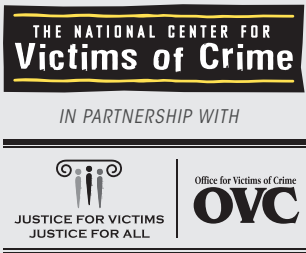


Financial Crime

Economic and financial crimes cost American individuals and businesses billions of dollars every year. Various forms of fraud—including mortgage, health care, mass marketing, and securities and commodities fraud—can generate massive losses to individual and corporate victims. Researchers widely believe that financial crime is underreported, and these crimes can be difficult to investigate and prosecute. Successfully prosecuted fraud cases, however, can result in billions of dollars in criminal restitution, fines, and civil settlements, as well as millions of dollars in seizures and civil restitution.

NOTE: Hover for data hyperlinks to source material.



Fraud

Fraud costs **\$40-50 billion** annually in direct, measurable costs^A

The FTC received **1.5 million** fraud-related complaints in 2014, with losses totaling **\$1.7 billion**^B

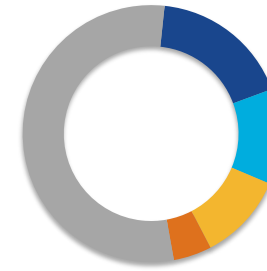
An FTC survey estimated that, in 2011, **37.8 million incidents** of fraud affected **25.6 million** people (**10.8%** of U.S. adults)^C

Victims who recently experienced a serious negative life event were **2.5X** more likely to have experienced fraud^C

> **65%** of victims experienced at least one type of **non-financial cost** (e.g., stress, health problems, trouble sleeping) to a **serious degree**^D

> **47%** of identity theft victims who spent 6+ months resolving financial or credit problems experienced severe **emotional distress** as a result^E

> **29%** of victims estimate incurring \$1,000+ in **indirect financial costs**, (e.g., late fees, legal fees, lost wages)^D



The FBI conducted **2,001 white collar prosecutions** in 2013:^F

In 2011, the **FBI investigated:**

2,691 mortgage fraud cases^G

resulting in **1,223** indictments/informations*

1,082 convictions

\$1.4 billion in restitution orders

\$116.3 million in fines

2,690 healthcare fraud cases^G

resulting in **1,676** indictments/informations*

736 convictions

\$1.2 billion in restitution orders

\$1 billion in fines

\$1 billion in civil settlements

1,846 securities fraud cases^G

resulting in **520** indictments/informations*

394 convictions

\$8.8 billion in restitution orders

\$113 million in fines

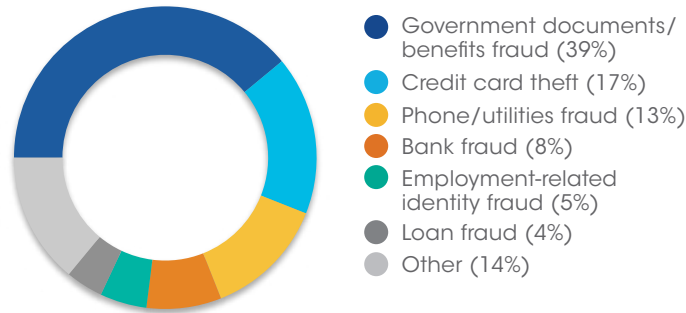
\$36 million in recoveries

\$751 million in forfeitures

Identity Theft

Identity theft is a crime that involves the **illegal access and use** of an individual's **personal or financial information**^H

Most Common Types of Identity Theft in 2014:^B



16.6 million people, or **7%** of the population age 16+, were victims of identity theft in 2012^F



- > **Identity theft** cost victims **\$24.7 billion** in direct and indirect (e.g., legal fees, lost wages, bounced checks) losses in 2012^E
- > **85%** of thefts in 2012 involved fraudulent use of an **existing financial account**^E

As **household income** increases, residents are **more likely** to become victims of identity theft:^E

