Rising Business Registrations and Reactivations

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What is Business Identity Theft – Dun & Bradstreet Point of View

CONSUMER ID THEFT
The identity of a consumer is stolen via breach, hack, malware, shoulder surfing, etc.

BUSINESS REG COMPROMISE
The “actor” visits the Secretary of State and performs updates to the business registration (re-activates, adds/deletes principals, changes address and/or phone information)

DUN & BRADSTREET
The “actor” attempts to associate to the subject business D-U-N-S® Number and perform informational changes.

GO SHOPPING!
Actor obtains credit/goods/services under compromised business identity. Debt is then left under business name.
I purchased a business for $10K that turned out to be a stolen charter

A bad actor opened a cell phone account under our business name

My business registration was compromised and my personal identity was also stolen

Our business email was compromised and used to switch bank accounts

We are receiving credit cards in the mail that we didn’t apply for

Someone is impersonating our business and is obtaining good/services under our name
Since 2017, Dun & Bradstreet has seen Business Identity theft rise significantly year-over-year:

- **2017**
  - US – 400
  - UK/IE – 100
  - CA - 5
- **2018**
  - 29%
- **2019**
  - 106%
- **2020 YTD**
  - 275%
FLORIDA

- D&B identified 37 companies as victims of identity theft this year

- 62% received a $150,000 - $350,000 loan
  - Approximately $5.75M total

- 24% received a $350,000 - $1M loan
  - Approximately $6.1M total

CALIFORNIA

- D&B identified 8 companies as victims of identity theft this year

- 50% received a $150,000 - $350,000 loan
  - Approximately $1M total

- 25% received a $2-$5 million
  - Approximately $3.5M total

FL and CA are among the top 5 states receiving the most in PPP loans and have the highest concentration of Business Identity Theft
Florida Compromise Example #1:

$350,000-$1M PPP loan, June 2020

D&B spoke with Bussey and confirmed the company was dissolved
D&B received a tip that these compromised corporate charters helped perpetuate a $90K LOSS via a Dealer/Agent scheme.

- Both Charters had principal and address changes
Colorado/Georgia Compromised Charter Example

- CO Corp 2/1995
- Dissolved 12/2001
- 2019 Reinstatement
  - Principal change
  - Address changes

D&B received a tip that these compromised corporate charters helped perpetuate a $500K LOSS via a Dealer/Agent scheme.
Takeaways

1. Business Identity Theft is significantly increasing and is not widely discussed/known about

2. Sharing: Join the Extreme Risk Consortium & Repository (ERCR) and the State of Colorado to share instances of malfeasance and business identity theft amongst commercial and government agencies

3. KYC – do you know who is accessing your “front doors”?
   1. Knowledge Based Authentication
   2. Device Fingerprinting (Frictionless)
   3. Two Factor Authentication