2017's States Most Vulnerable to Identity Theft & Fraud

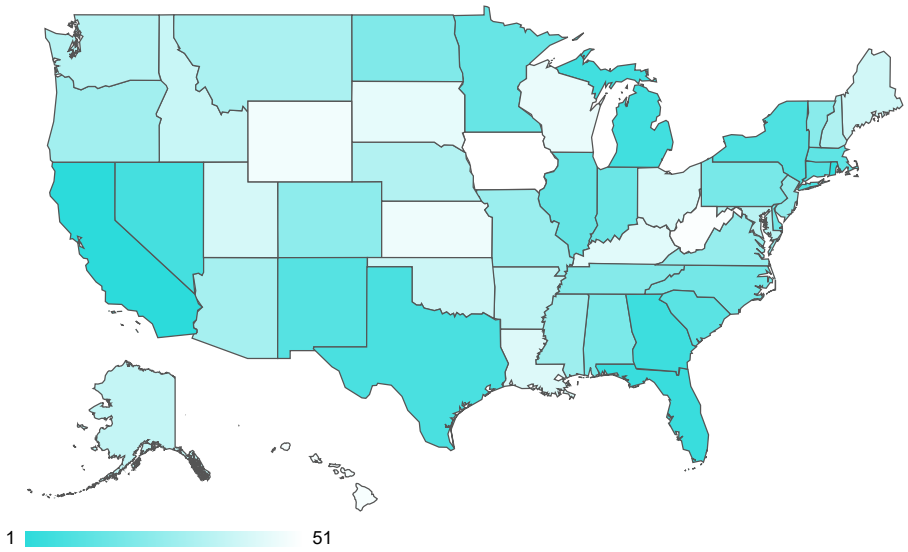
Oct 18, 2017 | Richie Bernardo, Senior Writer

Equifax has proven that absolutely no one is immune to cybercrime. In September 2017, the credit bureau announced that it had fallen victim to one of the biggest data breaches in recent history. As a result of the hack, an estimated 145.5 million American consumers' information had been compromised. Indeed, even credit bureaus, government agencies and financial institutions — the organizations consumers trust and expect to treat their confidential information with utmost care and security — cannot take enough precautions to prevent such attacks.

But the Equifax incident is but one of thousands that have affected Americans this year. In fact, according to the Identity Theft Resource Center's most recent Data Breach Report, 2017 is on track to register the highest number of data breaches since the

key metrics. Our data set ranges from identity-theft complaints per capita to average loss amount due to fraud. Read on for our findings, tips for protecting your personal information and a full description of our methodology.

Main Findings



EMBED ON YOUR WEBSITE

Worst States for Identity Theft & Fraud

Overall Rank*	State	Total Score	'Identity Theft' Rank	'Fraud' Rank	'Policy' Rank
1	California	69.43	1	19	10
2	Rhode Island	68.29	3	18	1
3	District of Columbia	67.66	9	6	10
4	Florida	67.55	12	2	30
5	Georgia	66.48	7	10	30
6	Michigan	64.41	8	12	10
7	Nevada	64.26	14	5	30

8	Texas	64.20	13	7	30
9	New York	63.97	5	20	10
10	Connecticut	62.25	2	39	30
11	New Mexico	60.05	15	13	30
12	South Carolina	59.12	17	14	10
13	Massachusetts	59.07	6	45	1
14	Illinois	57.78	4	50	10
15	Minnesota	57.09	16	35	1
16	Indiana	55.74	10	31	30
17	Delaware	55.39	30	1	48
18	North Carolina	55.16	26	4	30
19	Pennsylvania	53.37	28	15	1
20	Alabama	52.99	36	3	10
21	North Dakota	52.65	18	40	1
22	Tennessee	52.02	32	8	30
23	Vermont	51.53	11	51	10
24	Colorado	50.84	19	26	10
25	New Jersey	50.46	25	24	1
26	Virginia	49.66	29	16	30
27	Missouri	49.16	24	30	1
28	Mississippi	47.47	44	9	30
29	Oregon	47.23	22	33	10
30	Arizona	47.07	27	23	30
31	Montana	46.26	20	44	10
32	New Hampshire	45.86	37	21	1
33	Nebraska	44.99	40	17	10
34	Washington	44.83	23	43	10
35	Maryland	44.82	21	37	48
36	Arkansas	43.59	34	27	30
37	Alaska	42.82	42	22	10
38	Idaho	41.98	35	41	1
39	Oklahoma	41.45	39	29	10
40	Maine	41.32	31	47	10
41	Utah	40.09	43	28	30
42	Ohio	40.08	33	36	48
43	Louisiana	39.38	47	25	10
44	Kentucky	38.63	38	46	10
45	South Dakota	38.25	51	11	30
46	Wisconsin	37.83	46	32	30
47	Kansas	37.17	45	38	30
48	Wyoming	36.03	50	34	10
49	Hawaii	34.67	41	48	30

