

## IDENTITY THEFT

*Minimize your Risk*



**Federal Bureau of Investigation**

Special Agent Tory L. Smith

Cheyenne, Wyoming  
(307) 632-6224



**United States Postal Inspection Service**

Inspector Christopher Lucas

Cheyenne, Wyoming  
(307) 772-7084

## 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



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## 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.




## How Identity Thieves Get Their Information

- 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.



## How Identity Thieves Get Their Information

- 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



## Identity Theft



## 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 from 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

## FOREIGN LOTTERY



## 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 uses 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. Jeffery Simpson and I am an American marine serving in Iraq of the Hqs. Multinational Corps Iraq, III Corps-Camp Victory, Baghdad. As you know, we are being attacked by insurgents everyday and car bombings.

We stumbled into Saddam Hussein's storage vault and discovered funds belonging to his family. The total amount is \$10,570,000 (Ten million Five Hundred and Seventy Thousand US dollars) in cash, mostly 100 dollar bills tightly tied in \$1000.00 bundles. We want to move this money to a reputable/sincere person for safe keeping as far i will be sure it will be safe with you. This is the reason for contacting you.

I am ready to compensate you with a good percentage of the funds. The only thing required from you is just for you to help me move the funds from it current location into the states or any safe location. If you are interested I will send you the full details.

My intension is to find a good and respectable partner with great repute that i can trust and willing assist me. Can i trust you? When you receive this letter, kindly send me an e-mail signifying your interest and i will communicate to you in full details. This is 100% risk free For Security reason do contact me via my private box:- capt.j.s41@hotmail.com

Respectfully,  
capt. Jeffery Simpson Raia.

## HONEST SCAMMER???

### Excerpt from IC3 Complaint...

"I victor, write with the sence of responsibilty, 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](http://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 (1-877-438-4338)
- 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

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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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Inspector Christopher Lucas

Cheyenne, Wyoming  
(307) 772-7084

## FBI Denver Division Cheyenne RA

Special Agent Tory L. Smith

1912 Capitol Avenue, Suite 510

Cheyenne, Wyoming

(307) 632-6224 (Office)