



FLORIDA
DEPARTMENT *of*
ECONOMIC
OPPORTUNITY

Identity Theft & Public Benefits Fraud

**Secretaries'
Innovation
Group**



IDENTITY THEFT

- **Identity theft** occurs when someone's Personal Identifying Information (social security number, date of birth, driver's license information, wage information, medical information, etc.) is accessed/used without his or her knowledge/permission, usually for financial gain.
- **Personal Identifying Information** is being accessed through hacking, theft, negligence, and/or malfeasance by authorized users.



PREVALENCE

- *“In 2014 there was a new Identity theft victim every two seconds”– Javelin Strategy and Research 2015*
- *Identity theft affects everyone (FTC Feb. 2015)*

0-19 - **6%**
20-29 - **18%**
30-39 - **18%**
40-49 - **19%**
50-59 - **19%**
60-69 - **13%**
70+ - **7%**



PREVALENCE

U.S. Population: 320,000,000

Records Breached in 2014: **1,023,108,267**

A sampling of populations hit by identity theft in recent years:

- Court Ventures: 200,000,000
- EBay: 145,000,000
- Heartland: 130,000,000
- TJ Maxx: 94,000,000
- AOL: 92,000,000
- Anthem: 80,000,000
- Sony: 77,000,000
- JP Morgan: 76,000,000
- Target: 70,000,000
- Home Depot: 56,000,000
- U.S. OPM: 18,000,000(?)
- Virginia DOH: 8,200,000
- Texas HHS: 2,000,000
- N.D. Univ. Sys: 292,000
- U. Maryland: 287,000
- IRS: 100,000

ID Theft is at crisis levels



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FRAUD



What is being done with the hundreds of millions of stolen IDs?

“An estimated \$445 billion or 1 percent of the world’s economy was lost due to identity theft or cyber crimes in 2014” – WaPo 2014

- Obtain other identifying information/government documents
- Credit cards, checking, savings – existing
- Credit cards, checking, savings – new
- Utility accounts
- Insurance accounts
- Loans
- Housing rentals
- Car purchases
- Job applications
- Cell phones
- Financial aid
- Medical care
- Firearms purchases
- Tax returns
- **Government benefits**





PUBLIC BENEFITS FRAUD



- *Criminals, including organized gangs, are using stolen IDs to steal massive sums from government agencies*
- *Miami US Attorney: “We are facing a tsunami of fraud. Stolen IDs are the new crack-cocaine of criminal street gangs”*
- *“Government benefits fraud was the most common form of reported identity theft in 2014” – FTC Feb 2015*
- *“Tax-refund fraud is estimated to reach \$21 billion by 2016 due to identity theft” – CNBC Feb 2015*





PUBLIC BENEFITS FRAUD



- *Criminals are rapidly moving beyond tax fraud to other benefits systems, especially unemployment insurance*
- *Most agencies are not looking for this type of fraud or don't know how to look for it*
- ***THIS FRAUD IS PROBABLY HAPPENING IN YOUR SYSTEM***



FLORIDA UI EXAMPLE

- **2013:** Identified about **9,600 fraudulent claims** through complaints, etc.
- **2014:** deployed in-house data analytics program and found nearly **70,000 fraudulent claims**
- **2015** (as of April 30): identified **35,000 fraudulent claims** (on pace for **100,000 fraudulent claims**)
- The potential value of fraudulent claims = **\$400 million**
- **Note:** UI is small in scope (70K claimants) compared to other benefits (3.6M SNAP beneficiaries)



WHY SO MUCH FRAUD?

- Ease of stealing IDs (information is everywhere and unprotected)
- Automation and use of Internet as the primary benefit delivery system
- Mandates for fast payment vs. fraud detection
- Many agencies are not looking for this and are not coordinating
- A safe and profitable crime
 - One claim in all 52 UI programs = \$21,000 per week



FLORIDA SOLUTION



- Increased staff dedicated solely to ID theft fraud from 6 to 35
- Front-end screening is not particularly effective, and outside companies are not keeping up with this, so we developed an in-house data analytics program
- The technology that enables fraud also has tools to detect fraud and we need to use them
- Fraud Initiative Rating and Rules Engine (**FIRRE**)
- Platform based on an open-source data analytics software



