

Business Risk Skyrockets as ID Fraud Rises, According to Latest IDScan.net Annual ID Fraud Report

Third annual report by leading identity verification experts IDScan.net reveals acceleration of identity fraud methods

NEW ORLEANS, LA, UNITED STATES, June 4, 2025 /EINPresswire.com/ -- IDScan.net, a leading provider of omnichannel identity verification technology, has today published its third annual ID Fraud Report, revealing a significant year-on-year increase in fraudulent ID activity across several sectors.



The report analyzes over 150 million ID scans conducted during 2024, providing insights into evolving fraud patterns and the growing role of technology in fraud prevention.

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*Jimmy Roussel, CEO,
IDScan.net*

These findings highlight how identity fraud reached its highest levels in the final quarter of 2024, with an increasing number of fraud attempts linked to synthetic identities, deepfake images, and digital documentation. The finance, logistics, cannabis, and hospitality sectors saw the sharpest spikes in activity.

Jimmy Roussel, CEO at IDScan.net “Fraud is becoming more sophisticated, more frequent, and more difficult to detect using legacy systems. With fraudsters increasingly

leveraging tools like generative AI and deepfakes to bypass traditional defenses, businesses must urgently invest in advanced identity verification solutions that can protect both their operations and customers.”

Key findings from the report include:

- Finance and banking sectors experience over twice the amount of fraud attempts compared to other industries, increasing even higher around tax season and fiscal year-end deadlines.
- The [cargo and logistics](#) industry experienced 61.4% increase in fraud activity in the fourth quarter of 2024, aligning with wider economic and supply chain pressures.
- Nightlife and hospitality sectors saw predictable spikes during spring break, Halloween, and the holiday travel season, with April 20th marking a peak date for cannabis-related ID fraud.
- Casinos recorded the highest fraud volumes in January, typically their busiest month, with almost double the amount of fraud attempts.
- Fraudulent ID attempts were most commonly associated with IDs claiming to originate from Colorado, Arizona, California, Nevada, and Texas.
- The average age on flagged IDs was 31, with 64.1% of fraudulent IDs marked as male.

IDScan.net's technology relies on a three-tiered system designed to catch the most advanced forms of fake IDs, as the strengths and weaknesses of various fraudulent identity forms continue to diversify, based on manufacturer, ID type, and fraudster objective.

Proprietary technology flagged 39.7% of total fraud attempts by checking for formatting issues, template inconsistencies, and unreadable barcodes alone. 36% of fraudulent IDs are caught through [authentication](#), which utilizes AI-powered security checks, including UV and IR light scans, hologram detection, and cross-matching of front-and-back data. Additionally, 21% of fake IDs were caught via checks conducted through trusted [third-party databases](#). This is evidence of the varied levels of sophistication seen in fraudulent IDs. While some can be caught by barcode checks alone, the majority of fraudulent IDs must be more heavily scrutinized by robust ID authentication solutions to be detected.

Further data from the organization, which services some of the US's best-recognized brands across industries such as hospitality, gaming, cannabis, and retail, shows that 400,000 scanned IDs in 2024 were expired. As of January 2024, only 56% of IDs in circulation across the US were REAL ID-compliant. With the federal enforcement deadline now passed, REAL IDs were found to be 36% more likely to be flagged as fraudulent than non-compliant IDs, challenging perceptions of their added security.

Early data from 2025 suggests that ID fraud is continuing to increase across all sectors, especially those directly impacted by tariffs. This, in addition to increasingly sophisticated AI-powered fraud tools, will make utilizing secure ID fraud prevention solutions more essential than ever.

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