

# Identity Fraud

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# What is “Identity Fraud”?

- Not the same as “Identity Theft” i.e. Imposter
  - Prisoner of Zenda
  - Three Musketeers story of Man in the Iron Mask
  - The Talented Mr. Ripley
  - Reece Jr. using Reece Sr.’s Hertz Gold Card for Honeymoon transportation @ SFO

# What is “Identity Fraud”?

- Not the same as “Mistaken Identity”
  - Reece Jr. vs. the Credit Bureaus
    - 5 cars
    - 1 boat
    - 2 houses
    - Gasoline card from Shell that was used in California
    - Dillard’s card issued 2 years before birth
  - 70% of credit reports contain inaccurate information

# What is “Identity Fraud”?

- Not the same as “Mistaken Identity”
  - Harry Brown vs. Student Loans
    - World War II veteran
    - Never finished the 8<sup>th</sup> Grade
    - Anyone want to guess how conversation went?
  - Don Henderson v. Law Firm
    - Received a Summons notifying him that he was sued
    - 14 people with the name “Don Henderson” listed in the Tulsa telephone book

# What is “Identity Fraud”?

- Stealing someone’s personal information for the purpose of:
  - Obtaining credit
  - Obtaining goods and services
  - Accessing other resources
- Could affect Victim’s Reputation
  - Financial / Credit
  - Taxes
  - Medical
  - Other

# What is “Identity Fraud”?

## 4 Types of Identity Fraud

1. Criminal Identity Theft
2. Financial Identity Theft
3. Identity Cloning & Concealment – includes Child Identity Theft
4. Medical Identity Theft

# Criminal Identity Theft

## Posing as another person when apprehended for a crime

- Premise for “Identity Theft” movie
- Fake ID used for underage drinking - as a deterrent, query subject’s astrological sign
- Difficult for victim to detect; may need to perform a background check
- Difficult to correct; may need to “expunge” the criminal record

# Financial Identity Theft

## Using another's identity to obtain credit, tax refunds or goods and services

- Physically steal credit card or check
  - Mom's purse stolen; EACH instance is FELONY
  - Checks stolen by employees of moving company
- Use credit card information - take a picture of credit card; copy of receipt or statement
- Print fake checks
  - Catch Me If You Can (Frank Abagnale)
  - OK law firm suckered for six-figures



# Financial Identity Theft

## Using another's identity to obtain credit, tax refunds or goods and services

- Phishing Scams
  - Nigerian Letter – inheriting millions or poor orphans
    - Client asked Mother; Father had affair
    - Client emptied retirement account to help orphans
    - Prefer Western Union instead of PayPal or Credit Card
  - eBay purchase – Sister “won” a treadmill @ a great price
  - Pre-approved for a loan, lower-interest rate, free trips or airline tickets, etc. – Sounds too good to be true?
  - Your account has been hacked; please change your password now
  - Your arrest record/credit score has been updated

# Financial Identity Theft

## Using another's identity to obtain credit, tax refunds or goods and services

- Data breach
  - IRS temporarily displayed information on website
  - VA lost a laptop with personal information
  - Popular websites frequently hacked
- There's an APP FOR THAT! Just use a hacker-friendly program like Zeus
- Inadvertent exposure - OK Sales Tax Permits may display applicant's SS#, name and address

# Financial Identity Theft

**Using another's identity to obtain credit, tax refunds or goods and services**

- Not just unrelated 3<sup>rd</sup> Parties
- Common with married couples – falsified information/signatures on applications
  - Makes for a nasty/difficult divorce
  - May require filing for bankruptcy
- Common with ex-spouses – BLACK WIDOW
- Common with family members – working with Father-in-Law vs. Brother

# Financial Identity Theft

**Using another's identity to obtain credit, tax refunds or goods and services**

- Park v. Commissioner – Taxpayer used Passport to prove he was out of country on dates when Form W-2G's issued
- Tax Client in Nursing Home – tax return rejected when e-filed
  - IRS Form 14039 Identity Theft Affidavit
  - Daughter walked in Mom's room while on phone

# Identity Cloning & Concealment

## Using another's information to assume his or her identity in daily life

- Posers are common on Social Media Websites
  - Create a person and storyline
  - Borrow pictures, stories, etc.
- Hoax of Notre Dame linebacker, Manti Te'o and his fake dead girlfriend, Lannay Kekua
- Lannay Kekua then went on to beat 8.15 million other entries in the ESPN annual prediction contest for the NCAA basketball championship

# Identity Cloning & Concealment

## Using another's information to assume his or her identity in daily life

- Common with
  - Illegal immigrants
  - People hiding from creditors or prosecution
  - People that just want to be “anonymous”
- Wayne Algar's real name is “Lonnie”
- Kevin “dropped” his last name, now uses his middle name and pays cash for everything

# Identity Cloning & Concealment

## Using another's information to assume his or her identity in daily life

- Child Identity Theft (living or deceased)
  - Could be as simple as walking through a cemetery to find a child with a similar age; may be able to obtain birth certificate
  - Social Security Numbers of deceased persons are publicly available
- Can go undetected for years
- Carnegie Mellon Cylab Survey showed that over 10% of 40,000 children victims of identity fraud
- 6 months after Sandy Hook in Newtown CT, IRS had received fraudulent tax returns with refunds for over half of the victims

# Medical Identity Theft

## Using another's identity to obtain medical care or drugs

- Common when THIEF has limited medical insurance
- Common when VICTIM has prescriptions for narcotics and other popular drugs
- Can cause financial harm (including future insurability) to victim
  - But don't worry – ObamaCare is adding 16,000 new IRS employees to help
- Can cause physical harm to either party if medical records combined or altered
  - Allergies, blood-type, medical history, etc.
- Personally expect this to be a growing problem



# Summary

- “The problem with information that you read on the Internet is that it is not always true.”
  - Abraham Lincoln  
June 2, 1861

# Resources

- **Federal Trade Commission**  
<http://www.consumer.ftc.gov>
- **Identity Theft Resource Center**  
<http://www.idtheftcenter.org>
- **Credit Bureaus**
  - Equifax  
<http://www.equifax.com>
  - Experian  
<http://www.experian.com>
  - Trans Union  
<http://www.transunion.com>