50	West Virginia	32.29	49	49	10
51	Iowa	31.67	48	42	48

*No. 1 = Most Vulnerable

Most Identity Theft Complaints per Capita

1. District of Columbia
2. Michigan
3. Florida
4. Delaware
5. California

Best States vs Worst States

Fewest Identity Theft Complaints per Capita

47. Vermont
48. North Dakota
49. West Virginia
50. South Dakota
51. Hawaii

4x Difference

Highest Avg.Loss Amount Due to Online Identity Theft

T-1. California
T-1. Rhode Island
T-1. Vermont
4. New York
5. Connecticut

Best States vs Worst States

Lowest Avg. Loss Amount Due to Online Identity Theft

47. Alaska
48. Wisconsin
49. Wyoming
50. Delaware
51. South Dakota

44x Difference

Most Fraud Complaints per Capita

T-1. District of Columbia
T-1. Florida
3. Georgia
4. Michigan
5. Texas

Best States vs Worst States

Fewest Fraud Complaints per Capita

47. Hawaii
48. Alaska
49. Iowa
50. South Dakota
51. North Dakota

5x Difference

Highest Avg. Loss Amount Due to Fraud

T-1. Alaska
T-1. Texas
3. California
4. Utah
5. Mississippi

Best States vs Worst States

Largest Average Amount Loss as a Results of a Fraud

47. Missouri
48. Maine
49. Vermont
50. West Virginia
51. District of Columbia

Quick Tips for Avoiding Identity Theft & Fraud

- **Emphasize Email Security**: It's obviously important to use strong passwords for all financial accounts, but you may not realize how essential it is to focus on email in the course of shoring up such cyber defenses. Your primary email address will likely serve as your username and means of resetting your password on other websites, so if it's vulnerable, all of your other accounts will be, too. As a result, make sure to use an especially secure password and establish two-step verification for this account.
- **Sign Up for Credit Monitoring**: Credit monitoring is the best way to keep tabs on your credit report, providing peace of mind in the form of alerts about important changes to your file, including potential signs of identity theft. WalletHub offers free monitoring of your TransUnion credit report.
- **Leverage Account Alerts & Update Contact Info**: Setting up online management for all of your financial accounts (e.g., credit cards, loans, Social Security), and keeping your phone number, email address and street address up to date will make them harder for identity thieves to hijack. Establishing alerts for changes to your contact info and other suspicious account activity will serve as a safeguard.
- **Use Common Sense Online**: Don't open emails you don't recognize. Don't download files from untrustworthy sources. Don't send account numbers and passwords via email or messenger applications. And don't enter financial or personal information into websites that lack the "https" prefix in their URLs.

For more tips and information, check out WalletHub's Identity Theft Guide.

Ask the Experts

As a cyber-oriented culture, it's natural to wonder whether and how our daily habits assist hackers in stealing our personal information. We consulted a panel of experts for answers to such questions and advice on how to safeguard our data against cybercriminals. Click on the experts' profiles to read their bios and thoughts on the following key questions:

1. What can individuals do to guard against identity theft?
2. How should consumers choose among third-party providers offering services to protect their identity and personal data?
3. Should victims of identity theft be able to change their Social Security number? How can we make this number more difficult to steal and use (e.g., add more digits)?
4. Is the recent expansion of social media facilitating identity thefts?
5. Should the federal government intervene to establish a clear process for victims of identity theft looking to clear their name?
6. What measures can authorities undertake in order to avoid cases like the recent Equifax leaks? Should credit bureaus be tested for security breaches by authorities on a regular basis? If so, would the Consumer Financial Protection Bureau play a

Back to All Experts

Qi Liao

Associate Professor of Computer Science and Academic Advisor for International Students in the College of Science and Engineering at Central Michigan University

What can individuals do to guard against identity theft?

It is getting harder nowadays to safeguard your identity, as much of your personal information, such as name, birthday, and SSN is sent over to others when you apply for jobs, credit cards, bank accounts, etc. Further information is publicly available, such as your address, job, employer, and phone number. You really cannot prevent these information's leak. So, I think the best way to prevent identity theft is to be able to quickly detect an identity theft when or if it happens. You may sign up for credit monitoring providers. Some credit card companies also provide such services for free. You can also request your free annual credit report from www.AnnualCreditReport.com, which I also do, to find if there are any "forgotten" credit accounts.

How should consumers choose among third-party providers offering services to protect their identity and personal data?

I would only choose free providers. With the recent security breach of Equifax, I would also recommend consumers to find out the providers' security and privacy policy/practice, and whether the provider is taking protecting customers' identity seriously.

