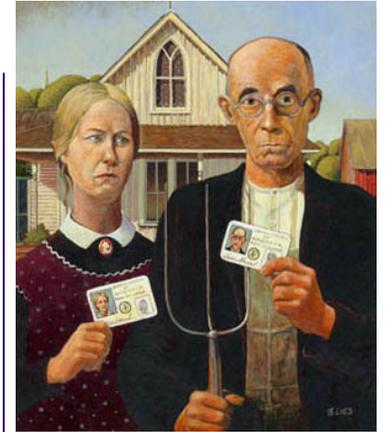# Identity Theft and Data Management

Public Records Are Not the Problem

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Coalition for Sensible

Public Records Access

(CSPRA)

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Overview of Key Points

- Un-validated, single factor authentication and a highly evolved and unchallenged cybercrime industry are the primary causes of identity theft, fraud, and crime, not personal data availability and access in public records

- Weak, single factor authentication allows fraudulent access to many rights, benefits, and privileges

- Information alone is used to allow transactions

- It is as if just knowing your street address gave anyone the key to enter your house

Overview of Key Points

- We need to attack the cybercrime industry and the way they monetize data theft, not the information industry and open government

- Numerous jurisdictions are attacking the problem in this way and San Antonio is proposing a Fusion Center that would specialize in Identity Theft and Organized Retail Crime

- By redacting public records and limiting access, we are in danger of fighting the last war against cyber criminals who already have the data and tools they need to commit crimes

Overview of Key Points

- We compound this problem by not sharing or not being able to share data about behaviors in a patchwork of government systems

- The private sector has addressed this problem with many services on which Iowa residents, Iowa businesses, Iowa governments, and our Iowa economy depend

- There are massive administrative, cost, and feasibility issues with trying to hide a few numbers and letters and there are equally massive unintended consequences of doing so

Overview of Key Points

- Names are not unique while numbers, paired with a name, can be unique

- Without the ability to uniquely identify the subject of a record, the very people we all want to protect will be those who are most harmed by false positive and false negative findings derived from incomplete and inaccurate public records

- Try it yourself: how would you verify a person's identity or tell two people apart with only names?

- People we know and credit card fraud, not identity theft, are still the more common sources of danger

We Require Accuracy in Identity and Data

- For Example:
  - Protecting vulnerable populations
  - Enforcing laws
  - Complying with laws
  - Risk management
  - Lending and credit
  - Fairness

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Laws, Rules, Rights, and Processes Requiring ID/Data Management

- State public records laws
- Court records
- Law enforcement
  - Entrance and exit from the system
- FCRA
- Hiring, immigration, and background checks
- HIPAA
- Real ID Act
- DPPA
- Age restricted products
- State privacy laws

- Personnel records
- Taxpayer privacy
- Employment discrimination
- Sexual harassment
- Workplace rules
- Management of and access to data facilities and personal data
- Administration of laws
- Transportation laws
- Patriot Act requirements

Public Records are Critical to Compliance

- Court records, financial filings, criminal history, and professional licenses
- Birth and immigration documents
- Death
- Name change
  - Marriage
  - Aliases and businesses
- Driver's License

Authentication

- Three pillars of proper authentication
  - Something you know
  - Something you own
  - Something you are (biometrics)

Authentication

- Using the proper number, kind, and mix of factors to authorize a person or attribute behaviors is the critical step we are missing

- Our choice of factors must be tied to the risk inherent in the transaction or attribution

- New "Red Flag" rules are a start

Consequences

- How many identities should a person have?

- Should a person be able to avoid the consequences of their actions by pretending to be someone else or by having duplicate or incomplete records?

- How can we enforce our laws and society's rules without access to true information and identity security?

Cybercriminals Adopt and Adapt

- Phishing, Malware, Botnets, and Cybercrime As A Service

- They are faster at adopting tools of attack than we are at adapting our defenses and going on the offensive

- We desperately need more cybercops and intergovernmental cooperation

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Machines Loosely Directed by Crooks

- Criminal money is backing the same kind of investments and services that the legitimate economy backs and it works

- 70 Million compromised machines (Trend Micro)

- 100 to 150 Million compromised machines (VintCerf)

- Over 10,000 botnets become active each day (Symantec)

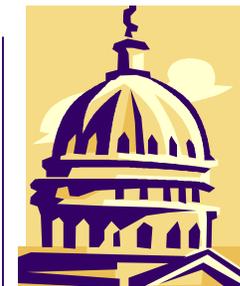- 8 to 9 million compromised machines become active each month (Trend Micro)

The Faster Road to Cybertheft

- Steal account access, not identity
- Cyber protection rackets and blackmail
- Hack and attack the source of the money and goods and just steal it from them directly
- Wholesale crime, not retail

Tracking the Cybercrime Market

Current Rank	Previous Rank	Goods and Services	Current Percentage	Previous Percentage	Range of Prices
1	2	Bank accounts	22%	21%	$10–$1000
2	1	Credit cards	13%	22%	$0.40–$20
3	7	Full identities	9%	6%	$1–$15
4	N/A	Online auction site accounts	7%	N/A	$1–$8
5	8	Scams	7%	6%	$2.50/week–$50/week for hosting, $25 for design
6	4	Mailers	6%	8%	$1–$10
7	5	Email addresses	5%	6%	$0.83/MB–$10/MB
8	3	Email passwords	5%	8%	$4–$30
9	N/A	Drop (request or offer)	5%	N/A	10%–50% of total drop amount
10	6	Proxies	5%	6%	$1.50–$30

Table 4. Underground economy servers—goods and services available for sale[4]
Source: Symantec Corporation

Economic Recovery

- Re-starting and reforming the credit markets in a responsible fashion cannot occur without accurate and complete public records to guide decisions

- We all are suffering from bad lending and investment decisions made using current public records, we cannot solve that by using inaccurate public records to make more bad decisions
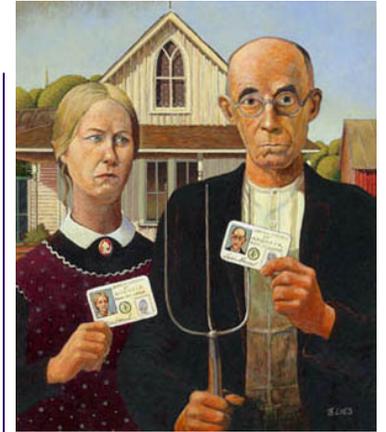
Iowans Depend On the Information Industry

- Whatever action is taken, your constituents rely on services from the information industry

- Some accommodation must be found to maintain the flow of accurate public records and hence, the flow of these services

Questions?

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