

## 1 FEDERAL TRADE COMMISSION

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FEDERAL TRADE COMMISSION

IDENTITY THEFT VICTIM ASSISTANCE WORKSHOP

OCTOBER 23, 2000

FTC HEADQUARTERS BUILDING

ROOM 432

WASHINGTON, D.C.

For The Record, Inc.  
Waldorf, Maryland  
(301) 870-8025

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P R O C E E D I N G S

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1 prevention, prosecution and victim assistance. Our  
2 workshop today is going to focus on the latter, that  
3 is victim assistance.

4 And to update you on the other events for a  
5 moment, the Social Security Administration will  
6 convene its workshop on prevention this Wednesday,  
7 October 25th, and that will be held across the mall  
8 at the Department of Health and Human Services. The  
9 Department of Justice, the Secret Service, will host  
10 a workshop for law enforcement on December 6th on  
11 investigation and prosecution.

12 But the goal of today's workshop is to  
13 examine the problems victims experience with trying  
14 to restore their good name to financial health. And  
15 to explore the concrete steps we can take to make  
16 the process less burdensome. In particular, in  
17 particular, we hope to make progress on two  
18 initiatives that were raised at the Treasury Summit,  
19 and I must say have been raised in other fora as  
20 well. In fact, one of them has been incorporated  
21 into legislature proposals introduced on Capitol

1 of the three major consumer reporting agencies, or  
2 to the IDT hotline, will result in placing a fraud  
3 alert on the consumer file and all three consumer  
4 reporting agencies. The second initiative is a  
5 standard fraud declaration report identity theft  
6 activity to the bank, creditors, debt collectors or  
7 other entities involved. Rather than filling out a  
8 separate fraud packet for each of the institutions  
9 involved, the victim would fill out the standard  
10 fraud declaration once and send signed copies to  
11 each of the companies involved.

12 Both of those issues have arisen, as I said,  
13 at the Treasury Summit, and both have been discussed  
14 in -- on Capitol Hill, and in other fora as well.

15 I'm very optimistic and think that if we can  
16 make progress on those two issues, as we work  
17 together through these two days, we will have  
18 accomplished a great deal.

19 Each and every one of you deserve kudos, and  
20 I would like to give them to you today, for being  
21 here with us to work through these issues.  
22 Especially the financial institutions. We know that  
23 your role in restoring a victim's good name is very  
24 complicated. And if you hear some minor criticism,  
25 not by name, but in regard to your institutions, we

1 hope you'll take it in the spirit that it's offered,  
2 as a factual matter, and hopefully in a constructive  
3 way, we will work together to overcome any negatives  
4 of that sort.

5           The main thing is, though, that you're here  
6 and you're indicating your willingness to work with  
7 us, and with all the groups that are involved here,  
8 and we really do thank you for that. Similarly, I  
9 would like to thank the law enforcement people who  
10 are here today, they're all stretched thin. We are,  
11 as well, but again, it's something that's necessary  
12 for all of us to work together. We haven't always  
13 in the past, and we intend to further that goal as  
14 well.

15           The consumer advocates and private attorneys  
16 that are here today, similarly I would like to  
17 mention, again, because this involves so many  
18 different parties and so many different interests,  
19 that without the full participation of all of you,  
20 we would not make as much progress as I think we are  
21 capable of doing today.

22           So, I know it's a sacrifice for all of you  
23 to be here to spend the time with us, but I think it  
24 will more than justify it if we achieve what we're  
25 setting out to do today.



1           In regard to our part, as you know, we've  
2           made some progress I think internally. The Identity  
3           Theft and Assumption Deterrence Act of '98 directed  
4           the FTC to establish a decentralized victim  
5           complaint consumer service for victims. We  
6           established a consumer complaint hotline for victims  
7           of identity theft and a centralized national data  
8           clearinghouse to share the complaint information  
9           equally. And many of the -- much of the trend data  
10          and other collections will be described to you and  
11          some are in your materials today. I think that in  
12          itself should prove very helpful.

13                 As you know, we also enforce a number of  
14          consumer credit laws, some of which touch on the  
15          issues that we're involved in today, but law  
16          enforcement certainly has its place, however we are  
17          not focusing on that today, but rather on  
18          cooperative efforts to begin to resolve the number  
19          of issues that we're trying to get through.

20                 We have a number of distinguished panelists  
21          participating in the sessions today and tomorrow.  
22          Today's panels will principally focus on the  
23          inaccuracies from the victim's credit history and  
24          credit accounts. Tomorrow we will focus on other  
25          forms of identity theft. That is the hardest

1 phrase. Maybe we need to come up with a different  
2 phrase. If anybody does, I'll give them a T-shirt  
3 that says you reconstructed identity theft and did  
4 us all a favor.

5 Tomorrow's will be the one that the hotline  
6 is hearing with greater frequency, that is criminal  
7 records, and bankruptcy records in the victim's  
8 name.

9 The first panel today is the victim's panel.  
10 We will begin, however, with a presentation from our  
11 data clearinghouse. Then we'll hear from the  
12 victims because that's where the workshop issues all  
13 begin. We're fortunate to have victims here today  
14 who have been willing to travel from all over the  
15 country to share their experiences with us.

16 That first-hand experience, I think will  
17 help us better understand what actually happens to  
18 victims and what victims think could happen and  
19 could be improved in the process of clearing up  
20 their problems.

21 Once again, thanks to all of you for coming,  
22 for participating, and with that, let's get on with  
23 the first panel, thank you very much.

24 (Applause.)

25 MR. STEVENSON: Okay, I would ask the



1 MS. CRANE: Thank you. I just want to start  
2 my program here. I'm sorry to have to ask all of  
3 you to sort of look over your shoulders to be able  
4 to follow along with the sites that I will be  
5 discussing. They are also in, as Hugh mentioned,  
6 the report that we've included in your packet.

7 As Hugh mentioned, we launched our identity  
8 theft data clearinghouse in November of '99, and the  
9 data that we have to show you today goes through  
10 September 30th, so that's 11 months of data. And so  
11 it's beginning to give us a fairly reliable picture  
12 of what's happening in the sort of macro sense of  
13 identity theft nationwide.

14 Most of the folks -- I should back up. Our  
15 hotline is a consumer complaint hotline, and the  
16 data in our database is consumer complaint  
17 information, it's not from law enforcement, and so  
18 we have to understand that this is as victims  
19 understand the situation. We don't have an  
20 additional validation process to verify it. It is  
21 solely consumer complaints as we collect them.

22 What we've learned about identity theft,  
23 though, I think is very interesting. If you look at  
24 it on a nation-wide basis, you can see that the  
25 largest number of identity theft complaints are

1 coming from the largest states, California, New  
2 York, Texas, Florida, Illinois, and Michigan.  
3 However, when you look at it on a per capita basis,  
4 it breaks up somewhat differently. We see that the  
5 highest concentration of per capita is spread  
6 throughout the west coast, also, Florida, Maryland,  
7 District of Columbia, and -- did I say Maryland and  
8 the District of Columbia. When you look at it  
9 broken down to a city level basis, actually the  
10 highest ranking city is the District of Columbia.  
11 We didn't have it on this chart because we're  
12 thinking of it more as a state, we like to think of  
13 DC statehood, but it is also a city, and it leads  
14 all the other cities with a rate of 19.6 per  
15 100,000, then in ranking order it would be Houston,  
16 Chicago, New York, Philadelphia and Los Angeles.

17 When victims call us, they give us  
18 information that allows us to understand  
19 demographically what's going on. Many times they  
20 provide their age and thus far we have about 60  
21 percent of the victims providing their age. What it  
22 shows us is the average age of consumers calling our  
23 hotline is 41 years of age. However, the most  
24 commonly reported age was 30 years, that's the mode  
25 I guess you call it.

1           People age 65 and over, while they represent  
2   12 percent of the U.S. population, they only  
3   represent seven percent of individuals calling our  
4   hotline. We're going to watch this relationship.  
5   We want to understand whether it means that people  
6   age 65 and older are less likely to experience  
7   identity theft or whether it means that they are  
8   simply less likely to call our hotline, whether  
9   there's an outreach effort there that we need to  
10  really focus attention on.

11           On the other side, people age 18 and under  
12  represent 26 percent of the U.S. population, but  
13  only two percent of our victims. Well, I guess this  
14  makes sense that many of them are involved in  
15  setting up credit, so this number seems quite  
16  logical to us.

17           What's happening to these people? What are  
18  they experiencing? Well, when you look at it purely  
19  in terms of what types of identity theft they've  
20  experienced, it's remained pretty consistent since  
21  we began collecting the data that by far and away  
22  the most common type of identity theft they've  
23  experienced is credit card fraud. Over 50 percent  
24  report that. Of that 50 percent, about three  
25  quarters are new credit cards established in your

1 name. Only about one quarter are people accessing  
2 their current accounts and putting unauthorized  
3 charges on them.

4 We were surprised to learn that unauthorized  
5 phone and outservices are also a very, very common  
6 form of identity theft. 27 percent of the  
7 complainants report this sort of identify theft. Of  
8 this, about 40 percent is new phone service, about  
9 35 percent is new wireless service, and about 13  
10 percent is new utility service. So, between phone  
11 and wireless, there isn't a great deal of  
12 difference, and in general, this is new service, not  
13 people tapping into the existing service.

14 We see that bank fraud comes in third at 17  
15 percent, with about 50 percent affecting the  
16 existing accounts of the victims, about 35 percent  
17 would be new accounts of the victims, and another 20  
18 percent would be electronic fund transfer activity.

19 Fraudulent loans provides about 11 percent  
20 of the identity theft that we care about -- well, 11  
21 percent of the victims who report to us report on  
22 fraudulent loans. I should back up and say most of  
23 our victims have experienced more than one type of  
24 fraud, so if you total over 100 percent, because  
25 we're going to get people reporting to various

1 categories.

2 With fraudulent loans, it's about 50 percent  
3 business and personal, about 30 percent auto loans  
4 and about 10 percent real estate and mortgage type  
5 activity.

6 About eight percent of the people complain  
7 or let us know that a government document or benefit  
8 was forged or obtained in their name. Most often  
9 this is a driver's license. About 55 percent of the  
10 complainants let us know that someone either forged  
11 or obtained a driver's license in their name. About  
12 13 percent report that a social security card was  
13 forged or issued and used in their name. About 12  
14 percent report that someone has filed a fraudulent  
15 tax return in their name, which is enormously  
16 complicated to undo, I should say.

17 Other types of identity theft that you see  
18 there, 20 percent of the people who are letting us  
19 know that identity theft doesn't fall into one of  
20 our major categories, complain that someone has  
21 undertaken employment in their name. There are  
22 consequences such as tax consequences and social  
23 security consequences associated with that victim.  
24 Eleven percent of our complainants tell us that  
25 someone has committed a criminal act and there is



1 now a false criminal record in their name. About  
2 eight percent of the complainants let us know that  
3 people have claimed emergency type medical services  
4 in their name and have left them with a bill to pay.

5 What do I know about what happened to them?  
6 About 60 percent of the callers know something about  
7 the suspect, they have either gotten bills or they  
8 may, in fact, know the suspect. So, 60 percent are  
9 able to provide some information about the suspect.  
10 However, only 14 percent can readily identify the  
11 suspect as someone with whom they had a  
12 relationship. In 86 percent of the cases, they only  
13 know through some sort of document trail something  
14 about the suspect, and that, of course, is the vast  
15 majority.

16 If they do have information on the suspect,  
17 how often do they have a relationship? Well, again,  
18 78 percent of those, there was no relationship, but  
19 where there is a relationship, it's most often with  
20 a family member, or someone with whom they've been  
21 very close in the past. It can also be workplace  
22 acquaintance or neighbor. But again, those are  
23 fairly small numbers.

24 Where do the suspects come from? I don't  
25 have a slide on this, but I thought it was

1 interesting. The top ten list of cities that people  
2 identified their suspects coming from are Los  
3 Angeles, Brooklyn, Chicago, Detroit, Miami, Houston,  
4 the Bronx, Philadelphia, Atlanta and the District of  
5 Columbia.

6 Do the victims know much about how the  
7 suspect got their information? The answer is no. I  
8 think this is primarily because unless it's with  
9 someone with whom you have a relationship or you can  
10 actually see what's happened, as you see here, if  
11 they do know, it's most likely going to be something  
12 that was personal to them, either it was a wallet or  
13 purse lost or stolen, or mail bag, something that  
14 you can see that affects you in daily life. But in  
15 the vast majority of cases where it's more  
16 sophisticated means, such as credit card scheming or  
17 computer texting or hacking, they have no idea.  
18 Which means that 79 percent of the victims overall  
19 really have no idea how this has happened to them.

20 Of those who do, again, it's a wallet or  
21 purse lost or stolen, mail theft, perhaps they just  
22 applied for a loan or a credit card and they thought  
23 that was compromised, their employment records were  
24 compromised, or someone broke into their house. But  
25 it's one of the difficulties in resolving identity

1 theft is the victim doesn't know it's happened for  
2 quite a long time.

3 In fact, we found that over the average  
4 number of months that elapse between the date it  
5 occurred and the date the victim found out is 15  
6 months, which I think jives pretty well with the  
7 study done by Cowper, which is again the privacy  
8 rights clearinghouse. We find that there are many  
9 victims who don't discover it for over five years.

10 Now, we do see that 30 percent discover it  
11 in less than one month, and those are the fortunate  
12 few, but again, the average is 15 months and it  
13 stretches up to over 60 months.

14 One of the things we try and do here at the  
15 Federal Trade Commission when a victim calls is let  
16 them know what steps they need to take. We have

1 very important step.

2 Of the 33 percent, we found that almost 100  
3 percent, about 93 percent of those folks did place  
4 the fraud alert, so once they got ahold of the fraud  
5 reporting agency, things went well based on that  
6 report.

7 As far as the financial institution contact,  
8 we advised consumers when they call us to call each  
9 of the creditors and to put their dispute in  
10 writing. Fifty percent of the complainants reported  
11 that they had notified the financial institutions  
12 before they called us. However, of these, only 29  
13 percent of victims overall had sent written  
14 notifications to the institution.

15 So, again, I think we're providing a  
16 valuable service by letting consumers know that they  
17 just don't need to call the financial institutions,  
18 but to follow up in writing.

19 And lastly, contacting the police. How many  
20 of the consumers who had called us had already  
21 notified their local police department? Fifty-nine  
22 percent. That's good, but still there's 40 percent  
23 out there that we're getting the message to very  
24 late about that. Interestingly, we found that if  
25 they had already notified the police, a good 36

1 percent had not been able to obtain a police report,  
2 so we're identifying a little weakness in the system  
3 there. That should be 100 percent. If you notify  
4 the police, you should walk away with a police  
5 report. We're hoping that with the hard work being  
6 done by the IACP and other law enforcement  
7 organizations that will become a reality.

8 Well, that's all I wanted to say today,  
9 because I do think the victims themselves through  
10 their experience will be able to tell us how it  
11 actually impacts them in their daily lives, but this  
12 is just a big overview from our database that I hope  
13 has been informative. Mari, do you want to take it  
14 from here while I shut this down?