10% of people residing in households with an annual income of **\$75K+** experienced identity theft in 2012

vs

4.9% of people in households with an annual income **≤ \$24,999**

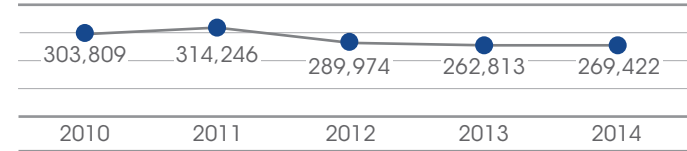


Fewer than **1 in 10** identity theft victims (about **9%**) reported the incident to police in 2012^E

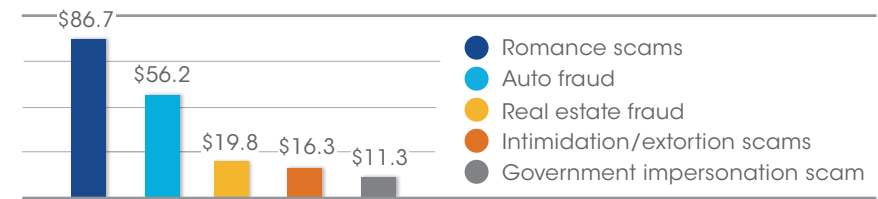
Internet-based Financial Crimes

The Internet Crime Complaint Center received **269,422** complaints in 2014, responsible for **\$800.5 million** in losses:^I

IC3 reports over last 5 years^I



Most costly scams in 2014 (in millions of dollars)^I



NOTES

*An **indictment** is when a grand jury agrees that a prosecutor has enough evidence to try the defendant. An **information** is when a prosecutor files charging documents directly with the court, and a judge determines whether the case goes to trial.

SOURCES

- ^A Fraud Research Center, *Scams, Schemes & Swindles: A Review of Consumer Financial Fraud Research*, <http://fraudresearchcenter.org/wp-content/uploads/2012/11/Scams-Schemes-Swindles-FINAL-On-Website.pdf>
- ^B FTC, *Consumer Sentinel Network Data Book, 2014*, <https://www.ftc.gov/system/files/documents/reports/consumer-sentinel-network-data-book-january-december-2014/sentinel-cy2014-1.pdf>
- ^C Keith B. Anderson, "Consumer Fraud in the United States, 2011: The Third FTC Survey," (Washington, DC: Bureau of Economics, Federal Trade Commission, 2013), http://www.ftc.gov/sites/default/files/documents/reports/consumer-fraud-united-states-2011-third-ftc-survey/130419fraudsurvey_0.pdf
- ^D FINRA Investor Education Foundation, *Non-Traditional Costs of Financial Fraud*, <http://www.saveandinvest.org/sites/default/files/>

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- ^E Bureau of Justice Statistics, *National Crime Victimization Survey Identity Theft Supplement, 2012: Victims of Identity Theft*, (Washington, DC: U.S. Department of Justice, 2013), <http://www.bjs.gov/content/pub/pdf/vit12.pdf>
- ^F Transactional Records Access Clearinghouse, *Slump in FBI White Collar Crime Prosecutions*, <http://trac.syr.edu/tracreports/crim/331>
- ^G Federal Bureau of Investigation, *Financial Crimes Report to Public: Fiscal Years 2010–2011*, (Washington, DC: U.S. Department of Justice, 2012), <http://www.fbi.gov/stats-services/publications/financial-crimes-report-2010-2011/financial-crimes-report-2010-2011.pdf>
- ^H National Center for Victims of Crime, *Taking Action: An Advocate's Guide to Assisting Victims of Financial Fraud*, (Washington, DC: 2013), <https://www.saveandinvest.org/file/document/taking-action-advocates-guide-assisting-victims-financial-fraud>
- ^I Internet Crime Complaint Center, *2014 Internet Crime Report*, (National White Collar Crime Center, 2015), https://www.fbi.gov/news/news_blog/2014-ic3-annual-report