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NEWS RELEASE: FOR IMMEDIATE RELEASE

Political Leaders can't ignore the alarming consumer fraud toll

Toronto – Catherine Johnston, President & CEO of the Advanced Card Technology Association of Canada, (ACT CANADA) today accused the political leaders campaigning in the Ontario election of ignoring the most popular form of consumer fraud, currently the fastest growing crime in our society. Johnston said that Ontario has the distinction of being Canada's leader for the dramatic increase of identity fraud victims and is calling for a joint government, law enforcement and industry task force to identify the scope of the problem and steps that can be taken to quickly minimize Ontarians risk.

Detective Sergeant Barry Elliott of the OPP anti-rackets branch, and coordinator of the OPP's Phonebusters national call centre noted that victims have already lost over \$9 million this year compared to a total of \$5.6 in 2002," Elliott said. "What's really interesting is that this loss basically is for the same numbers of identity fraud victims." Elliott also noted that these amounts only account for about 1/3 of the real cost, since many victims never report their losses to the police. The Phonebusters toll free line is 1-888-495-8501.

The U.S. Federal Trade Commission recently reported that more than 27 million people have been victims of identify fraud in the last 5 years, costing them \$7 billion. Businesses and financial institutions lost almost \$66 billion. According to the RCMP and Interpol, counterfeit credit card use represents the largest category of credit card fraud, involving Canadian issued cards, with 47% of all dollar losses in 1999 to 2001. One step that many international financial institutions are taking to cut their losses is a move to counterfeit and tamper resistant smart (chip) cards.

Johnston said that it's a whole different story when you look at governments and see the billions of dollars they are losing through the fraudulent use of counterfeit Health Cards, Social Insurance Numbers, Birth Certificates, Drivers Licenses, etc. Ontario Health Minister Tony Clement admits that the health budget has increased 27% in the last 5 years, "and if it continues at the current rate it will soon consume 60% of the entire provincial budget." Johnston asks, "Does the government even know how many counterfeit cards are being used and how much of the growing budget is needed to cover this fraud, and if not, why not?"

Johnston claims that the Ontario Government is in the best position to take the lead on the identity fraud issue. "During this campaign our political leaders should be informing voters about how they plan to reduce the staggering increase in the fraudulent use of government services," Johnston said. "Premier Eves and Health Minister Clement should be aware of the millions of dollars that are currently being lost through the fraudulent use of health cards alone, but they are too embarrassed to admit there is a problem."

Johnston emphasized that it is just as important for our political leaders to go after the federal government about making identity theft a crime under the Criminal Code. "Despite the millions being lost each year, it's amazing that the fastest growing societal fraud is seen as a victimless crime."

Johnston noted that tremendous strides have been made by the Advanced Card (chip and biometric) Technology industry. "It takes political will for our political leaders to move to the new chip, smart cards, which allow governments to streamline services on fewer cost-effective cards. Many foreign governments have already moved to this new technology. "The election campaign is the perfect time for our leaders to announce how they plan to invest in this new technology, so that governments can direct all of our hard-earned taxes to serve only legitimate taxpayers," Johnston concluded.

The Advanced Card Technology Association of Canada is a non-profit association that works closely with market representatives, industry leaders, and government regulators on a daily basis. ACT Canada's vision is a strong market, where advanced card technologies are used to provide new security, convenience, products and services for Canadians.

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