15 MS. FRANK: If I could just ask that we  
16 introduce everybody. We want to welcome you here  
17 this morning, and I especially want to say thank you  
18 to the victims for coming and sharing your story,  
19 because you've already experienced so much invasion  
20 of your privacy, and it's really something for you  
21 to be able to share this story and help yourself and  
22 other people to make a difference.

23 I remember when I testified on the Identity  
24 Theft Assumption and Deterrence Act in 1998 with  
25 David Medine who is now at the White House, and I



1 of victims and will be able to fill in from her  
2 depth of experience additional information as to  
3 what victims do go through.

4 MS. FRANK: Okay. You know, there's three  
5 reasons why someone would commit identity theft.  
6 Joanna talked a lot about the financial industry in  
7 that someone will steal an identity for financial  
8 gain, or to become a legal citizen, or to get health  
9 care services, or to forestall that a foreclosure by  
10 committing, you know, filing bankruptcy, or they'll  
11 do a variety of things to get financial gain.

12 Now, the second reason that someone might  
13 commit identity theft is to avoid prosecution, and  
14 we have right here someone that's going to talk  
15 about that on the panel.

16 And the third reason that someone would  
17 commit identity theft is for retribution or they  
18 want to get back at someone, such as an ex-spouse  
19 will hire somebody to commit identity theft against  
20 their spouse, or a CEO will find that someone in the  
21 -- in his company has stolen his identity and  
22 perhaps sold it to someone else to ruin his  
23 identity. So, that's the third one. And I don't  
24 know if we're going to have anybody talk about that  
25 one, but that's becoming an issue.

1           So, those are the three reasons why somebody  
2 would commit identity theft. And once you  
3 experience identity theft as I have and as all these  
4 people have, it is a nightmare that takes hundreds  
5 of hours.

6           And one of the things I hope that you'll  
7 consider as we listen today to some of the issues  
8 that need to be accomplished, especially with regard  
9 to the standard form that would be sent out, please  
10 remember that as victims, we have already lost our  
11 identity, and what has happened is, that the  
12 imposter has been able to get credit and other  
13 services with very little information that they had  
14 to provide, yet when we have to prove who we are, we  
15 give our whole life away.

16           And on the form that you're going to  
17 consider today and tomorrow, please consider that  
18 there's information there that's going to be  
19 disseminated to the entire world, and you might want  
20 to consider limiting that and safeguarding that  
21 information, because we've already given our whole  
22 lives away.

23           So, I know the people here have really  
24 experienced a nightmare, in just trying to prove who  
25 they are. I mean, when you've become an identity



1 theft victim, you start to wonder, you know, who am  
2 I really, you know, how someone can take my  
3 identity.

4 I know that it's important for you to know  
5 that anybody in here can become a victim. Remember  
6 when your chairman of the Federal Trade Commission  
7 got up in March and said that he was a victim of  
8 identity theft. And someone who is as careful as I  
9 am, I became a victim again in July, a victim of  
10 skimming. And so each one of us, this is not about  
11 quote the victim out there, this is about each one  
12 of us.

13 And also the financial industry, you're  
14 victims, too. I mean, your companies are victims.  
15 You've lost money, you spend thousands of extra  
16 dollars on hiring new personnel to help you in your  
17 fraud department and for your credit reporting  
18 agency. So, all of us here are victims, and when  
19 you hear the challenges, what we're going to be  
20 doing is the victims are going to be able to share  
21 some of their greatest challenges and then we're  
22 going to go over their suggestions.

23 Please remember, like Jodie was saying,  
24 don't take it personally, take it as food for  
25 thought and for information so we can solve

1 ourselves. We're not here to say you're the bad  
2 guys, we're here to say look, guys, we've got a

1 some of their challenges and how they first found  
2 out about the identity theft, and then I'm going to  
3 help them to do some of that solutioneering. So,  
4 thank you.

5 MS. CRANE: I just wanted to mention that  
6 their statements by each of the victims in your  
7 packet, rather than having each victim today stand  
8 up and give their statement in its entirety, we  
9 thought we would have them focus on key areas of  
10 their experience that will help us in our panels,  
11 tomorrow, for the rest of the day and tomorrow. So,  
12 rather than read the statements, they're in your  
13 packet.

14 And as Mari mentioned, I'm going to sort of  
15 asking the victims a series of questions in three  
16 areas. First is basically how they discovered it.  
17 Secondly, we're going to talk about what was the  
18 response of the various entities they had to go to  
19 when they initially reported the fraud. This is,  
20 you know, when they made those first phone calls.  
21 And then, sort of our third area will be and what  
22 was the procedure like, what were your experiences,  
23 as you began to work through the process of clearing  
24 your name. And while I'll be soliciting the  
25 experiences, Mari will be soliciting suggestions on

1       how that might be improved.

2                   I guess it seems fair, again, to start on my  
3       far right, with Eric Graves.   Excuse me, Joe Genera.  
4       Joe, would you be able to tell us now how you all  
5       came to first discover that you were victims of  
6       identity theft?

7                   MR. GENERA:   It began in 1998.   My fiance at  
8       the time, who is now my wife, went to buy a car from  
9       a car dealership.   And I get a call at home that  
10      day, after they check her credit report, and  
11      according to Kathleen, she has one credit card  
12      account, one ready credit account for \$500, and an  
13      existing car loan.   So, we figured she has a great  
14      job, great credit history, car loan is going to be  
15      no problem.

16                   The dealer calls our home, talks to me, and  
17      says Joe, we want to sell her this car, we would

1           Fortunately, she was vindicated. In any  
2 case, it turns out that two people related to her  
3 through all those free offers of credit, those  
4 preapproved offers of credit we all get in the mail,  
5 had decided to intercept those at her home, fill out  
6 the credit applications using her social security  
7 number, sending them back in. Those companies  
8 offering all this great free credit, don't ask any  
9 identifying information whatsoever, no social  
10 security -- I mean no picture ID, nothing, it comes  
11 in the mail, you sign it, send it back. They have  
12 no way of knowing who the person is that filled out  
13 that form.

14           As it turned out, and now with fees, et  
15 cetera, it's in excess of \$50,000 has been charged  
16 just through that -- just through that method.  
17 Whether or not -- whether or not additional credit  
18 had been obtained as far as we believe it also  
19 occurred at department stores and things like that,  
20 they generally seem to be the easiest ones to get  
21 credit from. That's how we found out. And you want  
22 to talk about a heck of a surprise. When we got  
23 that credit report, which you would assume would  
24 just have, you know, the two credit accounts, nine  
25 pages long.

1 MS. CRANE: That must have been quite a  
2 shock. Maybe we'll go to the other end of the table  
3 now and ask Eric. How did you first discover that  
4 you were a victim of identity theft?

5 MR. GRAVES: Well, actually, it was my son.  
6 He was 19, this was also in 1998. He was applying  
7 for a credit card -- not credit card, for a used car  
8 loan, and it turned out that he got turned down, it  
9 was Lockheed Federal Credit Union that turned him  
10 down.

11 And at that point then we started  
12 investigating his credit, got a list of the three  
13 credit agencies, got reports from them, all of which  
14 have different ways of reporting it. It was like  
15 trying to figure out a new legend for each report.  
16 And it was just brand new to us how to attempt to  
17 try to confront the situation. He didn't get the  
18 car loan, obviously, but we've taken two years to  
19 try to clear his ID of two different addresses, one  
20 in Sandy Springs, Georgia, we're from LA, a water  
21 and power bill that wasn't paid, and also  
22 bankruptcy, someone had gotten his name and his  
23 social security number, and claimed bankruptcy under  
24 his name. And he is 19 years old. He hadn't lived  
25 anywhere else but our house.

1           So, trying to go through all the paperwork  
2 was obviously a nightmare. The first people we  
3 contacted was over the Internet, the OIG Hotline and  
4 the three credit reporting agencies, but we really  
5 didn't get any sense of here's the procedure you  
6 should do, and it was very frustrating to try to  
7 know where to go first, and it all mushroomed from  
8 there.

9           MS. CRANE: Thank you. Robert, what about  
10 you, how did you first discover that you were a  
11 victim of identity theft?

12           MR. GREER: My cases had a few different  
13 aspects, and every time something new comes up, I  
14 find out about it through a different means.

15           The first time it happened, I got a phone  
16 call from a fraud investigator at a bank in South  
17 Dakota, I'm a New Hampshire resident, it was very  
18 unusual. She asked me a series of identity  
19 questions, which I answered, and she told me what  
20 was going on. And a clerk at a retail store whom  
21 this bank handles, as the account, noticed that the  
22 ID used was a fraudulent ID. So, they contacted  
23 their fraud department who contacted me.

24           The second time it flared up, I received a  
25 suspension notice from New Hampshire Department of

1 Motor Vehicles for my license. That's when I found  
2 out that the bad guy got a speeding ticket that he  
3 never paid. I'm sure he meant to, but he just  
4 didn't get around to it.

5 MR. GENERA: He could have charged it.

6 MR. GREER: And the third one I'm still  
7 working through, and that's criminal activity. And  
8 I found out through a firearm purchase, with any  
9 firearm purchase, you do a background check, and it  
10 came back delayed, and then a couple of days later,  
11 it came back denied. So, I went up to the state  
12 house in Cochran to find out why. And just trying  
13 to describe the shock of having three outstanding  
14 warrants for your arrest in a neighboring state,  
15 it's not real easy to do. But that's how I found  
16 out.

17 MS. CRANE: That's real interesting, thank  
18 you. Nicole, how about you?

19 MS. ROBINSON: I was on my way to the mall,  
20 and my sister paged me, she said some man had called  
21 me from Kay Jewelers fraud department, and when I  
22 returned the call to him, he had let me know that an  
23 individual had come into a store in San Antonio, and  
24 I live in Maryland, had come into a store in San  
25 Antonio and opened an instant credit report, it was



1     \$3,200, she had bought two watches and a ring. And  
2     she had did that on Thursday. Well, she returned on  
3     Friday trying to obtain more merchandise, and they  
4     thought it was suspicious. So, they told her to  
5     come back and use the Criss-Cross directory, because  
6     of course the number she provided was a Texas number  
7     to contact me in Maryland. And he told me at that  
8     time what I should do to alert the three credit  
9     reporting agencies to the fraud.

10            This individual was arrested, but she was  
11     only charged with one crime, she was not charged  
12     with stealing my identity.

13            MS. CRANE: Thank you. And finally,  
14     Deborah?

15            MS. NORTH: I came home from work one  
16     afternoon and I had gotten a phone call. It sounded  
17     like a solicitor, which normally that call doesn't  
18     last very long, but thank goodness that I did listen  
19     to the call, because it was from a collections  
20     agency. And they told me -- well, actually they  
21     asked me if I was this person, of another name, same  
22     first name. And I said no, but I knew who it was.  
23     So, I immediately was alert. It was someone I had  
24     worked with three years prior.

25            They then asked me what my social security

1 number was, and I said well, that was my number, and  
2 then they said well, you owe over \$10,000. And I  
3 tried to explain the story, and, you know, they  
4 began harassing me. And so that was the beginning.  
5 I found out that this person had gotten over eight  
6 accounts with my social security number. Over  
7 \$27,000 worth. I called all the credit bureaus, I  
8 got my credit file. What was interesting is when I  
9 got my credit file, it had her name on it, and that  
10 is really annoying. And her birthday. Which she's  
11 13 years older than I am. So --

12 MS. FRANK: Especially that.

13 MS. NORTH: So, that was the beginning of  
14 what they said was a long process, a lot of work,  
15 and time, to prove your innocence. You know,  
16 normally you're innocent until proven guilty, but in  
17 this case, it's the opposite.

18 MS. CRANE: Thank you. If you can remember  
19 back, panelists, to when you first made that phone  
20 call, either to the police or credit reporting  
21 agency or a creditor, trying to tell them that you  
22 were a victim of identity theft, and being handled  
23 by whatever procedures they might have set up to  
24 deal with victims, I would like to focus on that for  
25 a moment, because I think that's a very important

1 moment.

2 It's important for you to be able to get the  
3 responses that you need as a victim of identity  
4 theft, but let's talk about what actually happened.  
5 Nicole, we'll go back to you. When you first  
6 reported the fraud to the credit reporting agencies,  
7 what was that process like for you?

8 MS. ROBINSON: Well, I call it my weekend of  
9 anxiety, because I was contacted on a Friday night,  
10 so I had to wait until Monday morning, and I think  
11 it would have been helpful to be able to contact the  
12 credit reporting agencies right then. I was on hold  
13 at work all day Monday trying to get in contact with  
14 the three reporting agencies. I did manage to get  
15 two on the phone, I believe it was Experian and  
16 Equifax. I managed to get actual live people on the  
17 phone.

18 With Trans Union, I couldn't get a person on  
19 the phone, and because the individual had applied  
20 for so much credit, they had changed the information  
21 on my credit file. Like in your case, they had  
22 changed my birth date to reflect her birth date.  
23 The address was wrong. So, when I entered my zip  
24 code, of course, I could not get access to my own  
25 credit file.

1           So, what I had to do was go home, find a  
2 utility bill, some other form of ID, and my driver's  
3 license, and then the next day, faxed it to Trans  
4 Union so I could get that fraud alert. And it was  
5 really frustrating, because I didn't know that the  
6 fraud alert was going to go on there right away.

7           With the other two, I did know that they  
8 would put it on right away, but with Trans Union, I  
9 didn't know when the fraud alert was going to be  
10 placed on there, because I couldn't get a person on  
11 the phone. So, it was really frustrating.

12           MS. CRANE: And when you were talking to  
13 live personnel at the other two agencies, how much  
14 information were you able to find out from them  
15 about what was in your credit report at that time?

16           MS. ROBINSON: Only one. Experian was able  
17 to give me a number of recent inquiries, and because  
18 I hadn't applied for any credit a year prior to this  
19 happening, she was able to give me phone numbers to  
20 the places that had requested my credit, so I was  
21 able to get working on that right away. Equifax, I  
22 had to wait for them to mail it to me. So, I  
23 couldn't get working on that, but through Experian,  
24 I was able to find out that she had applied for a  
25 loan recently, and that's how she was able to be

1 arrested.

2 MS. CRANE: So, because you were able to get  
3 that information right away, they were able to catch  
4 her in the process?

5 MS. ROBINSON: Yes.

6 MS. CRANE: And to apprehend her and arrest  
7 her?

8 MS. ROBINSON: Yes, Experian told me that  
9 she had applied for a loan, and it so happened that  
10 the loan was with my mortgage lender, and I  
11 contacted them, and they said oh, yeah, last week  
12 this woman came in. And she applied for a personal  
13 loan. And I said well, you know, tell her you have  
14 a check for her and arrest her, and that's what  
15 happened.

