

LEGISLATIVE JUDICIARY  
Exhibit No. 3  
Date 3-7-05  
Bill No. HB 110

**DEPARTMENT OF JUSTICE**  
**HB 110: Creating an Identity Theft Passport**

### **Background**

In 2001, the Montana Legislature created the criminal offense of identity theft to prosecute criminals who take another person's personal identifying information and use it to commit fraud. Through no fault of their own, victims of identity theft are forced to spend a considerable amount of time and money proving their identity and undoing the damage done to their good names and credit records.

### **The Costs of Identity Theft**

According to the Federal Trade Commission (FTC), approximately 9.9 million Americans were victims of identity theft in 2003. These thefts had more than a \$50-billion impact on the U.S. economy. Identity theft costs the average victim approximately \$500 and 30 hours resolving his or her problems.

The FTC also reports that identity theft is the fastest growing white-collar crime in America. Reported cases of identity theft in Montana rose from 221 cases in 2002 to 282 cases in 2003, a 28 percent increase.

### **Identity theft passport**

HB 110 creates an identity theft passport to help victims of identity theft prove their identity and limit the cost and stress they experience.

The identity theft passport will:

- **Prevent the victim's arrest for an offense committed by someone else** – The identity theft passport will help prevent the mistaken arrest or detention of identity theft victims.
- **Help creditors track fraudulent charges** – The victim could use the passport to assist creditors in investigating fraudulent claims.
- **Set the record straight with consumer reporting agencies** – Consumer reporting agencies must accept the passport as "direct conveyance of a dispute" and include that notice in all future reports, saving victims from having to file repeated reports of disputes caused by the theft of their identities.

### **Issuing the Passport**

Under HB 110, a victim who has filed a report of identity theft with a law enforcement agency could apply for an identity theft passport through any Montana law enforcement agency. The agency would then send a copy of the police report and application to the Attorney General's Office, which would review the application and determine whether to issue a passport.

Law enforcement agencies and creditors would have discretion in accepting an identity theft passport. The passport application and supporting documentation would be confidential criminal justice information.