FLORIDA SOLUTION



- FIRRE looks for patterns that indicate fraud
- Started as a manual process looking intra-day
- Upgraded to automated process looking across timeframes; getting better at catching it earlier
- FIRRE is updated regularly to search for new patterns as criminals adapt to what we shut down
- Pace of identified fraud has not slackened, meaning it's still profitable and we are not catching it all
- TX and MA saw increased fraud from Florida around the same time we implemented FIRRE



Initial Claims

Awaiting Investigation	0
Under Investigation	28
Awaiting Verification	78
Under Verification	33
All	139

Initial Claims Under Investigation

Reviewer	Claimant ID	Claim ID	Login Time	First Name	Last Name	P-Phone	Employer	Initial Job Title
	993	201501	06-18-2015 09:58AM					Food Preparati...
	993	201501	06-08-2015 02:49PM					Customer Servi...
	996	201501	06-09-2015 12:19PM					Substance Abu...
	100	201501	06-18-2015 10:49AM					Construction C...
	100	201501	06-18-2015 05:18AM					Laborers and F...
								Cooks, All Other
								Combined Food...
								Customer Servi...
								Construction C...
								Cooks, Restaur...
	102	201501	06-10-2015 12:05PM					Teacher Assist...

Claim Summary

Claim Submitted: 06-18-2015
 Claimant ID: 993
 Claim ID: 201501
 Name: [REDACTED]
 SSN: [REDACTED] 1950
 Residential Address: [REDACTED]
 Mailing Address: [REDACTED]
 Primary Phone: [REDACTED]
 Alternate Phone: [REDACTED]
 Cell Phone: [REDACTED]
 Email Address: [REDACTED]
 IP Address: [REDACTED] 126.25
 Bank Routing #: [REDACTED]
 Bank Account #: [REDACTED]
 Minutes In System: 67
 Employer Name: [REDACTED] CHARTER SCHOOL
 Job Title: [REDACTED]
 Last Day Worked: 06-05-2015
 Separation Reason: SCHO
 Request Received Date: [REDACTED]
 Request Week Date: [REDACTED]

Investigator's IC queue

Verifier's IC queue

Individual claimant details for selected claim

- All employees work out of the FIRRE queue on "cases" page.
- Claims in FIRRE queue have tripped one of FIRRE's data trends.
- Investigators determine if a claim is to be locked, cleared, or verified.
- Obvious id theft is auto locked by the system or locked by investigator.
- Obvious legitimate claims are cleared by investigators.
- Suspicious claims are sent to verifiers who contact the putative claimant.

Status

Unlocked Done FIRRE

Actions

Detailed Claimant Screen



Cases Search Security - bissot0000 -

FRAUD INITIATIVE RATING AND RULES ENGINE (FIRRE)

Metric	Value	Today	Week	Month	3 Months	6 Months	Year
IP Address	10.41. [REDACTED]	0	3	6	8	8	8
Email Address		0	0	0	0	0	0
Bank Account Number		0	0	0	0	0	0
Minutes in System	20						



“Claim Stats” section displays the number of times IP, email, and bank have been entered into the system over time.

IP Already In Use: YES

‘FIRRE Report’ section displays ‘trending’ category

Ability to search within individual claim

Additional claimant details

Claimant ID: 229 [REDACTED] Indicator: U Initial Job Title: Crossing Guards
Claimant SSN: [REDACTED] Number: S455 [REDACTED] Driver License Match: YES
Last Name: [REDACTED] First Name: [REDACTED] Middle Initial: [REDACTED] Date of Birth: [REDACTED]
Mailing Address: [REDACTED] Mailing City: Sunrise Mailing State: FL Mailing Zip Code: 333221496
Residential Address: [REDACTED] Residential City: Sunrise Residential State: FL Residential Zip Code: 333221496
Home Number: [REDACTED] Cell Phone: [REDACTED] Alternate Phone: [REDACTED] Email Address: [REDACTED]

Status

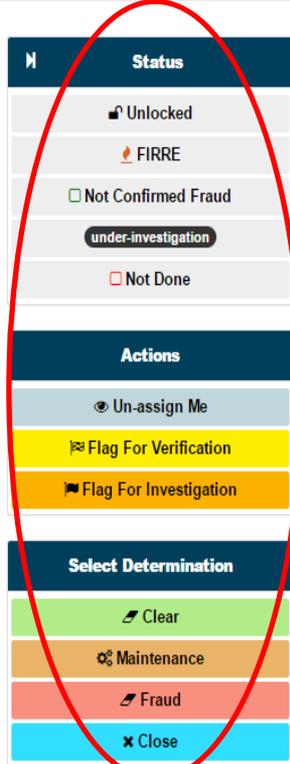
- Unlocked
- FIRRE
- Not Confirmed Fraud
- under-investigation
- Not Done

Actions

- Un-assign Me
- Flag For Verification
- Flag For Investigation

Select Determination

- Clear
- Maintenance
- Fraud
- Close



Ability to flag claim for verification, investigation, lock/clear.