16 MS. CRANE: Great. Eric, what happened when  
17 you first contacted the credit reporting agencies?

18 MR. GRAVES: You mean Joe?

19 MR. GENERA: Joe.

20 MS. CRANE: Eric's down there, I'm sorry,  
21 I'm switched.

22 MR. GRAVES: I've already lost my identity.

23 MS. CRANE: This is to Eric.

24 MR. GRAVES: Actually now I have, now I know  
25 what my son feels like. I don't really remember

1 exactly the response, from my notes it indicated  
2 that we had to go through a lot of voice mail, no  
3 person. We had to drill down through a lot of  
4 different automated messages to get anything.

5 And with one of the agencies, I believe it  
6 was Trans Union, we had to fax ID, you know, a copy  
7 of the driver's license, a copy of the social  
8 security number. And I believe also a utility bill,  
9 even though he didn't have one, it would have been  
10 ours. And none of them would tell us anything over  
11 the phone because we couldn't really get a person.

12 And so, you know, everybody has these weeks  
13 of anxiety, or days, at least, and ours was that,  
14 because we had to wait in the mail for, you know,  
15 wait for the mail to come to show the listings from  
16 the credit reporting agencies.

17 And like I said earlier, it was hard to  
18 decipher, initially. And so you really don't have  
19 anybody to talk to at the beginning, and that's --  
20 as I look back on it, and I think things have  
21 progressed where I know the thing that I got from  
22 the FTC with regards to, you know, how to handle bad  
23 credit with your good name or something like that,  
24 that has a lot of good things now, but in '98, I  
25 don't know if it was surfacing yet, and I certainly

1       didn't get a feel for what I should be going  
2       through.  And so, you know, police reports and, you  
3       know, putting credit fraud alerts weren't occurring  
4       until early this year.

5               MS. CRANE:  Was it particularly hard to get  
6       the credit report because it wasn't on your own  
7       behalf but on behalf of a dependent?

8               MR. GRAVES:  Yeah, actually it was.  I had  
9       to have my son go through this whole thing, and it  
10       was, you know, I had to try to give him crib sheets  
11       on, you know, what numbers to punch to get through  
12       the thing, and then he could put his, you know,  
13       voice on the recording and request it.

14              MS. CRANE:  And now, Joe.  The real Joe.

15              MR. GENERA:  Upon discovery, of course, the  
16       first thing we did was contact the three credit  
17       bureaus, both via phone call and in writing.  I can  
18       tell you without exaggeration, over the course of

1 right department, trying to get through voice mails,  
2 et cetera. We did the same thing, we faxed copies  
3 of IDs, social security numbers, all those cards and  
4 all that sort of thing.

5 I can also say, at some point during this  
6 process, we went down to the 45th Precinct in the  
7 Bronx to talk to their detectives about the frauds  
8 we reported initially and do something about it.  
9 Because the credit card companies were making us  
10 feel like -- as an earlier speaker said, that we  
11 were guilty before being proven innocent. And even  
12 though the crime was against -- technically it was  
13 against the companies, it was up to us to prove our  
14 innocence.

15 So, we go to the police department,  
16 basically got laughed out of there. We pretty much  
17 got forced out, out of the 45th Precinct.

18 It took probably about two hours of sitting  
19 there. We got this little slip of paper, it wasn't  
20 even a police report, but just an incident number.  
21 Never took any pertinent information, pretty much  
22 literally forced us out of there. They agreed to  
23 meet with us, if I could get up a flight of stairs,  
24 to the second floor. In case you haven't noticed, I  
25 use a wheelchair.



1           So, the initial reporting did not go well.

2           MS. CRANE: Thank you. You've raised the --  
3 another topic I wanted to cover, so maybe we'll move  
4 on to it, and that is reporting to the police, and  
5 how that works out. Deborah, what was yours  
6 experience in trying to report to the police?

7           MS. NORTH: This crime occurred in D.C.,  
8 initially, and so I tried to call the D.C. police.  
9 And of course they told me that they would not take  
10 a report until I had documentation from the  
11 creditors. Well, I'm still in the process of doing  
12 that.

13           So, I was never able to file a report. And  
14 the person that committed this crime is now down in  
15 Florida. So, it's very difficult to try to get  
16 these different agencies to work together. And I  
17 called -- I didn't know who to call, I mean I don't  
18 have experience with this.

19           So, I called, I'm like well, the FBI, it's  
20 across state lines, I don't know, and they're like  
21 no, call Secret Service. And so they handle that.  
22 And I'm like Secret Service, that sounds pretty  
23 strange, you know, but I called them and they're  
24 like well, we do handle it, but only bigger cases,  
25 you know, \$100,000, a million dollars, and yours

1 really isn't a case we want to deal with.

2           So, I really got the run-around, and finally  
3 I told them I knew where this person was, that she  
4 was down in Orlando, I know it's her, and I had  
5 called the Orlando police, you know, given her  
6 address, and they said well, you know, this happened  
7 in D.C., what do you expect us to do about it.

8           So, when I talked to the Secret Service, who  
9 I think he was just placating me, you know, to make  
10 me feel better, because he told me he wasn't going  
11 to take care of the case, he called me back a few  
12 days later and he said that he had someone that they  
13 dealt with in Orlando in the economics crimes  
14 department.

15           So, I got in touch with that person, and  
16 they were really able to help me, and they've been  
17 working with me, even though it may really not be in  
18 their jurisdiction, but after I gave him  
19 information, he found out that this person had an  
20 outstanding warrant, they were able to arrest her.  
21 They aren't able to arrest her for what she did to  
22 me, because they're still trying to prove the case,  
23 but I'm still -- it's still being worked on. So,  
24 it's a long run-around, basically.

25           MS. CRANE: Thank you. And Robert, you

1 certainly have had a lot of back and forth with the  
2 police. How did it go when you made your initial  
3 report, or was it them actually sort of reaching out  
4 to you?

5 MR. GREER: Initially, the -- I went to my  
6 town police department. After contacting the FBI,  
7 Social Security Administration, and a few other  
8 agencies, I've forgotten everybody I contacted, but  
9 there was either finger pointing saying we can't  
10 help you because the case isn't large enough, but  
11 this agency may be able to. There was a lot of  
12 empathy, but nobody was actually able to do a thing  
13 about it. Clean up the record. I'm still working  
14 on cleaning up my record.

15 MS. CRANE: We will get to that in a second.

16 MR. GREER: Yeah, when I made the phone call  
17 to the Bedford police, the detective there gave it  
18 to me in plain English. He said we have your case,  
19 yes, you're a victim, but you have not been in  
20 physical danger, you were not threatened, your house  
21 was not invaded. Over here I have a home invasion,  
22 third night in a row, and there were \$40,000 worth  
23 of jewelry stolen in this night. Where am I going  
24 to put my attention?

25 And I fully empathized, that is by far a

1 more serious crime in the scheme of things, but I  
2 don't want to be ignored. None of us do. And when  
3 it goes to your credit record and your criminal  
4 record, it's among the most heinous things that can  
5 happen against you.

6 MS. CRANE: Thanks. Eric, you had an  
7 experience reporting to the police, and your case  
8 was acted upon, correct?

9 MR. GRAVES: It hasn't been acted upon --  
10 well, I guess it depends upon your determination of  
11 acted upon, or the definition of it. I guess I feel  
12 guilty that I didn't file this report earlier. I  
13 just didn't think of it as a criminal crime, I guess  
14 a crime that the police would follow up on, and I  
15 guess in retrospect, I'm still right, but I did file  
16 it. You know, I did file it, and it was because it  
17 was the only thing that the creditors, actually not  
18 the creditor, but the person collecting the DWT bill  
19 would accept so that they could see that yeah, I am  
20 contesting the issue for my son, that this isn't him  
21 that owes the money, and so I had to file a police  
22 report.

23 So, from that aspect, we filed it late, and  
24 they took the report, but they didn't -- they  
25 xeroxed a lot of the information. My son had

1 persevered and actually gotten the court documents

1 In the two -- over two years we've been dealing with  
2 this issue, not one creditor, nor credit reporting  
3 agency has contacted either the police department  
4 nor the DA.

5 MS. CRANE: That was sort of the next area I  
6 was going to go to, and that was making the initial  
7 report to the creditors. Just throw it out to the  
8 group. How -- what was your general experience with  
9 trying to get your banks and other financial  
10 institutions apprised of the fact that you were a  
11 victim of identity theft? I shouldn't say your  
12 bank, I would just say the institutions involved.

13 MR. GREER: I would say in my case, and I  
14 was notified by the fraud investigator about nine  
15 days after all the activity started, so I was very,  
16 very lucky in that there was minimal activity. And  
17 because I was well within the first billing cycle, I  
18 had -- it was very easy and almost pleasurable to  
19 deal with everybody. And I was able to place the  
20 security alerts, find out from the creditors or from  
21 the reports which accounts were most active, most  
22 recently active, and I was able to contact them  
23 directly, and I shut down three of the initial five  
24 accounts without any loss to anybody. But initially  
25 that's how it went.

1 MS. CRANE: How about you, Deborah, were you  
2 able to close the accounts fairly readily?

3 MS. NORTH: I think the most problems I've  
4 had is with the creditors to this point. In the  
5 beginning, everything was difficult, but the crime  
6 report is being resolved, my credit file is being  
7 resolved, they've worked with me, but when you call  
8 the creditors, and you leave these messages with the  
9 customer service agent, you really feel like you're  
10 just leaving a voice mail to nowhere.

11 You really are not getting a response. You  
12 have to continually call back, you're getting voice  
13 mail, or they leave a message with you and they say,  
14 you know, we haven't received your affidavit back,  
15 you know, please get back with me.

16 One individual he left an extension, I  
17 called back, he wasn't at that extension, and I was  
18 told he didn't even have an extension. He didn't  
19 have voice mail. I couldn't get back in touch with  
20 him.

21 So, that is still going on. That's the part  
22 I really want to have resolved is my credit file is  
23 getting cleaned up, but I don't have any  
24 confirmation or any correspondence from the  
25 creditors to say that we know that you're not

1 involved with this and, you know, you have no need  
2 to worry.

3 MS. FRANK: I have a question, how easy was  
4 it for you to get the credit applications and the  
5 billing statements that were in your name that were  
6 fraudulent? Were you able to do that?

7 MR. GENERA: If I could speak to that. We  
8 have -- there are still six creditors left on this  
9 report two years later. There were 14 initially.  
10 Not one single company in any of the last two years  
11 has provided us with any documentation whatsoever  
12 that this account does belong to us. Because  
13 basically what we've been telling these people is  
14 okay, you're saying this account is ours, okay?  
15 Show us the proof. Give me a signed copy of the  
16 application, show me my wife's signature, show me  
17 the bank statements where the purchases were made.  
18 I mean not the bank statements, the invoices where  
19 the purchases were made, show me o edit apcar  
22 Noreceiptwith anyor yge you know, yoth angnature, sn thjt\*(

32 MS. GENREER I haconcur

32 biln telhroughsit



1 MS. ROBINSON: I did get some statements,  
2 only because when I got the inquiries on my credit  
3 report, she had opened these accounts -- this  
4 happened in March, she had opened these accounts in  
5 early March, early April. So, the accounts were  
6 fairly new. So, they weren't showing on my credit  
7 reports, but the inquiries were showing on my credit  
8 reports.

9 So, when I contacted the businesses that ran  
10 these credit reports, they would send me the bill.  
11 They would say okay, I would say I have been a  
12 victim of identity theft, I did not authorize  
13 opening this account, and they would send me the  
14 bill saying okay, thank you for notifying us of your  
4 hayrab 8 1So, they weren't showing o ha, w

9 25ifyi

1 MS. FRANK: Sure. Okay, so why don't we  
2 start, then, Joe, do you want to begin with any of  
3 the suggestions that you have? I mean, I was  
4 thinking we could even do it in the categories, you  
5 know, if you wanted to do it that way, the  
6 categories of creditors and credit reporting. Let's  
7 do creditors first and then collection companies.

8 MR. GENERA: I have one suggestion for  
9 creditors and credit reporting companies, follow the  
10 federal regulations. Do what you're supposed to do.  
11 You know, as I said, 14 creditors, out of those 14,  
12 five sent us affidavits of fraud. The others did  
13 not. We ended up drafting a boiler plate affidavit  
14 of fraud on our computer and sending it out to the  
15 remaining companies.

16 If you're claiming this account does belong  
17 to us, follow the regulations. You need to provide  
18 us, as you would in a criminal case, you need to  
19 provide us evidence that this is our account. And  
20 if you can't do so, or you refuse to do so, then get  
21 it the hell off our credit report, okay?

22 Forgive my anger, okay, we've -- this has  
23 ruined our life, okay? I can literally say we have  
24 gone through this for over two years, we got married  
25 a little over a year ago, okay? We aren't happy

1       honeymooners, okay? This is terrible.

2               MS. FRANK: I'm sorry about that, it's hard,  
3       but just think what a strong marriage you're going  
4       to have from that. If you guys can get through  
5       this, you can get through anything.

6               MR. GENERA: We're not lawyers, but we play  
7       them at home. I'm sorry.

8               MS. FRANK: Bob, can you give some  
9       suggestions to the creditors and reporting  
10       companies?

11              MR. GREER: From the agencies or anybody  
12       really, if we can talk to a real person, that was  
13       very, very helpful in my case, because in most  
14       cases, I was able to talk to a person, and get the  
15       response I needed. A lot of the other panelists  
16       here have not had that pleasure, or that experience.  
17       And I think their experience would be very different  
18       if they had talked to an actual person.

19              And where I've hit stumbling blocks is with  
20       any kind of documentation regarding all of these  
21       accounts. As the fraud victim, we need to be able  
22       to prove that the documentation not generated by us  
23       that we are the victim of fraud. And to do that, we  
24       need documentation from the fraudulent accounts.

25              MS. FRANK: And quickly you need the

1 documentation, quickly.

2 MR. GREER: Not just the creditors, but also  
3 from law enforcement. The perpetrator was arrested,  
4 and I still don't know what he was arrested for. I  
5 know he was arrested trying to use my identity, but  
6 I don't know what he was actually charged with.

7 MR. GENERA: And to creditors, we've opted  
8 out with the three agencies, we've opted out of the  
9 preapproved credit offers, there was a fraud  
10 statement on our account. In the last three weeks,  
11 my wife has received nine pre-approved offers for  
12 credit. This is what got her in the situation in  
13 the first place. We don't want these. Period. If  
14 we want a loan, we'll come to you.

15 MS. FRANK: Okay, how about Eric, can you  
16 tell us some suggestions for the creditors and  
17 collection companies?

18 MR. GRAVES: Well, I guess in my son's case,  
19 we were really fortunate in that there were no bills  
20 put on credit cards like the other panelists'  
21 situations, so from that standpoint, we've had it  
22 fairly easy. With the bankruptcy that's on his ID,  
23 however, you know, it goes to the same things that  
24 everyone else is saying. You know, ask for the  
25 appropriate ID when you do things. I can't believe

1 that the lawyer nor the bankruptcy court in Woodland  
2 Hills, California, didn't ask for somebody's ID. If  
3 they had asked for a picture ID and three pieces of  
4 identification besides, it wouldn't have gotten  
5 anywhere, I'm sure, and it wouldn't have gotten on  
6 his record. It seems --

7 MS. FRANK: Now, were you able to get  
8 documentation, though, from the bankruptcy court?  
9 Were you able to get the documentation that you  
10 needed from all the different agencies?