Should victims of identity theft be able to change their social security number? How can we make this number more difficult to steal and use (e.g., more digits, etc.)?

The Social Security Agency allows people to change their SSN if an identity theft happens -- see the SSA website. There are several practices that can be done to make stealing SSNs harder. First, use identifiers other than SSNs. In my university, we used to use SSNs to identify students, faculty and staff. Now we only use student or employee IDs. So, SSNs will not appear on the campus system. Second, using strong cryptographical methods to protect digital identity is also important. Last, you may have strong cryptography to store and transmit data, but ultimately, it is a human handling them. So, having a strict policy on who can view and handle SSNs is critical. A malicious employee who can access an important database could potentially steal and sell that information. Security background checks for such important personnel may be helpful.

Is the expansion of social media facilitating identity thefts?

Absolutely. I am teaching a graduate computer security course at CMU. In my class, I have shown examples that it is possible for attackers to guess your password by

and social media websites. There has been research showing that by crawling social network websites, we can reconstruct a person's identity and get their most personal information. There has also been research demonstrating that by simply posting a picture on the Internet, hackers can steal your biometrics information, such as your fingerprints and iris. So, don't do a V-finger posture next time you take a picture. The 2016 USENIX paper shows that it is possible to use your Facebook photos to extract your features and reconstruct a 3D model in a VR system to authenticate users.

Should the Federal government intervene to establish a clear process for victims of identity theft looking to clear their name?

The Federal Trade Commission has guidelines for victims of identity theft. However, the process may be long and cumbersome for most Americans. I think the process should be streamlined and made more simple, quick and easy for most people.

What measures can authorities undertake in order to avoid cases like the recent Equifax leaks? Should credit bureaus be tested for security breaches by authorities on a regular basis? If so, would the CFPB play a larger role in regulation and enforcement of bureaus?

Should we have more regulation or less regulation? That is a long-time debate. I think some regulation is required. That is the job of government. The bank industry has a so-called "stress test." Maybe we should have similar stress tests for other critical industries, such as identity protections, food safety, etc.

Methodology

In order to determine where American consumers are most vulnerable to identity theft and fraud, WalletHub's analysts compared the 50 states and the District of Columbia across three key dimensions: 1) Identity Theft, 2) Fraud and 3) Policy.

We evaluated those dimensions using eight key metrics, which are listed below with their corresponding weights. Each metric was graded on a 100-point scale, with a score of 100 representing the most vulnerable.

Finally, we determined each state and the District's weighted average across all metrics to calculate its total score and used the resulting scores to rank-order our sample.

Identity Theft – Total Points: 47.5

Note: This metric was calculated using the following formula: Total Loss Amount / Total Number of Online Identity-Theft Complaints.

Fraud – Total Points: 47.5

- Fraud & Other Complaints per Capita: Full Weight (~15.83 Points)
- Average Loss Amount Due to Fraud: Full Weight (~15.83 Points)

  Note: This metric was calculated using the following formula: Total Reported Amount Paid / Total Number of Complaints Stating the Amount Stolen. "Total reported amount paid" is based on the total number of fraud complaints for which the amount paid was reported by the victims. The amount paid ranges from $0 to $999,999.
- Persons Arrested for Fraud per Capita: Full Weight (~15.83 Points)

Policy – Total Points: 5.0

- Availability of Security-Freeze Law for Minors' Credit Reports: Full Weight (~1.67 Points)

  Note: This binary metric considers the presence or absence of legislation allowing parents, legal guardians or other representatives of minors to place a security freeze on the minor's credit report.
- Availability of Identity-Theft Passport Program : Full Weight (~1.67 Points)

  Note: This binary metric considers the presence or absence of Identity-Theft Passport programs that help victims of identity theft reclaim their identity. When presented to a law-enforcement agency, an "identity-theft passport" allows a victim to prevent his or her arrest for offenses committed by an identity thief.
- Compliance with REAL ID Act : Full Weight (~1.67 Points)

  Note: According to the Department of Homeland Security, the REAL ID Act "establishes minimum security standards for license issuance and production and prohibits Federal agencies from accepting for certain purposes driver's licenses and identification cards from states not meeting the Act's minimum standards. The purposes covered by the Act are: accessing Federal facilities, entering nuclear power plants, and, boarding federally regulated commercial aircraft."

  This binary metric considers a state's compliance, noncompliance or extension of time to comply with the ACT. An extension allows a state to accept driver's licenses and identification cards issued by that jurisdiction to accept those forms of identification for official purposes, under the condition that the state has provided adequate justification for noncompliance.

Sources: Data used to create this ranking were collected from the Federal Trade Commission, Internet Crime Complaint Center, Federal Bureau of Investigation, Department of Homeland Security and National Conference of State Legislatures.

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