

Testimony of
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September 19, 2006

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Before the
Committee on the Judiciary
United States Senate

"The Cost of Crime: Understanding the Financial and
Human Impact of Criminal Activity"

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Good morning, Chairman Specter, Ranking Minority Member Leahy, and members of the Committee. My name is Mary Lou Leary, and I am executive director of the National Center for Victims of Crime. The National Center is a nonprofit, resource and advocacy organization that, for the past twenty years, has championed rights, protections, and services for victims of crime. We provide direct support for victims through our National Crime Victim Helpline (1-800-FYI-CALL) where we help victims cope with the impact of crime, learn about their legal rights and options, make safety plans, access victim compensation, and connect with local services in their own communities.

I want to thank the committee for holding this hearing to examine the cost of crime. This committee has the responsibility for considering legislation aimed at reducing crime, punishing offenders, and assisting victims. We are grateful that the committee is taking the time to examine the impact crime has on the millions of lives it touches. Through our testimony, we hope to help you look beyond the numbers.

We know crime results in significant out-of-pocket losses to victims--the Bureau of Justice Statistics estimates over \$1.14 billion in annual losses to victims of violent crime, and another \$15 billion to victims of property crime. The Federal Trade Commission estimates that losses from identity theft alone total \$5 billion a year.

Medical costs, funeral costs, lost wages, and other tangible out-of-pocket costs impose a significant burden on victims. Those of us who work with crime victims know the intangible costs of crime can be even greater. We witness how victimization often leads to increased substance abuse, higher rates of depression and posttraumatic stress disorder, increased risk of suicide, homelessness, higher rates of unemployment and underemployment, and negative long-

term health consequences. The impact can be physical, emotional, financial, and social. Crime affects more than just the immediate victim. It reaches family, friends, schoolmates, co-workers, and communities.

Victims of violent crime are particularly at risk of developing posttraumatic stress disorder (PTSD). Nearly 50 percent of rape victims, 37 percent of stalking victims, 32 percent of physical assault victims, 15 percent of shooting or stabbing victims, and 7 percent of witnesses to violence will develop PTSD. PTSD has a profound effect on a victim's quality of life and ability to function. A person with PTSD may experience disturbing flashbacks or other episodes of reliving the event. They often become adept at avoiding anything--people, places, or things--that could remind them of the traumatic experience. They may become emotionally paralyzed--often through substance abuse--in order to avoid painful, overwhelming feelings. They may also show symptoms of psychological and physiological arousal, such as being very jumpy, easily startled, or irritable. They may find themselves constantly on guard and may have difficulty concentrating or sleeping. Without treatment, many people continue to suffer symptoms of PTSD up to 10 years after the traumatic event.

Moreover, we are just beginning to understand the cost of crime to our nation's youth. Our Vulnerable Teenagers, a landmark report released in 2002 by the National Center for Victims of Crime and the National Council on Crime and Delinquency, documented the far-reaching impact of victimization at this crucial point in human development: victimized youth (ages 12 to 19) report more truancy, more negative contact with teachers, and increased conflict with other students, all of which can disrupt educational performance and impede later career prospects. The link between teen victimization and substance abuse, teen pregnancy, and eating disorders has also been well-established.

One of the most alarming impacts of crime on teens is the strong relationship between being a victim of crime and committing criminal offenses. Being a victim of crime has been identified as the strongest predictor of violent offending among our nation's youth.

On an individual level, victims and those who serve them can tell you more about the true cost of crime, and it goes far beyond dollars. At the National Center, we hear these stories every day from victims who call our National Crime Victim Helpline.

Impact of Homicide

When we think of the impact of crime, the first image that often comes to mind are survivors of homicide victims. While no one can fully understand what a homicide survivor goes through, all of us in this room can empathize with what it must feel like to learn of the violent death of a loved one. We can appreciate that the family suffers shock and unbearable grief. But there are other dramatic effects that many of us may not have considered.

Time and again, we hear of marriages broken up in the aftermath of murder, especially after parents lose a child to homicide. Husbands and wives may withdraw from each other and may deal with the tragedy in very unique, and sometimes conflicting, ways. One parent may appear to recover fairly quickly while the other can't stop crying months later. One may be focused on the criminal justice system response and being present at every court proceeding; the other may feel

that no matter what happens in the courts, it doesn't matter because it will not bring the loved one back. In some cases, blame and guilt may drive a wedge between parents of a murdered child.

Survivors of homicide may also struggle with maintaining their careers. Many survivors are simply not ready to return to their "normal" routine soon after the tragedy and need more than the typical two weeks of bereavement leave. Many survivors aren't even offered two weeks, and find they can't return to work in time to save their job.

In communities where there has been a homicide on the street, we hear from the survivors who daily walk past the bloodstained sidewalk where their loved one was killed. Few of us think about the fact that it can take days or weeks for blood to be cleaned up--if ever. Instead, that crime scene exacts a daily, emotional toll on the family members and friends left behind, the children and neighbors who see those bloodstains every day.

