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News Release



County of San Diego Methamphetamine Strike Force

Identity Theft Report:

Wide variety of businesses violating state law, failing to truncate customer receipts

SAN DIEGO, CA, MAY 25, 2006 -- Data collected by the County of San Diego Methamphetamine Strike Force has found that wide variety of local businesses are not complying with a state law intended to protect consumers from the threat of identity theft.

The Meth Strike Force has been gathering information from the public on its Web site and via it's hotline for since March 25th. Since that time, consumers have reported at least 165 local businesses – from restaurants to pharmacies to auto repair shops -- that are not truncating (or “XXXXX” out) customer receipts as required by law.

Restaurants outpaced other businesses by more than a 3-1 ratio. They were followed by retailers, service providers, pharmacies and medical services, government agencies, hotels and banks and financial service providers.

Meth Strike Force officials are concerned that many businesses are unaware of the little-known state law that requires merchants to truncate credit and debit card numbers on receipts.

Failure to truncate puts consumers at great risk to identity thieves, who use such data as an easy source of illicit income or who trade stolen data directly for methamphetamine, according to police and prosecutors.

“We’re not publicizing the names of these businesses – at least not yet. First we’re going to contact them and see if we can get them to begin complying voluntarily,” said Damon Mosler, head of the District Attorney’s Narcotics Division.

“The bottom line is that businesses need to step up and realize that they play a critical role in protecting their customers from the threat of meth-fueled Identity theft.”

Categories	Complaints Reported
Restaurants	100
Sales-Retail	28
Services-Retail	16
Medical services, hospitals, pharmacies	11
Government	6
Hotels	2
Bank-Financial Services	2
TOTAL	165

The law in question, approved in 2001 with a three year period to ease into compliance, states that “no person, firm, partnership, association, corporation, or limited liability company that accepts credit or debit cards for the transaction of business shall print more than the last five digits of the credit or debit card account number or the expiration date upon any receipt provided to the cardholder.”

It applies only to receipts that are electronically printed -- not to transactions in which the sole means of recording the person's credit or debit card number is by handwriting or by an imprint or copy of the credit or debit card.

The law also allows a full printout of a person's credit or debit card number on the merchants' copy of any receipt. But, Meth Strike Force officials are encouraging merchants to truncate these as well, as identity thieves have been apprehended numerous times with store / merchant copies in their possession, prosecutors say.

Background

In the last three years, cases involving methamphetamine and identity theft have jumped 35 percent, according to Mosler. In addition, an informal survey of District Attorney investigators and law enforcement officers indicates that at least 75 percent of suspects in local I.D. theft cases showed evidence of methamphetamine abuse.

Many prosecutors consider these numbers low. In many identity theft, fraud and forgery cases, the evidence of meth influence doesn't rise to the level of a chargeable offense, they say.

In addition, in recent focus groups run by the Meth Strike Force, recovering drug users noted a new trend: instead of accepting cash for methamphetamine, dealers trade methamphetamine for stolen personal documents – such as receipts and stolen mail.

“I don't think most people see the clear connection between methamphetamine and identity thefts – at least not yet. But these crimes are often connected and they pose a serious threat to the public and the business community,” Mosler said.

The Methamphetamine Strike Force is urging residents and businesses to pay closer attention to all paperwork associated with credit and debit card transactions, to secure all documents properly and to report any violations of this critical law that can help drastically reduce identity theft.

- Call the Meth Strike Force Hotline at 1-877-No 2 meth or go online to our Web site at www.no2meth.org to report truncation problems.
- More information about Identity Theft is also available from the San Diego-based Identity Theft Resource Center at www.idtheftcenter.org.



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