IDENTITY THEFT
Minimize your Risk

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What is Identity Theft

Involves the unauthorized use of a victim’s personal identity or identifying information for criminal purposes.

Identity Theft

Identity Theft (How)
Theft of an individual’s identifying information, i.e.,
• Name
• Address
• Date of Birth
• Social Security Number
• Account Number
• Password
• Or, even mother’s maiden name

Identity Theft is a Facilitator

• It makes other crimes easier to commit.
• It is rarely the sole objective of the crime, i.e. in the “old days” it was used by fugitives.

Used illegally, an imposter can:
• Open new bank accounts
• Drain a victim’s bank account
• Purchase automobiles
• Apply for loans
• Open utilities
• etc, etc, etc
Methods of Obtaining False IDs

- Fraudulently obtained genuine documents
- Alterations made to genuine documents
- Counterfeit
  - Desktop publishing technology
  - Offset printing
- The Internet

How Identity Thieves Get Their Information

- They steal wallets/purses containing identification, such as credit/bank cards.
- They steal mail containing credit/bank card statements, pre-approved credit offers, tax information, etc. etc.
- They complete a “change of address form to divert your mail.”
- They rummage through a victim’s trash for personal data.
- They fraudulently obtain a victim’s credit report by posing as a landlord, employer - a person who may have a legitimate need.
- They obtain a victim's business or personnel records at work.
- They find personal information in their victim’s home.
- They obtain personal information gleaned from the Internet. (be careful of ads)
  - Phishing Scams
- They buy personal information from “inside” sources, such as paying a store employee for information obtained from credit card applications.
How Identity Thieves Use Their Victim’s Information

- They contact their victim’s credit card issuer and change the mailing address. A new credit card account is opened using the victim’s name, date of birth, and social security number. The delinquent account is then reported on the victim.
- They establish telephone or wireless service in the victim’s name.

How Identity Thieves Use Their Victim’s Information

- They open a bank account in their victim’s name, and write bad checks on that account.
- They rack up enormous debt, and file for bankruptcy under their victim’s name.
- They counterfeit checks or debit cards, and drain their victim’s bank account.

Common Types of Fraud: ATM/Debit Card Fraud

Minimize Your Risk!

While you probably can’t prevent identity theft entirely, you can minimize your risk. By managing your personal information wisely, cautiously and with an awareness of the issue, you can help guard against identity theft.

Minimize Your Risk

- Before revealing any personal identifying information, find out how it will be used and whether it will be shared with others.
- Ask if you have a choice about the use of your information. Can the information be kept confidential?
- Pay attention to your credit card billing cycles.
Minimize Your Risk

- Follow up with creditors if your bills don’t arrive on time.
- Guard your mail from theft. Deposit outgoing mail in post office collection boxes or at the post office.
- Have the Postal Service hold your mail if you are going to be out of town.
- Put passwords on your credit card, bank, and telephone accounts.

Minimize Your Risk

- Select your passwords carefully.
- Minimize the identification information and the number of credit cards that you carry.
- Don’t give out personal information unless you initiated the contact or know who you are dealing with.
  - Email – Internet
  - Telephone
- Tear or shred your charge receipts and all other personal information.

Minimize Your Risk

- Be cautious about where you leave personal information in your home, especially if you have roommates, employ outside help or have service work done in your home.
- Find out who has access to your personal information and verify the security of records.
- Give your social security number only when absolutely necessary. Use other identifiers when possible.

Minimize Your Risk

- Don’t carry your social security card. You will need this on rare occasions; i.e., renewing your driver’s license and titles.
- Order a copy of your credit report form each of the three major credit reporting agencies every year. Ensure it is accurate and has only those activities you have authorized.

Internet Fraud Schemes

The number of reported Internet auction frauds is increasing and hundreds of new complaints are received daily. Many of these frauds originate in Eastern Europe in former communist countries, most notably Romania. The fraudsters from these countries have saturated the Internet auction scene.

Internet Fraud Schemes

- Internet Auction Schemes
- Counterfeit Check Schemes
- Foreign Lottery
- Third Party Shipping
- Debt Elimination
- Non-Delivery of Goods/Services
- Employment Opportunity Scheme
- 419 or Nigerian Letter Frauds
- Spam
- Spoofing /Phishing
INTERNET AUCTION SCHEME

- Seller posts the auction as if they are in the United States and sends an email stating they are out of the country for various reasons.
- Seller requests the funds be sent via Western Union, Money Gram or bank-to-bank wire transfers.
- Seller requests the funds be sent to someone other than themselves.

COMBATING COUNTERFEIT CASHIER CHECK FRAUD

Counterfeit Check Scheme

The use of a counterfeit cashier’s check or corporate check to pay for merchandise. Often these checks are made out for a substantially larger amount than the purchase price. The victims are instructed to deposit the check and return the overage amount, usually by wire transfer, to a foreign country. Because banks may release funds from a cashier’s check before the check actually clears, the victim believes the check has cleared and wires the money as instructed.

HOW THE SCAM IS EXECUTED

FOREIGN LOTTERY

- Scammers will tell you that you’ve won and charge a fee to receive nonexistent winnings.
- Unlike your state’s lottery, foreign agents take your money and never buy the tickets.
- It’s illegal - a federal statute prohibits mailing lottery tickets, advertisements, and payments to purchase lottery tickets to a foreign country.
Third Party Shipping
(Mules)

- Posting Internet auctions, but cannot receive the proceeds from these auctions directly because his/her location outside the U.S. makes receiving these funds difficult.
- The seller asks the U.S. citizen to act as a third party receiver of funds from victims.
- The U.S. citizen, receiving the funds from the victims, then wires the money to the subject in either Bucharest, Romania or Riga, Latvia keeping a percentage for themselves.