Start your search...

Search Screen-Provides ability to search by specific criteria.

Search Reset

+ Advanced Search

See Details Flag For Verification Flag For Investigation Reorder/Hide Columns

Claim ID	Claimant ID	Request Week	Prior Payment Issue Date	Routing Number	Bank Account Number	Email Domain															
201401	411	01/25/2015	02/05/2015			gmail.com															
201501	243			266	019	gmail.com															
201501	430			031	510854	yahoo.com															
201401	335	02/01/2015	02/13/2015	063	664562	hotmail.com	166.17	10/09/2014 17:57	02/12/2015 12:08	29											
201001	156	05/09/2010	05/05/2010	063	018019		50.162	02/25/2010 23:00	03/03/2015 11:13	18											
201501	429	02/22/2015		063	81536		73.46	02/17/2015 13:08	03/03/2015 20:01	4											
201501	428	02/22/2015		063	153	yahoo.com	184.88	02/17/2015 12:31	03/03/2015 09:08	31											
200901	256	08/16/2009		267	117	yahoo.com	64.134	08/11/2009 00:00	03/03/2015 15:37	6											
201501					48548	aol.com	69.137	03/04/2015 10:56	03/04/2015 09:54	63											
201501					454601	custominstallers...	72.188	03/04/2015 09:51	03/04/2015 09:22	29											
201501						gmail.com	107.13	03/04/2015 17:59	03/04/2015 17:09	50											
201501					471	yahoo.com	173.65	03/04/2015 10:31	03/04/2015 10:20	11											
201401						gmail.com	172.56	09/19/2014 14:50	02/12/2015 09:09	17											
201501					68801	aol.com	162.21	03/04/2015 07:21	03/04/2015 05:55	86											
201401	268	01/11/2015	02/07/2015	063	720	yahoo.com	172.56	10/07/2014 09:52	02/03/2015 23:38	16											
201501	206			267	45	yahoo.com	67.23	03/04/2015 09:26	03/04/2015 08:32	55											
201501	553			063	898573	hotmail.com	108.69	03/04/2015 20:04	03/04/2015 19:43	21											
201501	885					aol.com	107.20	03/04/2015 07:37	03/04/2015 07:13	24											
201501	417			267	49797758	yahoo.com	75.74	03/04/2015 22:29	03/04/2015 21:42	48											
201501	326					gmail.com	67.23	03/04/2015 09:11	03/04/2015 08:41	31											

Additional Categories (e.g. Address, Email, etc.-- 50+)

Ability to sort/facet into classification for all categories

Start your search... Search Reset

+ Advanced Search

Faceted IP address view

Facets

IP_ADDRESS

- 74.113. [redacted] (1222)
- 67.23. [redacted] (1206)
- 66.199. [redacted] (1009)
- 164.51. [redacted] (823)
- 97.76. [redacted] (729)
- 24.73. [redacted] (654)