11 MR. GRAVES: Well, is that a couple of  
12 questions?

13 MS. FRANK: I'm sorry.

14 MR. GRAVES: I got all the crediting report  
15 agencies, is that what you meant by agencies?

16 MS. FRANK: Well, yeah.

17 MR. GRAVES: Like the bankruptcy court, like  
18 I said, my son somehow got through the door and got  
19 the court dockets that are apparently public  
20 information. So, he was able to get that on his own  
21 accord, which I was really amazed at. So, we've had  
22 that in our hand and we've been able to see the  
23 signature and we've been able to see the lawyer's  
24 name.

25 You know, the other thing, it benefits these

1 thieves, as much as it benefits us, to have all this  
2 information out on the Internet. I mean, I went on  
3 the Internet to look up this damn lawyer's name, and  
4 I got, you know, his name, his address and  
5 everything. I was about ready to go down to his  
6 house, you know.

7           And likewise, they can get information from  
8 us. Likewise, the Internet could facilitate some  
9 things, but you've got to be really secure, you  
10 know, you send an email across with your social  
11 security number and stuff in it, you better have it  
12 securitized so you can do that. That would help the  
13 fast response, but I don't know if it's the way to  
14 do it yet, because I don't think it can be secure  
15 yet.

20hynowo 4 I got rytbecauseeir problemasd likdidbecaaddress and  
2 id I ifyemail now seri nme, odon' 15 yet.  
22et.

sponse, but I dom toet wis, fits uctuth goos address and

1 run-around that's been pointed out here with other  
2 victims. And, you know, we went down in December of  
3 '98, right after this occurred, it occurred in  
4 September of '98, we went down while my son was on  
5 vacation, we went down to social security to get my  
6 son a new number.

7 With all the documentation I've got, it  
8 seems a case that the Social Security Administration  
9 would give you a new number. I could guess, you  
10 know, everybody's response when I asked, you know,  
11 because you ask somebody could you get that number  
12 and start doing things. So, they start  
13 rationalizing why we shouldn't have a new number.

14 Obviously with a younger person, there's not  
15 as much accounting that has to go on with changing,  
16 you know, work stuff. Later in life, it probably  
17 would be a big mistake, but, you know, we went down  
18 there and we got a couple of windows, people we  
19 talked to, the clerks just didn't take it seriously.

20 Finally somebody returned -- waived to the  
21 clerk's window again, they documented -- they  
22 xeroxed all my documentation, this whole file, and  
23 they said the supervisor said we could give you a  
24 new number. Well, you know, a couple of weeks  
25 later, a thin envelope came in the mail, and I --

1     like I mentioned in my statement, you know, to my  
2     wife, I played Carnack and I said what do you want  
3     to bet this is just a brand new social security card  
4     and new number and that's exactly what it was.

5             So, you know, I got a lot of run-around  
6     between the FTC -- I'm sorry, not the FTC, but --

7             MS. FRANK: They're the good guys.

8             MR. GRAVES: The U.S. Trustee, in LA, and  
9     the bankruptcy court in Woodland Hills. And I did  
10    talk to someone who was very helpful trying to dig  
11    through all this stuff, and he was the only person  
12    that took an interest, you know, but he didn't know  
13    really what to do, but he did -- he did try to help.

14            MS. FRANK: So, I think we're getting back  
15    to the idea that all of the different, you know,  
16    entities that we have to deal with need to  
17    understand this problem, and need to give us  
18    direction that's clear, and that's concise, and that  
19    everybody understands, and then we need to have  
20    someone who can kind of guide us through and stay  
21    with us, you know, whatever agency you're dealing  
22    with, you need to have some -- one person that leads  
23    you through the whole thing.

24            MR. GRAVES: And I think it's a different  
25    avenue for everybody, so I think you need to do it



1 by these categories.

2 MR. GENERA: And consistent, it needs to be  
3 consistent.

4 MS. FRANK: Nicole?

5 MS. ROBINSON: I'm sorry, what was the  
6 question?

7 MS. FRANK: I'm sorry, what suggestions do  
8 you have for the creditors and the collection  
9 agencies?

10 MS. ROBINSON: Because I was notified of  
11 mine so early, I think what would be helpful to me  
12 would be that the individual can no longer access my  
13 credit file. Although the fraud alerts are on there  
14 and she has stopped getting credit around June when  
15 she bought a car, it would have been helpful that  
16 the minute that I was informed, the minute that the  
17 guy from Kay Jewelers called me, that my credit file  
18 could have been cut off, completely, because I'm  
19 finding that and all summer long I found that I was  
20 running behind her trying to catch these accounts  
21 wbalanessand shtuff lik that

1 of fraud.

2 MS. FRANK: So, you need to get your credit  
3 report taken offline, or did you experience that the  
4 fraud alerts were not working?

5 MS. ROBINSON: No, it did not work in my  
6 case. The individual in my case, I know that she  
7 got a Rainbow vacuum cleaner, \$1,600, which is  
8 showing on my credit report right now. She got a  
9 car. She got a car insurance policy. She also got  
10 a cellular phone. And although my numbers were on  
11 there, my cell phone, my work phone, my home phone,  
12 nobody ever contacted me when they ran my credit.  
13 And the fraud alerts were supposedly put on in  
14 April, and this was in May and June when she was  
15 opening new accounts. She applied for a mortgage  
16 right after her arrest, and I was never contacted.  
17 So, I mean it would have been helpful, too, for  
18 these businesses to have called me and alerted me  
19 that she was still doing this.

20 MS. FRANK: Right.

21 MS. ROBINSON: But the fraud alerts did not  
22 help at all. So, what would have been helpful was  
23 that my credit report was not accessible.

24 MS. FRANK: And Deborah?

25 MS. NORTH: One suggestion I could make is

1 speaking to the detective that's helping me with the  
2 case, is he says it's very difficult to get the  
3 creditors to work with him in investigating. He  
4 sent investigative subpoenas, and if they don't want  
5 to respond, they don't have to. There's no  
6 accountability. So, I think there really needs to  
7 be accountability there for the creditors that  
8 should work with the authorities and hopefully it  
9 would be on a federal level rather than just state  
10 by state. So, because he's going across state  
11 lines, they don't have to respond.

12 MS. FRANK: Okay. How about if we go to the  
13 credit reporting agencies now and discuss what  
14 suggestions that we have specifically for the credit  
15 reporting agencies. Do you want to start with that?

16 MR. GREER: I'm real quick and easy, just  
17 real people. And just consistency. As John was  
18 saying.

19 MS. FRANK: Joe?

20 MR. GREER: Joe?

21 MR. GENERA: That's one of my aliases.

22 MS. FRANK: Do you want to add something to  
23 the credit reporting agencies?

24 MR. GENERA: Yes. One of the frustrating  
25 things that we run into, and we have probably gotten

1 every two to three months, we get a new copy of the  
2 credit report to see where we're at in our struggle  
3 to get this clear. Consistently, there are accounts  
4 coming back that are not our accounts that are  
5 coming back as verified. In one particular example,  
6 are we using names or not? Don't use names? Was  
7 that determined yet?

8 MS. CRANE: Go ahead.

9 MR. GENERA: In one example, or actually  
10 with two, The Wiz and Disney. Both credit cards  
11 accounts over \$1,000. Neither of these companies  
12 have gotten back to us ever, period, as far as  
13 sending any affidavits, anything. You're still  
14 reporting these as verified. We've asked -- we've  
15 sent letters stating these companies have never  
16 contacted us, you know, to clear it, especially  
17 Disney, I mean it's been a black wall. How can you  
18 verify a company or verify an account as ours if the  
19 company isn't going to investigate it? That's one.

20 There is -- we also have three American  
21 Express accounts that showed up. We have in our  
22 possession, last November, American Express did  
23 their investigations, we have two letters from them  
24 stating okay, we agree, account one, two and three  
25 do not belong to you. Somehow in the mix, and in

1 the mix of all this, some time over the last summer,  
2 American Express obtained judgments against my  
3 wife's mother. They happened to -- they used to  
4 share the same last name. These judgments are filed  
5 in Bronx civil court, and now these three judgments,  
6 because they don't have her mother's social security  
7 number, they put them back on Kathleen's account.  
8 This was last November. They seized our bank  
9 accounts. The judgments are still on there. Okay?

10 So, we send letters to Trans Union, Equifax,  
11 Experian. We send copies of the American Express  
12 letters exonerating us, these are not Kathleen's  
13 accounts, these are not our accounts. We get the  
14 new credit report back, verified as yours. How can  
15 you do that? How can you do this? Our attorney  
16 told us that when you guys are verifying, they send  
17 a clerk down to the clerk's office, he looks at the  
18 paper, oh, yeah, that's Kathleen, yep, verified.  
19 That's not how you do it. If you have documentation  
20 that this is not our account, call American Express  
21 and say you've got to do something about this, this  
22 is wrong.

23 MS. FRANK: Let me just share with you what  
24 we have done in California. In 1998 we passed a law  
25 that says basically that if you're a victim of

1 identity theft, and you get a police report, and you  
2 list all the fraud on the police report, and send a  
3 letter to the three credit bureaus, with a copy of  
4 that police report listing the fraud, that within 30  
5 days they need to block that, and then it comes off  
6 your credit report, and then the burden shifts to  
7 the creditor to prove that it's not fraud.

8           Now, all these people are saying we're  
9 guilty until we're proven innocent, which was the  
10 same thing that happened to me. And what you're  
11 talking about, Joe, this particular law that we have  
12 in California, if it was nationwide, or if it was  
13 applied to all three bureaus in all states, then the  
14 burden would shift and you would be innocent until  
15 proven guilty, and so that's one very strong  
16 suggestion I think that's helpful for victims in  
17 California, and I think it should be applied  
18 nation-wide.

19           I know Diane was talking about she was going  
20 to apply that, Trans Union nationwide, that that way  
21 you wouldn't be getting all these verifications, you  
22 would have it blocked, and then they would have to  
23 prove that it was not fraud.

24           How about you, Nicole, do you want to tell  
25 us your credit bureau suggestions?

1 MS. ROBINSON: Well, you know, since the way  
2 the individual who stole my identity got my social,  
3 she worked at an HMO, a place that maintained HMO  
4 databases, and because her name was Nicole Robinson,  
5 she went down, said oh, Nicole Robinson, and she  
6 tried out my social, and she hit pay dirt. So,  
7 because that information is used in various -- for  
8 various things for identification purposes for  
9 health insurances, we were just talking about that  
10 this morning, that it would be helpful if you cannot  
11 block a credit file to have a password or a PIN  
12 number, because there would be no way that she would  
13 know a password of mine. She would in no way know a  
14 PIN number of mine. Protect me from people like  
15 her.

16 MR. GENERA: And not the mother's maiden  
17 name. That's the biggest mistake.

18 MS. ROBINSON: That's easy, t Thaltc41s612.12 0  
11 block a.20 0 1 16 MS. ROradily TjT\*( a 3Rn a p bPoul

1 MS. FRANK: Eric?

2 MR. GRAVES: I guess I think I answered some  
3 of this already, but I don't know, I think because  
4 there's three different agencies, it seems like that  
5 may be a good thing, because they have different  
6 ways of pursuing things rather than just one.

7 MS. FRANK: And they're competitors.

8 MR. GRAVES: Yeah, I understand that, but it  
9 is frustrating dealing with three different natures  
10 of an organization, and to get the fraud alert out,  
11 which we finally did, that was different with all of  
12 them, too. It would be nice, I think it was  
13 mentioned on here that at the beginning of the  
14 sessions that there's one hot number or something to  
15 dial to get a fraud alert put on all of them at the  
16 same time.

17 Well, I didn't have that benefit in '98 and  
18 I don't know if it's active now, I just heard  
19 reference to it. And I guess from that standpoint,  
20 that would help a lot, and just like I said before,  
21 having people ask for the right IDs, you know, and  
22 really take their job seriously.

23 Especially these -- I think everybody has  
24 referred to these instant credit schemes and  
25 everything that people are sending out day after day



1 to people's homes, and I think it just adds to the  
2 chaos.

3 MS. FRANK: And I think a lot of the victims  
4 that have told me, and I'm sure you've even told me  
5 that it would be helpful to have some uniformity in  
6 how you read these credit files, because each one is  
7 different and it's very difficult to decipher and  
8 get through it to have those three credit files a  
9 little more uniform and the procedures more uniform  
10 so we can work at least for the fraud purposes in  
11 the same way.

12 MR. GRAVES: One thing I was just going to  
13 ask, in your comments, I think, Mari, you said that  
14 in one of your listings here that sometimes when  
15 you're doing, as all of us would do, we want to get  
16 reports from the credit reporting agencies. And I  
17 guess every time you do that, it adds to your, you  
18 know, inquiry, and I'm not sure that looks good on a  
19 credit report, either, and in some way, I don't know  
20 if you can rectify that, I haven't done that myself.

21 MS. FRANK: The consumer inquiries don't go  
22 to the commercial lenders, right? They don't see  
23 those. So, they don't hurt your credit when you get  
24 a consumer inquiry, okay? But the other inquiries  
25 from all the fraudulent banks, those are important

1 to get off, because those do hurt your credit.

2 MR. GRAVES: Right.

3 MS. FRANK: Go ahead.

4 MS. ROBINSON: Another thing I may want to  
5 add, I found that the procedure, and this goes back  
6 to everybody having the same procedure. I called  
7 Experian, they were willing to just take my word and  
8 take some of the inquiries off. Because I had  
9 notified them so quickly, and I think probably about  
10 two, three weeks after that, Experian sent me saying  
11 that we have deleted this information from your  
12 credit file.

13 Trans Union, however, I called them, they  
14 would not give me the addresses and phone numbers  
15 over the phone. The woman told me she would mail me  
16 the addresses, she did not mail me the addresses.  
17 Two months later, I received the addresses in the  
18 mail. And it was a problem because even after I  
19 sent the letter saying that I did not initiate this  
20 request, they are still not coming off.

21 And I have harassed the businesses that have  
22 done it, and they said we've contacted them. They  
23 are still not removing these things quickly. Even  
24 though I've done what Trans Union has told me to do,  
25 and I followed up with the creditors. They are



1 around the country. On the very same day, I believe  
2 it was November 9th of last year, Trans Union  
3 generated two credit reports, one from their  
4 Fullerton, California office, and one from their  
5 West Haven, Connecticut office. One showed two of  
6 these judgments being deleted, West Haven office  
7 showed one of them being re-inserted on the very  
8 same day.

9 MS. FRANK: So, we need consistency and we  
10 need training, we need to make sure that all of the  
11 credit reporting agencies are training their people  
12 in the same procedures.