Impact of Other Violent Crime

The impact of violent crime is far-reaching. We can picture the immediate hospitalization and treatment of an assault victim or battered spouse who has been beaten, burned, or slashed. But after discharge, what about the scars? We hear heartbreaking cases of permanent disfigurement, with victims unable to obtain the expensive reconstructive or cosmetic surgery that would give them the confidence to go out in public, to resume employment, or to date again.

But not all violent crime leaves a visible impact. One caller to our Helpline had been the victim of an attempted armed robbery when she was en route to make a deposit for her boss. The robbery was thwarted, and she sustained no physical injuries, but she was severely traumatized. She had believed she was about to die. She called us, saying that because of the robbery attempt, she hadn't left her apartment in over a year. She was severely depressed and had gained 100 pounds. She was calling because she was afraid her husband was going to divorce her and didn't know where else to turn.

Another recent caller had been held up at gunpoint at her retail job at a jewelry store. The recognized "cost" of that crime was the cost of the merchandise taken. But to that victim, the "cost" is with her everyday. She has been terrified to go back to work at the same business, but knows that she wouldn't be able to make the same salary if she started over at another store. So she continues in that job, traumatized every time she goes to work.

We heard from a rape victim who, in her efforts to avoid thinking about the rape has for several years gotten drunk before having sex with her husband. As a result, she has developed a substance abuse problem.

We heard from a victim of child sexual abuse, now in her late 20s, who Googled her name, bringing up court documents that detailed the sexual abuse and named her as the victim. She felt traumatized and exposed all over again.

Even the steps victims can take to promote their future safety often have unintended negative consequences. Women fleeing domestic violence or stalking may have to leave their job, their community, and their circle of friends to relocate to a safe place. To keep from being traced by a

determined perpetrator, a woman might change her name and her Social Security number. Then she finds she no longer has any work or credit history. With a "clean slate" Social Security number, she's unable to get a job or even a volunteer position. She may have trouble registering her children at school. She often can't even get a library card.

Impact of Financial Crime

While the public may more easily understand the devastating impact of violent crime, they may think of fraud or theft as "just" a financial crime, resulting in only minor inconveniences. But the impact on the lives of victims of financial crime can also be great. For example, we've heard from many elderly victims of fraud, or their concerned family members, about the severe physical and emotional toll of losing one's entire savings late in life, of suddenly facing an old age in poverty. We also hear about the emotional impact following the discovery of a fraud perpetrated by a caregiver or someone presumed to be a friend. The victim may no longer trust himself or herself to make decisions, and may fear or mistrust every person who comes into his or her life.

Media reports often discuss the cost of identity theft in terms of time lost from work as the victim attempts to clean up her credit record--not fully capturing the aggravation and frustration that a victim endures. One of our Helpline calls brought this into sharp focus: a man had his identity stolen, and the thief used it to claim \$12,000 in unemployment benefits over three years. The victim had in fact worked steadily throughout that time. Suddenly the state unemployment commission office demanded he repay the \$12,000, and he's now battling the IRS about his alleged failure to pay taxes on those benefits.

We also hear from identity theft victims whose daily lives are limited by their fear of using credit cards and avoidance of the Internet to shop and pay bills. And I'm sure you've heard about people turned down for a car loan or mortgage because of identity theft, but what about the person turned down for a new job? A lot of people don't realize that many employers routinely perform a credit check on prospective employees. The unknowing victim of identity theft may have no idea of the real reason he's been turned down for employment. He has no opportunity to explain.

Another rising "cost" of identity theft occurs when people commit crimes using someone else's identity. Suddenly that identity theft victim has an arrest warrant, or even a criminal record, under his or her name.

Car theft is a classic example of a "minor" crime with far-reaching impact. So often, that car is the victim's most valuable asset. It enables the victim to get to work, and to get his or her children to and from day care. Even when the car is recovered, impound fees accrue so quickly that the victim may be unable to come up with the several hundred dollars needed to reclaim the vehicle. With no transportation, the victim may lose his or her job; public transportation may not be a viable option.

We heard of one vehicle theft with even greater consequences. In that case, an elderly Arizona man's RV was stolen while he was in the hospital. Although the vehicle was recovered in Colorado, he had no way to retrieve it, let alone pay the impound fees. In that case, the RV was also his home. He was unable to be discharged from the hospital because he had nowhere to live.

Conclusion

It is important, when we talk about the "cost of crime" to use dollar figures simply as a starting point. The real cost of crime includes the cost to individual quality of life and to society-at-large from the substance abuse, depression and PTSD, homelessness, loss of employment, poor school performance, and other consequences that drain our social system and keep people from leading secure and productive lives.

I thank you for the opportunity to help bring some light to this "hidden" cost. We at the National Center for Victims of Crime would welcome an opportunity to work with Congress to improve our nation's response to victims and reduce the cost of crime.