Claim ID	Claimant ID	Request Week	Prior Payment Issue Date	Routing Number	Bank Account Number	Email Domain	IP Address	Claim Submitted	Login Time	Min
201401	411	01/25/2015	02/05/2015	[redacted]	[redacted]	gmail.com	172.56	10/01/2014 00:23	02/04/2015 08:18	6
201501	243			266	19	gmail.com	73.204	03/03/2015 13:03	03/03/2015 13:06	26
201501	430			031	10854	yahoo.com	96.58.	03/03/2015 15:32	03/03/2015 15:22	16
201401	335	02/01/2015	02/13/2015	063	64562	hotmail.com	166.17	10/09/2014 17:57	02/12/2015 12:08	29
201001	156	05/09/2010	05/05/2010	063	18019		50.162	02/25/2010 23:00	03/03/2015 11:13	18
201501	429	02/22/2015		063	1536		73.46.	02/17/2015 13:08	03/03/2015 20:01	4
201501	428	02/22/2015		063	53	yahoo.com	184.88	02/17/2015 12:31	03/03/2015 09:08	31
200901	256			267	17	yahoo.com	64.134	08/11/2009 00:00	03/03/2015 15:37	6
201501	574			063	8548	aol.com	69.137	03/04/2015 10:56	03/04/2015 09:54	63
201501	415			263	54601	custominstallers...	72.188	03/04/2015 09:51	03/04/2015 09:22	29
201501	436					gmail.com	107.13	03/04/2015 17:59	03/04/2015 17:09	50
201501	419			063	71	yahoo.com	173.69	03/04/2015 10:31	03/04/2015 10:20	11
201401	409	01/25/2015	02/13/2015	263		gmail.com	172.56	09/19/2014 14:50	02/12/2015 09:09	17
201501	381			063	8801	aol.com	162.21	03/04/2015 07:21	03/04/2015 05:55	86
201401	268	01/11/2015	02/07/2015	063	20	yahoo.com	172.56	10/07/2014 09:52	02/03/2015 23:38	16
201501	206			267	5	yahoo.com	67.23.	03/04/2015 09:26	03/04/2015 08:32	55
201501	553			063	98573	hotmail.com	108.69	03/04/2015 20:04	03/04/2015 19:43	21
201501	885					aol.com	107.20	03/04/2015 07:37	03/04/2015 07:13	24
201501	417			267	9797758	yahoo.com	75.74.	03/04/2015 22:29	03/04/2015 21:42	48
201501	326					gmail.com	67.23.	03/04/2015 09:11	03/04/2015 08:41	31

Clickable link displays IPs in question

User searches for bank account (searchable criteria can be found under 'advanced search')

2206

Search Reset

Advanced Search

Use * as a wildcard for partial matches. Cannot be first character.

Claimant ID Claim ID Claim Date Range (Begin) Claim Date Range (End)

Last Name First Name Claim Type Claim Status

IP Address Email Social Security Number

Mailing Address Primary Phone Date of Birth

See Details Flag For Verification Flag For Investigation Reorder/Hide Columns

Claim ID	Claimant ID	Request Week	Prior Payment Issue Date	Routing Number	Bank Account Number	Email Domain	IP Address	Claim Submitted	Login Time	Minutes in System	Initial Job Title	Cl
201401	404	09/14/2014	09/26/2014	0631	2206			08/26/2014 23:11			Cashiers	59
201401	393	07/27/2014	07/29/2014	0631	2206			06/27/2014 13:43			Cashiers	28
201401	404	09/14/2014	09/23/2014	0631	2206			08/24/2014 19:43			Cashiers	58
201401	226	09/14/2014	09/25/2014	0631	2206	yopmail.com		08/27/2014 23:04			Cashiers	58
201401	387	08/10/2014	08/08/2014	0631	2206	aol.com		05/27/2014 15:18			Cashiers	59
201401	404	09/14/2014	09/24/2014	0631	2206	yopmail.com		08/25/2014 22:36			Cashiers	59
201401	408	10/19/2014	10/29/2014	0631	2206			09/14/2014 20:36			Cashiers	58
201401	400	09/07/2014	09/18/2014	0631	2206			08/06/2014 21:42			Bus Drivers, School	59
201401	394	09/14/2014	09/25/2014	0631	2206			07/04/2014 18:09			Cashiers	59
201401	385	07/27/2014	08/12/2014	0631	2206			05/18/2014 22:29			Retail Salespersons	58
201401	104	09/14/2014	09/09/2014	0631	2206			08/24/2014 19:26			Cashiers	44
201401								10/06/2014 22:58			Cashiers	59

Displays all claims with bank account in question

FLORIDA SOLUTION



- DEO has also revamped its security procedures to protect our data from theft
- E.g.
 - Physical patrols of employee work stations
 - Banning of camera phones near work stations
 - Banning of individual printers
 - Banning of removable storage
 - Review/restriction of access rights
 - Elimination of telecommuting
 - Restructuring of physical space
 - Random audits of computer activity
 - Automated review of computer activity (internal FIRRE)



FLORIDA SOLUTION



Additional Issues

- Inter-agency cooperation
- Funding
- Publicity (fear of; effective use of)
- Balancing payment timeliness
 - E.g., data masking
- Notification to affected parties
- Criminal investigation and prosecution (state/federal)



PRESS

[Miami Take Down](#)

[Anderson Cooper: Tsunami of Fraud](#)



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HOMework



What do public-benefit systems need to think about?

- Is the data you hold adequately protected?

NO!

- Are you paying a large amount of fraudulent benefits based on false ID?

YES!



Q&A



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