13 MR. GRAVES: That's what I was going to  
14 mention, Joe mentioned, I don't know how these guys  
15 did it with as many things that were put on their  
16 credits, you know, history, trying to keep track of  
17 the reports that you get back, because there's this  
18 delay, you know, you're sending a request in to  
19 clarify or clear something up, and then maybe you  
20 receive -- like in my case, I maybe didn't see the  
21 next thing until I sent two requests in separately,  
22 and then you're trying to tie one report with  
23 another, and sometimes the two reports cross in the  
24 mail and, you know, somehow it's got to be a better  
25 way to reference your inquiry to the response you're

1 getting back from the credit reporting agency to tie  
2 it with this request.

3 MS. FRANK: If you could be assigned to one  
4 person, I think that would make it a lot easier  
5 because then there would be consistency like you're  
6 talking about, Joe, Rob, is that we're trying to say  
7 that one person would be assigned to you so that you  
8 could write to that one person and not get mixed  
9 messages.

10 Deborah, do you want to add something with  
11 regard to the credit reporting agencies, another  
12 suggestion?

13 MS. NORTH: My situation just happened this  
14 August, and a lot of the people here, they found out  
15 a couple of years ago, and I -- what I would say is  
16 that I think it's improved with the work of the  
17 people here, that the credit bureaus are getting  
18 better, because they have been helpful to me,  
19 however one suggestion I would have is when you have  
20 specific questions about your file, it should be  
21 available to you. I mean, you shouldn't have to  
22 fight to have a question answered on your file.

23 For example, I noticed a request for a file  
24 just a month after a lot of these accounts were  
25 opened, or other requests have been made from other

1 financial institutions, and so I had figured that  
2 this person was getting turned down because she had  
3 run up so much on my credit that she wasn't able to  
4 get it, and that would have helped me if they would  
5 have told me where that request went to, because if  
6 I had known where that request went to, I could have  
7 proved that she made the request, not me. And that  
8 would help me with the authorities.

9 MR. GENERA: Debbie, not to rain on your  
10 parade, and I sincerely hope your report stays as it  
11 is, don't count on it. You are so new to this, what  
12 happened initially when we first reported it, two of  
13 the credit reporting agencies did take off every  
14 single account, said delete it, delete it, delete  
15 it, in fact on the Trans Union file, because we have  
16 everything on the Trans Union, I wrote across in big  
17 letters, resolved, we're done, yeah. Uh-uhh, it's  
18 still going.

19 MS. NORTH: That's why I want the letters  
20 from the creditors, because I know it can pop back  
21 up. So, I need those letters from the creditors  
22 saying I am clear on this so if they should report  
23 it again. And it's not even on that account with  
24 the creditors, they don't show it resolved, it's  
25 just open, they're going to report me again. So



1 any suggestions for law enforcement. Why don't we  
2 start out with you.

3 MR. GREER: I'm really in the thick of it  
4 right now, and the problems I'm having with law  
5 enforcement is just getting documentation and  
6 cooperation. The assistant DA in the jurisdiction  
7 that we contacted that had the warrants against me  
8 suggested that I turn myself in and have myself  
9 arrested, and that was how I was assisted. I am the  
10 victim here, and I initiated the action to correct  
11 this problem, and as a reward for that, they sent my  
12 name to New Hampshire DMV and I had my license  
13 yanked, a second time.

14 Just cooperation, and when somebody comes in  
15 good faith, I know it's very difficult to comprehend  
16 that, because you have people coming all day long to  
17 it's not me, I didn't do it, and I don't know how to  
18 differentiate between that, but yanking somebody's  
19 license when they're attempting to make good on  
20 something that they have just learned about two days  
21 prior is not really a cooperative way to do it.

22 MS. FRANK: Okay, so we need -- it would be  
23 nice to have some at least national protocol for how  
24 do you clean up a criminal record.

25 MR. GREER: Absolutely, it's got to be



1 national or at least very cooperative between  
2 jurisdiction, because I'm a New Hampshire resident,  
3 the perpetrator is a Massachusetts resident, and  
4 there's criminal activity in Alabama as well.

5 MS. FRANK: And this happens quite often.  
6 Let's go now to Eric. Did you have any suggestions  
7 for law enforcement?

8 MR. GRAVES: Well, I guess because we were  
9 suggested to go to the Secret Service, and I was  
10 pointed somehow through FBI and Secret Service  
11 towards the beginning of this year and somewhat  
12 towards the end of the process, and I couldn't  
13 believe that I was having to discuss those with them  
14 and I knew that my case wasn't going to qualify  
15 either, because it wasn't over \$100,000, but people  
16 wouldn't divulge information.

17 You know, whatever they found, they sort of  
18 kept -- because of the different legislation that's  
19 been invoked, for rights of privacy, which I can  
20 understand to some extent, but when you're sitting  
21 on the other side and you feel you're innocent, and  
22 you want to get the information that they have  
23 found, if any, you know, they say they can't give it  
24 to you. And I don't know when they do give it to  
25 you, unless they have found something big and then

1 they're going to come and arrest you or something.  
2 But --

3 MS. FRANK: And you know that the imposter,  
4 and his or her attorney, if they are apprehended,  
5 have a right to all of your information.

6 MR. GRAVES: Exactly.

7 MS. FRANK: The police report and everything  
8 including those affidavits that we might have to  
9 fill out that are ten pages long, and so it is  
10 really frustrating for a victim.

11 MR. GRAVES: And so the West Valley LA --  
12 part of the LAPD, you know, who took my son's  
13 complaint, just haven't followed it up. And I just  
14 think that they need somebody that's really going to  
15 devote time. I don't think it's going to be LAPD, I  
16 think it will have to be another branch that's  
17 created or something, I can't imagine that they've  
18 got -- like I think people have said, there's other  
19 things, there's burglaries and such that are, you  
20 know, very high priority, right for that instant,  
21 and they are going to put you on the bottom. I  
22 think it needs to be someone else.

23 MS. FRANK: And they don't have the  
24 resources. Go ahead, Nicole.

25 MS. ROBINSON: In my situation, I did talk

1 to the detective whose responsibility it was to  
2 handle fraud and he told me that the crime was not  
3 against me, that it was against the businesses where  
4 she got the merchandise. So, it wasn't against me.  
5 He refused to take a police report. He refused. I  
6 had to -- after I contacted the FTC, I called back  
7 and talked to his supervisor and said I have a right  
8 to file a police report. And they knew who this  
9 individual was, they had had her in custody, and  
10 they still have not filed any charges against her,  
11 because out of the four or five police officers that  
12 I have talked to in San Antonio, they all said this  
13 is not a crime against you.

14 MS. FRANK: And Texas does have an identity  
15 theft statute.

16 MS. ROBINSON: And I found that out.

17 MS. FRANK: Besides, we have a federal law,  
18 too. So, there is training that is desperately  
19 needed for law enforcement. Deborah? We're talking  
20 about police here, any suggestions?

21 MS. NORTH: Well, it's difficult because  
22 each jurisdiction is unique. So, I don't know what  
23 you're going to do, but just like when I called  
24 D.C., Nicole and I are both in Maryland, they  
25 wouldn't take a report. And they should be required

1 to take a report. There's no reason why you can't  
2 make a report.

3 MS. FRANK: And they need to know that  
4 without taking a report, we can't clean up the mess  
5 with the creditors or the credit reporting agencies,  
6 because no one is going to believe us, so that's so  
7 critical, even if it's an informational report. Do  
8 you want to add anything?

9 MR. GREER: I was just agreeing.

1 Commission so that our information is in one place  
2 that law enforcement can go into or the creditors or  
3 the credit agencies can go into to access our  
4 information?

5 MS. CRANE: Let me just explain what our  
6 database is right now and then we can talk about  
7 what we mean by our information. Right now our  
8 database contains the identifying information of the  
9 victim, their name, address, and it is optional, you  
10 can remain anonymous. It's name, address, social  
11 security number and date of birth, if you choose to  
12 give that information.

13 We also have similar information collected  
14 about the suspects, so if you have any information  
15 at all that you believe pertains to the person who  
16 you think did this to you, that goes into our  
17 database as well.



- 1 issue that the database maybe then you could -- the
- 2 Federal Trade Commission then can help to make sure

1 cleared, because this bankruptcy case was dismissed,  
2 but it's still sitting there in the court as an  
3 item. In his history, I think it's -- I'm not sure,  
4 but my understanding of reading the credit agency  
5 report was that it's cleared, but it's still in  
6 history on the credit report, and can be, you know,  
7 it's still there for someone to really dig out.

8 I wanted to be able to put a motion forward  
9 without hiring a lawyer, sorry, and, you know, do it  
10 on our own. I mean I think a lot of people are in  
11 my situation where you don't want to have to afford  
12 a lawyer, there ought to be a means in the court  
13 that you would be put on record, similar to filing a  
14 police report, that you are on record to contest  
15 this particular person's ID with this case. And I  
16 haven't found out how to do that yet, maybe it's  
17 very simple, but I haven't found a way.

18 MS. FRANK: We are going to talk about that  
19 tomorrow on the bankruptcy panel and I think that's  
20 going to be very important, but I think that's a  
21 very important issue.

22 MR. GRAVES: When I went to the court, they  
23 just had nothing to tell me, that I couldn't do it,  
24 and I nabbed some person who looked like a lawyer on  
25 the way out and got their suggestions and he of



1 course gave me a couple of suggestions and then  
2 hired him.

3 MS. FRANK: One of the important things that  
4 I hear of hearing from all the victims and the  
5 thousands of victims that I talk to and experience  
6 myself, the various agencies that we have to deal  
7 with really don't have a protocol, don't have a list  
8 of what we have to do in my agency to clean up your  
9 name. And I think that each creditor, I mean all  
10 the creditors and all the credit reporting agencies,  
11 and all of the -- and law enforcement and the courts  
12 need to say this is the protocol that you need to  
13 have that you need to follow and we'll help you.  
14 And they need to set up steps, and they need to  
15 train their people so that we know what to do to  
16 clean up the mess, to expunge that record, because  
17 that record is going to be sold over and over by  
18 data brokers, and your son is going to have a  
19 bankruptcy all over the place.

20 MR. GRAVES: Well, when we went in to try to  
21 rectify this, I think, you know, it boils down to  
22 the fact that all of us have experienced, there's  
23 one person doing too many jobs, and they don't -- it  
24 can't be possible to know all the protocol and  
25 procedures, but somehow it has to be disseminated.

1 MS. FRANK: Right. And the other thing that  
2 we wanted to talk about for just a minute is when  
3 you talked about changing the social security  
4 number, a lot of people think that that's the right  
5 thing to do, and I think that the Social Security  
6 Administration, or hopefully when they speak today,  
7 and I know that there's people here from the Social  
8 Security Administration.

9 They need to advise you why you shouldn't  
10 change your social security number, and see that  
11 social security number is attached to you. Maybe  
12 for your son isn't so bad because he hasn't this  
13 long history. But I've had a client who too had a  
14 criminal record who he changed his social security  
15 number because his -- he was mixed with a person who  
16 had committed crimes, and so to clean up his record,  
17 he was told to change his social security number,  
18 and it actually worsened the problem, because the  
19 old file and the old social security number gets  
20 linked in all the different databases, so it looks  
21 more suspicious.

22 So, it isn't always the best thing to do.  
23 But any agency that's trying to help a victim to  
24 clean up your record need to really tell them, the  
25 victims, the ramifications of why they aren't doing

1 something.

2 Any other agency that you want to talk about  
3 that could have been more helpful? Joe?

4 MR. GENERA: My apologies to our host, the  
5 consumer assistance group in Texas, is that a branch  
6 of the FTC?

7 MS. CRANE: We have a Dallas southwest  
8 regional office, but I'm not sure, it sounds to me  
9 like you're talking about a state-level agency.

10 MR. GENERA: No. Kathleen, hand me my life  
11 portfolio, please.

12 MS. CRANE: We have a southwest regional  
13 office in Dallas, and of course we have our 1-800  
14 hotline.

15 MR. GENERA: We were referred, I believe it  
16 was through the FTC, or actually it's the number  
17 that shows up on the back of the credit card  
18 statements, if this particular creditor is not  
19 complying with federal regs, please contact.

20 MS. CRANE: That sounds like it would be a  
21 bank, we don't have regulatory authority over banks.

22 MS. CRANE: Okay, there's a hand there,  
23 could we get a mike.

24 MR. MIESSNER: That's the Office of the  
25 Consumer Credit Division, Austin, Texas.

1           MR. GENERA: Actually, Comptroller of the  
2           Currency. Okay, that's who it is. In any case,  
3           this was a name and address that shows up on the  
4           back of credit card statements that says that if  
5           you're being mistreated or whatever, we sent a  
6           complaint to them in regards to Citibank, they're  
7           one of the remaining ones who has never provided any  
8           documentation, will not respond to us. In addition,  
9           these same people opened up a checking account to  
10          further the fraud and that's how they were servicing  
11          these credit accounts for a period. So, we sent the  
12          complaint to this agency here, and I'm sorry for --

13                 MS. CRANE: That's OCC, Office of the  
14                 Comptroller of the Currency.

15                 MR. GENERA: Yes, I apologize sincerely.  
16                 The next paragraph on the bank statement also had  
17                 the FTC list, so I guess I got confused. In any  
18                 case, we sent a compliant to them asking them if  
19                 they could force Citibank to comply with the  
20                 regulations.

21                 And I guess they must have misinterpreted  
22                 our request because they said I'm sorry, actually  
23                 what it says is as your difficulty with the bank is  
24                 a subject of litigation, it is inappropriate for the  
25                 Office of the Comptroller of the Currency to

1       intervene. Basically what that told us, they did  
2       not read our letter.

3               We were not looking for -- we were not  
4       looking for them to decide this case, because  
5       essentially that's what they say later. It's not up  
6       to us to decide whether they were right or wrong,  
7       basically we wanted them to decide or to comply with  
8       the DA's office so we could decide who was right or  
9       wrong and determine from there.

10              So, we wanted to provide who was help with  
11       us, and we just got a door slammed. Again our  
12       apologies to the FTC.

13              MR. GRAVES: Basically the response that we  
14       got back, they obviously didn't read our letter.  
15       They had a form sort of thing to send you, but  
16       didn't take the time to look at the details.

17              MS. CRANE: Were there any questions from  
18       the audience at all? Okay, there are a couple.

19              MS. FRANK: We have some roving mikes over  
20       here.

21              MS. FOLEY: Could I ask each of the victims  
22       how much time and how much cost out of pocket, not  
23       including legal fees necessarily, this has taken  
24       from you?

25              MS. CRANE: That question was how much time

1 and how much out-of-pocket expense has this taken  
2 from you?

3 MR. GENERA: We calculated over the course  
4 of the last over two years, at times, believe it or  
5 not, at times at least 40 hours a week in computer  
6 -- in computer time, writing, phone calls. In  
7 total, about 1,700 hours. There are fees for --  
8 because everything we do, and we have done this  
9 since the very beginning, I know this from a  
10 previous life, everything we do is certified, we do  
11 return receipt requested. So, our postage bills,  
12 the time going down to the post office, the money  
13 involved with copying, we just put together a  
14 280-page package for our attorney, and for the  
15 district attorney's office.