DEBT ELIMINATION SCAM

Generally involve websites advertising a legal way to dispose of mortgage loans and credit card debts:

- Charge fee of $2,000 - $7,500
- Fee is paid up front
- False claims
- The potential risk of identity theft is extremely high - participants provide all of their personal information in loan application.

Non-Delivery of Goods/Services

The non-delivery of goods or services which were purchased or contracted remotely through the Internet, independent of an Internet auction.

- Ebay
- Craigs List
- Various other on-line auction sites (cars)

Employment Opportunity Scheme

Typically incorporate identity theft, freight forwarding, and counterfeit check schemes.

- The fraudster posts a help-wanted ad on popular Internet job search sites or sends out spam.
- Respondents are required to fill out an application wherein they divulge sensitive personal information, such as their date of birth and Social Security number.
- The fraudster utilizes that information to purchase merchandise on credit.
- The merchandise is sent to another respondent who has been hired as a freight forwarder by the fraudster.
- The merchandise is then reshipped out of the country.
- The fraudster, who has represented himself as a foreign company, then pays the freight forwarder with a counterfeit check containing a significant overage amount.
- The overage is wired back to the fraudster, usually in a foreign country, before the fraud is discovered.

NIgerIAN 419

- Named for section 419 of the Nigerian Criminal Code
- Offers recipients the “opportunity” to share in a percentage of millions of dollars
- Scheme relies on convincing a willing victim to send money in installments of increasing amounts for a variety of reasons

419 SCAM

Hello, My name is Capt. Jeffrey Simpson and I am an American marine serving a unit of the Navy. My name is Capt. Jeffrey Simpson and I am a U.S. Marine Corps officer serving in the Naval Amphibious Forces. As you know, we are being attacked by all sorts of criminals and criminals from abroad.

We stumbled into a Nigerian business and discovered this fraudster had one of the largest and most profitable business operations in this country. The total amount is $100,000,000. Our evidence shows that the total amount is $100,000,000. The Nigerian government has offered this fraudster $100,000,000 to cover the costs of our investigation. We want to make sure the money is distributed equitably.

We have now asked the Nigerian government to provide funds for the operation. We are willing to pay 10% of the total amount to the Nigerian government to cover the costs of our investigation. We have now asked the Nigerian government to provide funds for the operation. We are willing to pay 10% of the total amount to the Nigerian government to cover the costs of our investigation.

I am ready to cooperate with you on a good percentage of the funds. The only problem is you are required to help me start the funds from its current location into the safety of my safe location. If you are interested, I will send you the full details.

My intention is to find a good and respectable partner with great expertise that can trust and willing to assist me. Can you help? When you receive this letter, kindly send me an e-mail giving your interest and we will communicate to you full details. This is 100% real. I have my Security reasons to contact you via my private box - captj419@hotmail.com

Respectfully,
Capt. Jeffrey Simpson Navy
HONEST SCAMMER???
Excerpt from IC3 Complaint...

“I victor, write with the sense of responsibility, and my duty to describe how it all happened. am sorry to say that i am a scammer that scam ebay.com, i am from nigeria and i use tony bank account to recieve money, but when the money reflect in his account he refuse to send it to nigeria, so i decided to open up, we have been in these deal for years and i have been using his bank account to fraud people and company and which he will collect his percentage, i have very document to back it up.”

Victor - Lagos, Nigeria

SPAM

➢ Term used for sending unsolicited bulk email
➢ Accounts for 80% of all email traffic
➢ Widely used medium for other types of fraud such as financial institution fraud, credit card fraud, and identity theft

WHY SPAM?

➢ 73% of all e-mail traffic is spam related
➢ Cost of Spam to businesses is $20.5 billion annually
➢ Most prevalent type is advertising related
➢ MSN alone blocks some 2.4 billion spam e-mails every day

www.spamlaws.com

PHISHING

➢ An e-mail from a subject which falsely claims to be an established legitimate enterprise in an attempt to scam the victims into surrendering private information.
➢ The e-mail often directs the victims to visit a spoofed website where they are asked to update personal information, such as user names, passwords, credit cards, social security number, and bank account information.

PHISHING BY USE OF SPAM

➢ Mass e-mailing used to send phishing e-mail to millions of potential victims
➢ Phishing can be a lucrative criminal enterprise even if only a small percentage of recipients respond

What Action Should Victims Take

• Contact the creditors for any accounts that have been tampered with or opened fraudulently.
• File a report with your local police or the police in the community where the identity theft took place.
Credit Reporting Agency Contact Information

Contact the fraud departments of each of the three major credit reporting agencies.
- Equifax, Fraud Alert #1-800-525-6285
  www.equifax.com; for credit report dial: 1-800-685-1111
- Experian, Fraud Alert #1-888-397-3742
  www.experian.com; for credit report dial: 1-888-397-3742
- Trans Union, Fraud Alert #1-800-680-7289
  www.transunion.com; for credit report dial: 1-800-916-8800

Federal Law Enforcement Help

- Federal Trade Commission (FTC)
  - 1-877-IDTHEFT (1-877-438-4339)
- United States Postal Inspection Service
  - 1-877-876-2455
- United States Secret Service
  - 1-216-706-4365
- Social Security Administration (SSA)
  - 1-800-269-0271

www.LooksTooGoodToBeTrue.com

A coordinated effort between our partners:
- USPIS
- IC3
- Monster
- Merchant Risk Council (MRC)
- NCFTA
- Microsoft
- Target
- FBI
- National White Collar Crime Center

And our sponsors:
- NetEnforcers
- Debix
- Career Builder

This website was developed to arm the public with information so they do not fall victim to known Internet scams. Education, good judgment and a healthy dose of skepticism are the best defenses against becoming a victim. Remember, if it looks too good to be true, it probably is.

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