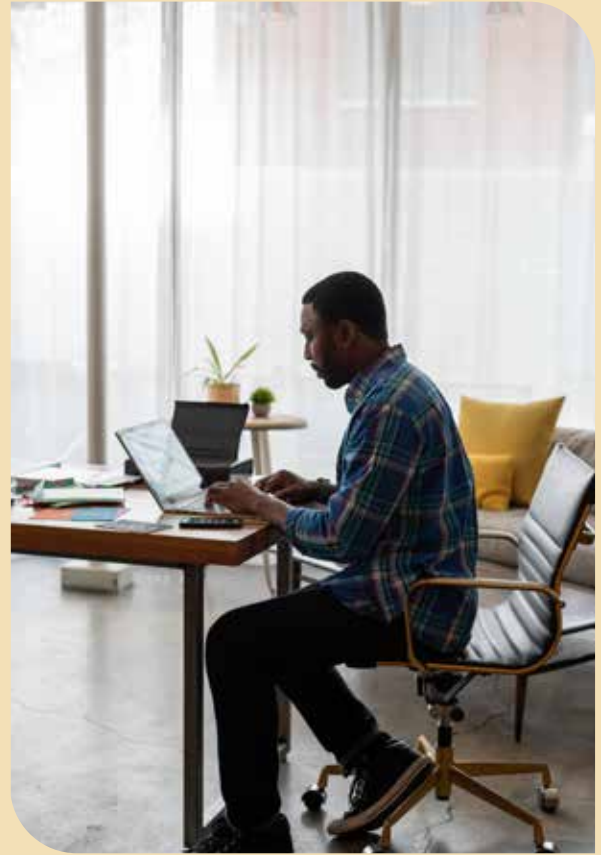


# Ranking States that Help Fight Fraud

ID theft isn't the only thing some states are actively fighting. Fraud can leave entire communities crippled, so it's important that the state have measures in place to fight fraud.

Stick with these states, and you'll find that fraudsters have multiple hurdles to jump before they can attempt to fraud you.

These states rank top 10 in helping fight fraud through our composite score. Our score considers consumer protections, preventative measures, and legal provisions in place to detour, prevent, and help victims recover from ID theft.



1. Arkansas
2. Oklahoma
3. Virginia
4. California
5. Texas
6. Maryland
7. Louisiana
8. Montana
9. Michigan
10. Kentucky



# The Exponential Growth of ID Theft and Fraud (2018 – 2021)

The data showing an exponential growth over the pandemic is concerning, especially when you really break it down into metropolitan and state-level figures. Of 240 major metropolitan areas, only three saw a marginal decrease in ID theft, and only one experienced a decrease in fraud.

However, compared to the rates at which both categories grew, these reductions are negligible. For example, Columbia, South Carolina saw a **4.18%** drop in ID theft cases. Unfortunately, the nearby area of Greenville-Anderson saw an increase of approximately **25%**, and Spartanburg saw a growth of **32.70%**.

Those figures are fairly median compared to what other metropolitan regions and states witnessed between 2018 and 2021.



On the high end, Rhode Island saw a **213.19%** increase in ID theft cases, which is primarily attributed to Providence's **178.21%** growth. On the opposite end of the spectrum is South Dakota, which only reported ID theft cases growing by a rate of **10.72%**.

We believe that's likely attributed to the relatively small increases in ID theft cases in the state's major metropolitan areas. Neither state is on the extreme high or low end of the income bracket, They're also surprisingly close when it comes to their 2020 population, with a discrepancy of only 120,722 people.

Pinpointing the correlation that would place Rhode Island high on the fraud growth list and South Dakota low is difficult, and there doesn't appear to be a clear trend to indicate why this difference exists.



It's worth noting that across all states, fraud cases did not see drastic growth. There was still an increase, but the worst of it topped out at **34%** compared to the sizable increases that states experienced with ID theft.

What's also interesting about this data is that:

The biggest growths weren't in major cities like Miami-Fort Lauderdale and New York

There's no political connection in the top and bottom growth spots

Region appears to have no bearing on ID theft or fraud growth

States that experienced high growth in one type of case didn't necessarily see the same in the other

## **Preventative Measures are the Best Defense**

So, why did the pandemic open a floodgate for fraud and ID theft? One reason could be that the nation was distracted. The initial outbreak and subsequent surges kept the public hyper fixated on a potentially life threatening issue and less so on personal security.

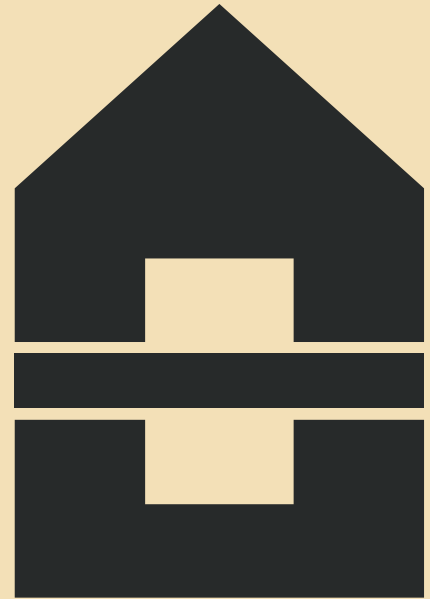
Additionally, Upwork.com estimated that just over **60%** of employers were considering shifting to remote work during the pandemic. According to a study performed by OpenVPN, **90%** of IT professionals have concerns about the security of at-home employment.

While the connection between an increase in at-home employment and fraud isn't entirely evident, a case can be made based on the data and timeline.

Whatever the cause, it has highlighted the importance of a proactive approach to digital security. With the right tools and solutions, you won't have to worry about ID theft or fraud when you should be focused on something else.



# Batten Has the Tools You Need



Batten helps you find the right solutions needed to keep your identity safe and your accounts protected. Batten's team of experts have evaluated hundreds of products and curated a marketplace of best-in-class solutions. On top of that Batten provides resources that will help you navigate the security features to ensure you're getting the most out of your identity and fraud protection solutions.

The past few years have been difficult, leaving many open to vicious financial and personal attacks. Now's the time to take control of your security and prevent your identity from being used to commit fraud.



For best in class security solutions and resources, go to <http://BattenSafe.com>