16 MS FOLEY: Telephone.

17 MR. GENERA: Telephone, faxing, notary.  
18 Driving. We have literally driven -- we drove to  
19 the court where the -- because we live in  
20 Connecticut now and we drove to the court where the  
21 judgments are. I mean we've had to drive  
22 everywhere. We're talking literally thousands and  
23 thousands of dollars, literally thousands of hours,  
24 and we're not even close to being done.

25 MS. FOLEY: Unrecoverable.

1           MR. GENERA: Unrecoverable. Well, we'll  
2 see.

3           MS. FRANK: Well, it's tax deductible under  
4 165(E) of the U.S. Tax Code, your out-of-pocket  
5 costs.

6           MR. GENERA: We don't need tax deductions,  
7 unfortunately.

8           MR. GREER: I'm just at the other end of the  
9 spectrum. I have probably two or 300 hours into it  
10 and my out-of-pocket expenses are really telephone  
11 and my time and energy. As far as the accounts, I  
12 haven't lost anything to the creditors, but just my  
13 time and effort.

14           MR. GENERA: But one thing that we have also  
15 lost is Kathleen has had legitimate good credit  
16 accounts in her name cancelled because of negative  
17 information being reported on her credit account,  
18 and you can't put a price on that.

19           MS. FRANK: When I went through my ordeal,  
20 it was over 500 hours, and it was ten months to  
21 clean up. And by the time I was done, I had spent  
22 like \$10,000 just in out-of-pocket costs. And we  
23 hear people up to 14 years some people.

24           MR. GREER: Actually one other thing I would  
25 like to add is the time that you're actually

1 spending on resolving this issue is one thing, but  
2 the thought always consumes you. Whenever you're  
3 awake, it's always in your forethought, you're  
4 thinking about it always.

5 MS. NORTH: I'm relatively new to this, just  
6 starting in August, so, and I would really rather  
7 not have my employer know how much time I have spent  
8 on this, but several days, and of course it's all  
9 9:00 to 5:00, as you know, if you want to do  
10 business. So, it makes it very difficult.

11 MS. ROBINSON: I think all told, well I  
12 spent the entire summer working on this, every  
13 morning through June, July and August, I spent  
14 working on this, and because it happened in Texas,  
15 I've -- I got like a six-page phone bill, like \$500.  
16 So, back and forth. Even when I filed the report  
17 with the Texas police, they told me they had to call  
18 me collect to take my report. So, I had to pay for  
19 that as well.

20 So, it's been -- the phone bills have been  
21 higher than the postage bills, because I had to do  
22 the mailings to everybody who did the inquiries, and



1 summer.

2 MS. FRANK: And of course not getting a  
3 human on the other end.

4 MS. ROBINSON: Yes, or getting somebody  
5 saying oh, well, we don't handle that, the credit  
6 reporting agency has to send us a dispute form and,  
7 you know, so it's been a lot of hours.

8 MS. FRANK: Eric?

9 MR. GRAVES: Yeah, I guess I'm at the low  
10 end as well, probably 180 hours to 200 I would say,  
11 and a lot of it like Deborah said is, you know,  
12 unfortunately during 9:00 to 5:00 hours, so you're  
13 taking time at work and you've got to, you know,  
14 somehow make up that time. And so that's been  
15 flexible for me, that's been fortunate. And  
16 probably \$150, but the big thing is my son's credit.  
17 I mean he's young, I wanted to get him on the track  
18 of getting a good credit reference, and I think he's  
19 lost two years in that process.

20 MS. FRANK: We had some more questions.  
21 Could you say who you are and where you're from.  
22 That would help us.

23 MS. NEWHOUSE: My name is Joan Newhouse, I  
24 am a commissioner for the Texas Commission on  
25 Private Security. I'm also a private investigator

1 in Houston. I concentrate on fraud, and so I've got  
2 a great business going in Houston right now.

3 My question is that in the course of my  
4 investigations, I regularly come across people who  
5 are perpetrating identity fraud. I have tried, and  
6 I don't know how many occasions to report it, and  
7 there is no one who wants the information. In some  
8 cases, it is someone who is perpetrating the fraud  
9 against the Social Security Administration, and for  
10 purposes of welfare, I have faxed them the names  
11 with the multiple social security numbers, I get no  
12 response.

13 In other instances, someone's credit is  
14 being ruined. If it is like in my looking for a  
15 witness, I end up finding the person that I am

1 will have a designation in our database for third  
2 party reporting of identity theft. So, we will be  
3 taking complaints from third parties, not just  
4 victims.

5 So, please, you know, right now we're  
6 developing that, but it should be up by January 1st,  
7 and so you'll be able to at least report it to us.  
8 And as I said, law enforcement will at least have  
9 access and they believe be able to see all of the  
10 information that you provide when they log onto our  
11 system.

12 Thank you very much, audience, panelists,  
13 press, for participating in this event today. Most  
14 of our panelists, all of our panelists will be  
15 appearing on subsequent panels where their specific  
16 experience ties into the issue being discussed, but  
17 again, thank you, everyone, very much, particularly  
18 panelists for attending and your participation this  
19 morning.

20 MS. FRANK: Look at our suggestions here and  
21 you can email me with other suggestions and you can  
22 talk with us while you are here these two or three  
23 days and see what you think. Thank you very much  
24 for participating.

25 MS. CRANE: We now have a 15-minute break

1 and we will reconvene at 11:00 for panel 2. Thank  
2 you.

3 (A brief recess was taken.)

4 MS. BRODER: Thank you all for returning so  
5 promptly to your seats. We're going to try to  
6 really run on time today, our time is very valuable,  
7 as we have learned on an earlier panel. Now we're  
8 going to roll up our sleeves a little bit. We're  
9 going to roll up our sleeves a little bit and get to  
10 work.

11 This next panel is clearing up the victims'  
12 credit history part one. We're going to be  
13 moderated today by Helen Foster, who is an attorney  
14 in our Division of Planning and Information and is  
15 on the staff of our identity theft program, and  
16 Christopher Keller, who is an attorney from our  
17 Division of Financial Practices, and is himself an  
18 expert on the credit laws. And so, Chris and Helen,  
19 thank you very much, and thank you all.

20 MS. FOSTER: Thank you. As Betsy mentioned,  
21 the focus of this panel will be streamlining and  
22 improving the processes of consumer reporting  
23 agencies when they are dealing with victims of  
24 identity theft.

25 I just want to briefly introduce the panel.

1 And I'm going to start on my far right. We have  
2 Nicole Robinson, who you heard from earlier. Well,  
3 I'm hoping that she's coming back. Robin Holland  
4 from Equifax, Ed Mierzwinski from CALPIRG, Barry  
5 Smith from Bank of America, on my immediate right is  
6 Chris Keller, my colleague. To my left, Maxine  
7 Sweet from Experian, Robert Greer, we missed him, we  
8 lost him, he will come back. Diane Terry, from  
9 Trans Union, Phil McKee from Internet Fraud Watch,  
10 Eric Graves, who we have heard from earlier as a  
11 victim of identity theft, and Stuart Pratt from the  
12 Associated Credit Bureaus.

13 We're going to begin by talking, we're going  
14 to take this in a little bit of reverse order.  
15 We're going to begin by talking about consumer  
16 reporting agencies dispute processes and the process  
17 that a consumer goes through once they have  
18 contacted the credit reporting agency, and identify  
19 themselves as a victim of identity theft.

20 After that, we will talk about the fraud  
21 alert, which we have also heard a little bit about  
22 in the previous panel, and then we will move to the  
23 proposal for one-stop shop. I know that in the last  
24 panel it was mentioned as well as is this something  
25 that we have done or is it something that we are

1 going to do. It's still a proposal, it's something  
2 that we are really hoping to make progress on today.

3 So, that will be the order of our  
4 discussion, and our methodology will be similar to  
5 what we pursued in the last panel, where Chris and I  
6 will throw out questions and issues and we will ask  
7 panelists to join into the discussion and then we  
8 will pause to take questions from the floor, as we  
9 progress through each topic. And we would ask if  
10 you have a question or a comment from the floor that  
11 you wait until a microphone gets to you before you  
12 start to speak.

13 Now we have Nicole Robinson and Robert  
14 Greer. Okay, in the last panel, we heard quite a  
15 bit about reporting processes and dispute processes  
16 by the consumer report agencies, and I wanted to  
17 start by giving the consumer reporting agencies a  
18 chance to tell us a little bit about how their  
19 processes actually work. And like I said, we're  
20 kind of starting backwards, but after a fraud alert  
21 has been placed on a consumer's report, and when  
22 they're dealing with the individual items on their  
23 credit report, Maxine or Diane, could you speak to  
24 exactly what they can expect to experience at that  
25 point in terms of resolving individual items on

1     their credit report.

2             MS. SWEET: I'll start. Just briefly, let  
3     me -- we do have different processes, so it's good  
4     that we're all three here, although they are  
5     somewhat standard and they don't vary significantly,  
6     there are just some minor differences. But the

1       behalf back to the creditor, but victims should be  
2       informed it is very important that they also contact  
3       the creditor directly.

4               MS. FOSTER:  So, once they have done those  
5       two, I don't mean to interrupt you, once they have  
6       done those two steps, what can they expect in terms  
7       of how the procedure works in disputing each item?

8               MS. SWEET:  Okay, they let us know which  
9       ones are fraudulent, we send a notice to the  
10       creditor that it is flagged as a fraud dispute, and  
11       then the creditor comes back to us and hopefully  
12       removes the fraudulent accounts from the creditor's  
13       report.  We then send a new report back to the  
14       consumer as some of the victims noted earlier,  
15       letting them know the results of that.

16               MS. FOSTER:  Once -- when you communicate  
17       with a creditor about    M,t    M,t    M,t    M,t    M,t TjT\*(



1           It can be that the information was generally  
2 mixed because there were similar names or other  
3 kinds of identification errors and then there's the  
4 separate problem of someone who has purposefully  
5 gone out and gotten credit in your name, so I am  
6 just wondering how those differences are accounted  
7 for in dealing with a creditor, because that seems  
8 to be helpful for creditors to know.

9           MS. TERRY: Diane Terry from Trans Union.  
10 What we have established is a fraud department, and  
11 in that department, one of the processes is as we  
12 are talking about the consumer, we are adding the  
13 alert to the file immediately, but probably the  
14 second step in those lines is we're talking to the  
15 consumer and we're reviewing the credit file for all  
16 recent new accounts as well as any recent new  
17 inquiries.

18           Now, when we go over the file with the  
19 consumer, if he's unaware of that inquiry or new  
20 account, what happens is we're providing the  
21 consumer with the address and phone information for  
22 that company, as well as we're sending an alert to  
23 that credit grantor in his behalf alerting them that  
24 the consumer is indicating they're unaware of this  
25 account, it's fraudulent. So, we send that alert

1 out the same day we talk to the consumer.

2 Now, we also -- now, that is going to our  
3 credit grantor's fraud department. They're most  
4 familiar with this type of crime, we need to get it  
5 to the people that understand identity theft.

6 Secondly, we do send out a reverification  
7 request. That's in addition to this fraud alert.  
8 Now, we're sending that out asking them to reverify  
9 all the information on the account as well. So,  
10 that's part of our seven-step process that we  
11 complete on behalf of the consumer.

12 MS. FOSTER: So, when the reverification  
13 request goes out in addition to the kind of creditor  
14 fraud alert that you just talked about.

15 MS. TERRY: Yes.

16 MS. FOSTER: Is that also flagged as  
17 consumer reported fraud, or is it just flagged as,  
18 you know, consumer says not their account? Is it  
19 treated separately?

20 MS. TERRY: Well, there's two different  
21 alerts, and again, the first alert is very, very  
22 specific to we're telling the company that's  
23 inquired, for example, the credit grantor, yesterday  
24 you inquired, we're giving them a specific day, and  
25 we've talked to the consumer and he's indicating

1       that this is fraudulent. We are alerting you, you  
2       know, to this effect.

3               We also in that letter let the credit  
4       grantor know that we have advised the consumer to  
5       contact you as well, but we are getting this to you  
6       immediately in their behalf, and we think that's a  
7       very important part of the process.

8               MR. PRATT: Helen, if I could, Stuart Pratt  
9       with the Associated Credit Bureaus. First of all,  
10      we think clearly with a process like ours, which is  
11      fairly complicated, it might be helpful to begin to  
12      move towards something that explains a little more  
13      easily just generally what your rights are under the  
14      Fair Credit Reporting Act, because again, as we're  
15      describing what we're doing here today, it is in  
16      part what we must do to resolve the consumer's  
17      circumstance, the victim's circumstance, as quickly  
18      as possible. And it's in part our responsibilities  
19      and duties under the Fair Credit Reporting Act  
20      melded together that help us get the job done.

21              First of all, ACB has produced a new  
22      brochure, which outlines the flow chart, if you  
23      will, of the process of dispute resolution, and for  
24      anybody, of course, who needs a copy, we make this  
25      available to states attorneys general offices and to

1 other consumer protection offices and have been  
2 doing so for some time now. And this is one way for  
3 every consumer to just say okay, I understand  
4 generally with the flow chart, I have heard several  
5 of our victims here say, you know, a couple of years  
6 ago I wasn't really sure I knew what to do next and  
7 I wasn't sure what the flow chart was, what should I  
8 expect to happen after I make that first phone call.  
9 This is our way of responding to that saying there  
10 is a way for you to understand, if you will, what  
11 the flow chart is.

12 We have also produced an English and a  
13 Spanish language version of essentially all your  
14 rights under the Fair Credit Reporting Act, which is  
15 just a way to explain in a written formjT\*( Agen fo8Ay foHeler

8 Associate ader theB aus, yorwayate ct, which is  
d halopmersguaglsoautomate a 3 evdisput ct, which is

1 kind of communication.

2           So, we are able to parse through and  
3 communicate with our data furnisher customers to  
4 make sure they are getting the correct information  
5 on their end to they can take the right actions on  
6 their end.

7           MS. FOSTER: Well, like what we talked about  
8 on the earlier panel, and we will keep going back to  
9 this, part of the challenge has been for you and for  
10 us is to get the word out. What we hear often from  
11 consumers is I just don't understand what's going  
12 on, and the information is out there to be had, but  
13 the challenge is on us and on you, I think, to make  
14 the system a little bit more transparent so that  
15 when a consumer calls and they -- part of the  
16 anxiety is not knowing what to expect.

17           MR. PRATT: I think that's right, I think  
18 it's very difficult, because any new crime, it's  
19 kind of a vortex. You enter into it, and you have  
20 no idea who you are supposed to call first or what



1 agencies and read it relatively the same way, and I  
2 know recognizing that you're competitors and that  
3 you can't, you know, share information the way that  
4 non-competitors can share information. Is there a  
5 movement afoot to do that, to make credit reports  
6 standardized in terms of how to read them?

7 MR. PRATT: Well, let me respond to that in  
8 part by the challenge we have, which is there are  
9 three different, as you know, three different file  
10 disclosures that are out there today. Put those  
11 three disclosures in front of maybe just the  
12 panelists or if you put them in front of everybody  
13 here in the audience and they each looked, you would  
14 probably find almost as many opinions about favoring  
15 one of the disclosures versus the other two.

16 And one of the great challenges is, for  
17 example, some of our members have moved towards  
18 text-message-based disclosures, meaning I can read  
19 what's on the file. My wife candidly hates those  
20 because she's very analytical and she prefers  
21 numbers and columns and prefers to read it in a more  
22 compacted form. Now that wouldn't suit somebody  
23 else who is just interested in reading it. I get a  
24 greater sense of comfort.

25 So, one of the challenges, Helen, is to

1 design something, a disclosure which works for the  
2 180 to 200 million consumers who may have access to  
3 their file disclosure. So, we know that there will  
4 be some unevenness, in terms -- I think, in fact,  
5 Ms. Graves just said, sometimes learning in first,  
6 how to read that file disclosure is an element of  
7 the frustration.

8 We are always working with focus groups,  
9 individually the companies are, to try to move those  
10 disclosures to make them work properly for  
11 consumers, but I think you will still see some  
12 variance out there in the future, because I don't  
13 think there is one right answer. I think it's going  
14 to be very difficult to get to that point.

15 MS. FOSTER: I understood, and maybe I'm  
16 having a misrecollection, but I thought that there  
17 was a process evolving now among the credit  
18 reporting agencies, the big three, to make some sort  
19 of standard report. Are you guys working on that,  
20 or have you just told me that that's not happening  
21 or it's not able to happen?

22 MR. PRATT: I think what you saw in our  
23 initiatives, you may be referring to our  
24 initiatives.

25 MS. FOSTER: I am.



1           MR. PRATT: And the Associated Credit  
2 Bureaus did in March of this year issue a press  
3 release describing six points that we wanted to  
4 address in this year with regard to identity theft,  
5 to change practices, to improve basically based on  
6 interviews with victims ourselves.

7           One of those initiatives which is an  
8 ongoing, it goes beyond a particular effective date  
9 is just standardizing. We heard this on the panel  
10 this morning, it's not really a revelation that the  
11 more consistent I am between the various systems,  
12 for example let's take a conference call we had just  
13 last week where we talked about which validating  
14 documents would be good ones to use. And, Mr.,  
15 Graves I have just learned something today, which is  
16 if you have a young son, they may not have a utility  
17 bill yet, for example, so maybe just saying rigidly  
18 you will always use utility bills isn't very  
19 effective, because we will have some younger -- in  
20 fact we had a young fellow who testified at an ID  
21 theft hearing on the Hill, who is also young enough.  
22 He didn't actually have a utility bill yet. So, we  
23 are trying to learn, for example, standardize what  
24 requests we might make so you don't have to dig up  
25 ten different documents to meet the needs of three

1 different companies.

2           We are also hosting conference calls on a  
3 regular base to standardize and learn from each

1 if there has been thought, and I would like to hear  
2 if there has, or if any of the panelists have  
3 thoughts on this topic on what -- how reappearances  
4 cases could be handled differently. Maybe I'll move  
5 to this end of the table.

6 MR. KELLER: Let's say we first hear from  
7 the victims. How did you find out, and this would  
8 be in an instance where you were initially  
9 successful, for whatever reason, the accounts were  
10 taken off the report, but then you discovered at a  
11 later date that they had been re-inserted. How did  
12 you find out about that? Were you notified, or did  
13 you find out in some other fashion? Can we start  
14 with the victims, because I think that might be an  
15 interesting context.

16 MS. FOSTER: I'm not sure that we have a  
17 victim who had that.

18 MS. ROBINSON: I didn't have re-insertion.

19 MS. FOSTER: I don't think we have a victim  
20 here.

21 MS. BENNER: I might be able to speak on  
22 that actually, Janine Benner from CALPIRG. Last  
23 spring, along with the Privacy Rights Clearinghouse,  
24 we conducted a survey of a bunch of victims of  
25 identity thefts asking them about their situations,

1 and we found out that almost half of the people that  
2 we surveyed actually had fraud reoccur despite the  
3 placement of a fraud alert on their credit reports.  
4 And I think the one thing that we have discussed  
5 that might help that from happening is to actually  
6 prevent the issuance of credit completely after the  
7 fraud alert has been placed on the account.

8 MS. FOSTER: But you're talking about the  
9 issuance of new credit in new accounts, what I'm  
10 referring to is when a single account has been  
11 cleared from a person's credit report, you know, X,  
12 Y, Z, creditor, you know, 160 days late, and then so  
13 it's been cleared and you get a credit report and  
14 it's no longer there, and then three months, six  
15 months, a year later, that same account seems to  
16 reappear on a person's credit report, either  
17 reported by the same furnisher, or reported by a  
18 debt collector, and I'm wondering again, back to an  
19 issue of identifying these problems within the  
20 consumer reporting agencies, once these issues have  
21 been addressed, or once these accounts have been  
22 cleared, are you able to know that this was an  
23 account that was cleared and therefore won't come  
24 back?

25 MR. PRATT: Helen, part of the response, we

1 do have a responsibility, of course, under the law,  
2 to make sure that we maintain an accurate credit  
3 history. I mean, we can always start with the  
4 predicate of what the law requires of us in the  
5 first place, reasonable procedures to assure maximum  
6 possible accuracy.

7 MS. FOSTER: No, I'm understanding that, I'm  
8 kind of looking at it from the victim's point of  
9 view, is there a way I can communicate with somebody  
10 at the credit reporting agency who will know that I  
11 was a victim and this has happened to me before.

12 MR. PRATT: I was just going to say, with  
13 regard to the law, we have the responsibility to  
14 inform the consumer if we re-insert data that was  
15 previously deleted as the result of a  
16 re-investigation, so the law does trigger at least  
17 one type of communication, it's going to be  
18 important to know whether that is working properly  
19 in the marketplace, but that is an element of what  
20 was built into the 1996 amendments to the FCRA.

21 MS. FOSTER: Can we have a microphone.

22 MS. FOLEY: Linda Foley, Identify Theft  
23 Resource Center. Besides being a victim advocate, I  
24 am also a victim, and the information from my  
25 imposter, her address, kept reappearing on my Trans

1 Union report four different times, and what I was  
2 basically told was it was being rerecorded as a  
3 current address, and that's why it was like a ghost  
4 that kept reappearing.

5 My recommendation is once it's been flagged  
6 as a fraudulent address or an address that should be  
7 identified with the imposter, if it's been  
8 rereported, ideally, I would hope Trans Union would  
9 have some sort of even a postcard notification that  
10 this information has been rereported, it's been  
11 reported by this particular company, and you need to  
12 investigate it.

13 MS. FOSTER: And you're saying that didn't  
14 happen, because that was what I was understanding  
15 Stuart was saying was going to happen.

16 MS. FOLEY: It did not happen. Now, this  
17 happened in 1997, and it continued happening through  
18 1999.

19 MR. PRATT: Helen, I just wanted to try to  
20 fill in one blank on that. I think that is one of  
21 the areas where we've identified that the law, if  
22 you will, doesn't go far enough. A victim of  
23 identity theft has a crime which extends over a  
24 period of time, as opposed to this is just a  
25 problem, the account wasn't mine, it's now been

1 taken off the file.

2 So, we are looking at pilot testing programs  
3 that will allow us to stay in touch with consumers,  
4 that is one of the initiatives we announced this  
5 year and we are in the process right now of pilot  
6 testing programs to try to determine what kinds of  
7 triggers should cause us to get back in touch with  
8 that consumer, beyond the initial re-investigation  
9 time frame. So, I do think that's one of the more  
10 progressive steps we are trying to take because, in  
11 fact, this is a different crime and it's newer and  
12 it's different than the kinds of crimes we've  
13 experienced previously when working with law  
14 enforcement and so on.

15 So, hopefully as we progress down this road,  
16 maybe we're on the right track with that one that  
17 that's something that will help victims and us as  
18 well, that will keep that file whole down the road.

19 MR. MCKEE: And if I could make one  
20 addition, also. Philip McKee from the National  
21 Consumer League's Fraud Information Center. We  
22 receive phone calls from consumers from all 50  
23 states, the district, territories, and even from  
24 many foreign countries, and when we receive calls  
25 from domestic consumers about identity theft, our

1 counselors try to get as much information as they  
2 can to help them determine what kind of information  
3 they need to give the consumer to guide them where  
4 to go and to figure out where, in addition to the  
5 FTC's phone number, what other phone numbers they  
6 should give them.

7           In the process, our counselors hear a lot of  
8 times that information keeps reappearing on the  
9 credit report. And it would be curious to me to  
10 find out, because I know that when we take in  
11 consumer complaints on other types of fraud, we are  
12 one of the data contributors to Consumer Sentinel.  
13 And frequently the consumer has contacted us and  
14 they may have also -- they may inform our counselors  
15 after the report is made that they have also spoken  
16 with Operation Phone Busters in Canada, or they may  
17 have also spoken to one of the other data  
18 contributors to Consumer Sentinel.

19           And in our discussions with Consumer  
20 Sentinel, the actual gatekeepers at the FTC, we know  
21 that there is a suppression database, that if one of  
22 our reports has already been entered into Consumer  
23 Sentinel by one of these other agencies, the  
24 computer does match up the information and is able  
25 to make a note.



1           So, I was wondering if it would be possible  
2           to have a similar suppression database so that not  
3           only for renotification, because you said, you have  
4           a duty to respond and to let the consumer know if  
5           the same company has placed it on there, but I'm not  
6           sure whether that gets triggered when a new company,  
7           the collection agency, then places that on the  
8           report.

1 loans move from several different agencies and so  
2 even student loans often. So, we have actually  
3 produced for the data furnishers and we've  
4 standardized this in the early nineties, and this is  
5 the most recent edition of this, this is called the  
6 Metro 2 format. This actually, if we can get every  
7 one of our data furnishers to use the Metro 2  
8 format, we will do a much better job and continue to  
9 improve the job we're doing to block those incoming  
10 trade data where we have taken it off the file in  
11 the first place.

12 So, this is yet another step that we have  
13 taken. This is available on our website for the

1 the system. It's a lot of information, and that's  
2 not an excuse for loading fraudulent information  
3 back in the file. But the more we can progress with  
4 this effort, the better we will be at doing our job.

5 MS. FOSTER: I believe we have a question in  
6 the back and now is a good time to kind of segue  
7 into taking some questions from the floor and then  
8 we will move on to fraud alert and one-stop  
9 shopping. Can you stand for us?

10 MR. MEISSNER: Gary Meissner, Office of  
11 Consumer Credit Commissioner out of Texas. You  
12 talked about a website, sir, what website are you  
13 speaking of? Because that's one thing that we're  
14 trying to amass down there is we've got the FTC's  
15 website, we've got all the consumer websites. I'm  
16 not familiar with yours.

17 MR. PRATT: Our website is for the  
18 Associated Credit Bureaus, and we're the trade  
19 association that represents the consumer reporting  
20 industry, it's [www.acb-credit.com](http://www.acb-credit.com).  
21 [www.acb-credit.com](http://www.acb-credit.com).

22 MS. FOSTER: Are there other questions from  
23 the floor? We'll take this lady right here on the  
24 aisle.

25 MS. WOODARD: Yes, my name is Gwendolyn

- 1 Woodard with Worldwide Educational Consultants. I
- 2 would like to know how do we get 50 different state

1       satisfactorily answered, nor the credit bureaus, and  
2       I would encourage the agency to consider enforcement  
3       actions, because under the 1996 amendments, it's my  
4       view that it's very clear that there should be no  
5       reappearance of disputed information for either an  
6       identity theft victim or any consumer who has  
7       disputed an item on his or her credit report.

8               We did have great difficulty in 1996 gaining  
9       any right to sue banks and other furnishers of  
10       information. We did gain a very modest right to  
11       have individual consumers sue them, a private right  
12       of action, if they failed to comply with  
13       re-investigation procedures. Unfortunately, many  
14       creditors have been seizing on one bad opinion by  
15       one judge out there in the hinterlands, and they've  
16       been trying to overturn that private right of  
17       action, which is really a disappointment to me.

18               Because it was very clear that Congress  
19       created that private right, but obviously I think  
20       Congress needs to go back to the well and give  
21       consumers a private right t, but eh against

1 specifically in panel 3, that is issues relating to  
2 creditors and other institutions that report  
3 information to consumer reporting agencies. The  
4 second or the first part of your comments, as we  
5 said at the beginning, and I know you weren't here  
6 for it, but the Federal Trade Commission is active  
7 in this area, we do FCRA enforcement, unfortunately,  
8 what we do is nonpublic, so we can't really talk  
9 about it in this format, and we're hoping that today  
10 will focus on voluntary initiatives so that we don't  
11 have to pursue as many enforcement actions, if we  
12 could have more voluntary kind of initiatives.

13 Over here on this side.

14 MR. CLARK: Drew Clark with National  
15 Journal's Technology Daily. I hope I haven't missed  
16 something, but I'm still not clear on what the  
17 obligations of the credit bureau is with regard to  
18 material that's been flagged as fraudulent or a  
19 victim of identify theft.

20 We've heard different things about the  
21 credit bureaus are required to notify the person  
22 before, but then we've heard that they're not  
23 required to notify, and that, Mr. Pratt, you've  
24 discussed a pilot program for keeping in touch with  
25 people, but I wasn't clear whether that meant you

1 were contacting people in this event or not.

2 For instance, Linda Foley mentioned that,  
3 you know, addresses were reappeared four times by  
4 Trans Union. Do addresses, even though they're  
5 reported again, need to get flagged, need to get a  
6 contact with the consumer before they get put on the  
7 credit report, or is that something that doesn't  
8 qualify under the requirement that the consumer be  
9 notified again?

10 MS. FOSTER: Let me try and summarize your  
11 question, since you were kind of going in and out of  
12 the microphone. Your question is, what are the  
13 obligations of the consumer reporting agencies in  
14 the first instance when something is reported to  
15 them as fraudulent, and then as we were going down  
16 the line, we were talking about obligations under  
17 reappearance.

18 So, you're asking about both --

19 MR. CLARK: It's really more the  
20 reappearance question I'm concerned about.

21 MS. FOSTER: What are the obligations under  
22 a circumstance of reappearance. My understanding,  
23 and correct me if I'm wrong, Stuart, I think what  
24 you were saying was that under the 1996 amendments  
25 to the Fair Credit Reporting Act, items, trade

1 lines, credit accounts, if they reappear, or if they  
2 are going to reappear, the consumer reporting  
3 agencies have to notify, but those requirements do  
4 not necessarily extend to other information like  
5 name. Am I summarizing correctly?

6 MR. PRATT: I think that's right, that's  
7 absolutely right. This is why, again, we're looking  
8 for voluntary efforts for our industry to move  
9 forward and explore what other triggers, if you  
10 will, might create the right communication.

11 Now, keep in mind that at the same time, I  
12 know when we're victims of any kind of crime, we're  
13 very focused on it, but at the same time, we have 42  
14 million consumers moving in this country every year.  
15 Six million second homes in this country. A large  
16 percentage of consumers have at least one address  
17 for work, and one address for home. And so an  
18 address management system is just one area of  
19 discussion, but it is difficult to parse through  
20 just volumes of activity that occur. And at the  
21 same time distinguish that from the victim's  
22 circumstance where it's coming back in again.

23 So, this is a challenge that I think we're  
24 still working on as an industry, but I think it's a  
25 well taken point.





1 MS. BENNER: Doesn't the law say that the  
2 information cannot reappear?

3 MR. PRATT: I think that Helen made it clear  
4 with regard to what the statute requires in terms of  
5 the information reappearing. Keep in mind with an  
6 address coming in, it's also information. In other  
7 words we don't load an address by itself, addresses  
8 coming in with other financial information.

9 So, I think, again, we'll just have to go  
10 back and understand that more systemically. It's  
11 difficult to speak to it more directly than that  
12 here today.

13 MS. FOSTER: Switching gears a little bit,  
14 and we will continue to take questions from the  
15 floor, and particularly at the end, but I wanted to  
16 move on to the fraud alert, because I know it was  
17 something that the victims talked quite a bit about  
18 earlier. And one of the things that we hear  
19 repeatedly, and I know we have heard this morning  
20 was, how can a fraud alert be made more effective in  
21 terms of once that fraud alert is placed on a  
22 consumer report, how can we make sure that the  
23 creditors or other users of the consumer report who  
24 look at it are understanding what it is, and are  
25 honoring it and giving it the type of attention it

1 deserves.

2           And I would like to kind of direct that  
3 open-ended question to Barry Smith, who graciously  
4 agreed to be the sole furnisher on -- or the sole  
5 creditor, representative of creditors on this panel.  
6 Barry, do you have ideas about how credit fraud  
7 alerts could be made more effective or how they work  
8 or don't work?

9           MR. SMITH: Well, I was pleased to come and  
10 join this panel today and talk about fraud alerts,  
11 because my brother was recently a victim of ID  
12 theft, okay, and he turned to me as, quote, a  
13 professional in the business, and said what's the  
14 best way to get this resolved.

15           And I went up against many of the problems  
16 that they're talking about today. And we went  
17 through the standards of entering fraud alerts on  
18 the bureaus, and then since he was not doing  
19 business with Bank of America, I said why don't you  
20 apply for a card at Bank of America and let's see  
21 how the process works. And I took an application, I  
22 submitted it to the credit department, and the  
23 credit department was on the phone back to me in  
24 about 15 minutes and said there's a fraud alert on  
25 this person's file, do you really want to approve

1      this account.

1           On the other hand, I think we're going to  
2           hear some disputes and some questions from people  
3           who have put fraud alerts on the file, and if that  
4           stays on the file for seven years, do they really  
5           want to stay in that process for seven years, if, in  
6           fact, they are not a victim to the extent that we've  
7           heard people talk about today.

8           In my brother's case, he had eight or nine  
9           different inquiries. And I think it would have been  
10          very beneficial if we had been notified by the  
11          bureaus when the inquiry came to the bureau, and  
12          there was a fraud alert on the file. So, instead of  
13          just responding back to the credit grantor, maybe  
14          some kind of notification should have come back to  
15          us.

16          And there's really two sources for that.  
17          It's either the credit bureau sending that  
18          information back, or of course there is the credit  
19          grantor on receiving the information back with a  
20          fraud alert on it, should they notify the individual  
21          that an inquiry has been made. And even if we  
22          decide to deny credit, because most -- most fraud  
23          alerts on file say if you decide to grant credit,  
24          don't do so without notifying me first.

25          Well, when I pursued this with many credit

1 grantors, I was told we didn't contact you because  
2 we didn't approve this application. We realized  
3 your application address was different from the  
4 application address that we had received the  
5 application from, and therefore we declined the  
6 application, so therefore we didn't notify you. And  
7 I said boy, I really wish I could have been  
8 notified.

9 I called some people who had inquiries, and  
10 they told me I can't talk to you, I can only talk to  
11 your brother. And I said why is that? And they  
12 said because he's the one that applied for credit.

13 And I said no, I think you'y yshiswewoesnh olte  
fihy is at ookhad i wishis at ookhold we didn'can only talk to  
gat didn'permiss 5 canu, I can aboutre we declined the

13

5 i

1 not we want truncated credit information going back  
2 to 1 not we back

1 maybe a truncated credit information with the --  
2 when there's a fraud alert on the file.

3 MS. FOSTER: I want to come back to one of  
4 the suggestions that you just made, that kind of the  
5 idea of a gateway system has been -- to build on  
6 what you just said, has been tossed out as if you  
7 are a creditor and you ask for a credit report from  
8 one of the bureaus, and the credit bureau has a  
9 fraud alert on that file, that they would then not  
10 transmit a full report back to you with a fraud  
11 alert, but rather require you to go through some  
12 additional verification type steps.

13 Now, the hurdle that you point out is a  
14 significant one, which is -- and it's open for  
15 discussion, length of time versus how do you make  
16 sure that the information is going to be updated  
17 when there's changes in address and changes of phone  
18 number, you know, it may be that, you know, you put  
19 that on -- if you put that on to some of the  
20 consumers, I think you're right, for seven years  
21 it's a little bit much to ask people to remember,  
22 oh, yeah, I have to update my fraud alert phone  
23 number or address.

24 On the other hand, that's what we're seeing.  
25 We're seeing, you know, perpetrators who come back





1 one of our initiatives, again, was to look at the  
2 security alerts, because we wondered are there  
3 systemically any significant problems with them so  
4 that if BofA can recognize that alert, take the  
5 actions which thankfully worked in the case of BofA.

6 We are now standardizing text messages in  
7 all three systems, so that where a system, a  
8 creditor system is scanning for the text message,  
9 they won't have to scan for three different text  
10 messages. We're also inserting an alphanumeric  
11 sequence, which is a spiffy way of just saying some  
12 numbers and some letters that don't mean anything,  
13 but they'll be consistent across the three  
14 companies.

15 So, here again, every creditor, we can tell  
16 them, go look for this alphanumeric sequence. If  
17 you don't want to scan for the whole text message,  
18 scan for the alphanumeric sequence. This is in  
19 addition to codes companies transmit today. All  
20 three companies have products as well as  
21 free-of-charge services today that are telling our  
22 customers unusual pattern of inquiries that are  
23 associated with this file. For example, which is --  
24 we think is one of the partnerships we have, it's an  
25 obligation we have, and it's really you as customers

1 who drive a lot of that for us, you know, what can  
2 you do to help us. That's one example.

3 We do tell you when the inquiring address is  
4 different than the address on the application --  
5 than on the file, so that you know that there's some  
6 difference between the two and that gives you a  
7 chance as the customer to authenticate and take  
8 additional steps to validate that application. So,  
9 I think we are trying in partnership with our  
10 customers to find the right mix of triggers to  
11 communicate back-up stream.

12 By the way, that security alert goes with  
13 every file, whether it's a highly quantified risk  
14 score or whether it's a full file mortgage report,  
15 it goes with every single file that we send.

16 MR. KELLER: Perhaps I didn't make myself  
17 clear. I understand that there are proprietary  
18 products that you'll attach to any file.

19 MR. PRATT: I think I just said that some of  
20 those were free, though, Chris.

21 MR. KELLER: If you see an anomaly. What I  
22 was concentrating on is where there's been a report  
23 of an identity theft and a fraud alert placed on the  
24 file. Do the supplying consumer reporting agencies  
25 have any differing procedures, just in terms of

1 mechanics, the nuts and bolts of supplying those?

2 MR. PRATT: I think today the step is to  
3 transmit the report and work with our customers to  
4 make sure they have the right information, Chris,  
5 but no, there is no gateway today, I think, using  
6 Helen's term.

7 MS. FOSTER: Is there a variation, and I  
8 just want to get the three representatives of the  
9 reporting agencies here to kind of follow up on  
10 Chris' question. Is there variation in how that is  
11 handled, or is it very uniform that a -- I guess  
12 where I'm going with this, a fraud alert is a fraud  
13 alert in terms of a consumer reports it and it's  
14 consumer reported as opposed to products like what  
15 Chris was talking about, which are anomaly alerts?  
16 Are those the same for you all or are there  
17 differences or are they different products?

18 MS. TERRY: Diane Terry, Trans Union. We  
19 all have fraud alerts, but the verbiage may be a  
20 little different on each one. But basically what  
21 they're saying is to contact the consumer, to verify  
22 the application. Ours is dated, we allow two phone  
23 numbers, a day or evening number so that, you know,  
24 depending on when this application is made, the  
25 credit grantor can contact the consumer.

1           Now, we do have a second type of alert as  
2 well, and this is a case where we deal with law  
3 enforcement and credit grantors directly, many times  
4 each day, and what happens is they can alert us, if  
5 they're aware that there's a fraudulent situation,  
6 but they've not contacted the consumer yet. We do  
7 have a different type of statement that we can add  
8 to the file that will say potential fraud victim,  
9 verify all information on the application, until we  
10 can get ahold of the consumer to confirm the  
11 situation. And we feel that's a very important part  
12 of what we do as well.

13           MS. BENNER: Can I ask a question here?

14           MS. FOSTER: I just wanted to give all three  
15 a chance to respond, is that okay?

16           MS. BENNER: Um-hmm.

17           MS. SWEET: I'll jump in. What she was  
18 saying is true, the idea of the fraud alert is  
19 already pretty standard, and we're taking it even  
20 further to actually make the wording exactly the  
21 same. So, there will be no question when a creditor  
22 receives a report that it is a fraud alert. And  
23 we're even adding a code so that it will even be  
24 more machine readable.

25           And I might add that Experian, another step

1 beyond that, in the form of an alert, is we're just  
2 announcing a national fraud database that we're  
3 building so that actual experiences with fraud are  
4 captured, all the credit bureaus will have an  
5 opportunity to contribute to it, and it will be  
6 available to new lenders, as well as law  
7 enforcement.

8 MS. HOLLAND: Robin Holland from Equifax.  
9 When we deliver a file, at the top of the file,  
10 right in that header information, we state in bold  
11 letters that the consumer is a fraud victim, and  
12 then at the end of the credit report, in pretext, we  
13 talk about fraudulent applications may be submitted,  
14 please call, et cetera, whatever that consumer would  
15 like to say.

16 Of course as Mr. Pratt said, we are moving  
17 that we will all have the same alphanumeric codes

12 thesyou 15 like to say. 22ike to say. FOSTER I wa ta g

1     Stuart, you mentioned that some services were free  
2     of charge, some services you charged for, and I'm  
3     wondering if that means that there's some  
4     information that you could be providing to a  
5     creditor about my record if I was possibly a victim  
6     of identity theft, but if they didn't pay a little  
7     extra for it, that you would withhold that.

8             MR. PRATT: I think this has more to do  
9     with, for example, let me give you an example, a  
10    type of scoring system that would evaluate applicant  
11    data. We also help our customer evaluate  
12    applications. And, for example, if you took my  
13    street name, my street name could be two words, it's  
14    in fact one word, it happens to have an E on the end  
15    of it, which by the way makes your house a lot more  
16    expensive apparently if you put an E on the end of  
17    anything. But suffice it to say you might find an  
18    identity theft perpetrator putting my address in as  
19    two words, and they might miss the E on the end of  
20    the second word, or they might drop one of the  
21    numbers, or they might flip one of the elements in  
22    my social, or they might spell my name S T E W as  
23    opposed to S T U.

24             Those variations might not be very evident  
25    to Bank of America automatically on its face, all of

1 that looks fine and there is an address that looks  
2 very, very similar to that, but we have systems that  
3 we are building today, and I say we, generically the  
4 companies, where they go out there and they build  
5 systems that will analyze those files, those data  
6 elements, and when they see that there's enough  
7 variation in this prediction, maybe the lender ought  
8 to look at that one again, even when nothing is  
9 materially wrong. So, I think that's an example of  
10 one of those for-profit products.

11 MS. FOSTER: That would be something  
12 separate from a consumer-placed fraud alert.

13 MR. PRATT: Correct.

14 MS. FOSTER: I can see why you would want  
15 those to be different, you want the banks to  
16 definitely know this consumer has reported fraud, as  
17 opposed to we have identified anomalies that may  
18 indicate fraud.

19 MR. PRATT: Exactly. And that is the  
20 challenge, anomalies that don't create a myriad  
21 false positives, what we call false positivies,  
22 where the credit grantor is overwhelmed with half  
23 the files coming in are indicating anomalous  
24 activity, if you will. So, there is a balancing act  
25 here with that.



1           MS. BENNER: So, if someone were to, say,  
2 pass a law requiring that information to be included  
3 in the fraud alert, that might cut down on your  
4 profits?

5           MR. PRATT: I don't think that's really  
6 fair, Janine. I mean we're talking about apples and  
7 oranges here. We are delivering the file data to  
8 the lender, just as I think every consumer expects  
9 us to. We are delivering a security alert to every  
10 lender, just as the consumer expects us to. We are  
11 going beyond the nature of the law to try to  
12 understand what our victims themselves have said.  
13 And they're our victims as well. We have to work  
14 with them as well. I think we're taking a

1     against the other, and say if you had a tool and you  
2     included that, then maybe that would make you the  
3     preferred credit bureau in a particular area and  
4     would look to more volume into those areas.  So,  
5     it's not totally a one-sided street where they have  
6     all the cards.  I think we do -- I'll be honest with  
7     you, my boss doesn't think it's quite as good a job

1       onerous nature of what's required to verify  
2       themselves to different institutions, so I was  
3       wondering if you would just give us an idea of  
4       what's required currently to verify from a temporary  
5       fraud alert to a permanent. Or more permanent, I  
6       guess not really permanent.

7               MS. SWEET: I think it's the same pretty  
8       much. For the temporary, there's no requirement,  
9       you just call and let us know and we don't put a  
10      phone number on at that point because we could be  
11      putting the criminal's phone number on there and you  
12      could be calling them and verifying. So, at that  
13      point with the initial one that goes on immediately,  
14      we just say please verify my identity before  
15      granting credit, and then that would give the  
16      consumer an opportunity to send us the proof  
17      documents, which typically are a copy of your phone  
18      bill and utility bill, but phone bill specifically  
19      so we can verify phone numbers. That's the one that  
20      we put on that stays on permanently.

21             MS. TERRY: We don't have a temporary, so to  
22      speak. When we talk to the consumer, we're  
23      verifying the information on their file and  
24      identifying information. We add the alert to the  
25      file for seven years. Although we do educate the

1 consumer that they can remove that at any time. I  
2 was a victim and I kept mine on about a year, and I  
3 felt that that was adequate and it worked.

4 MS. FOSTER: How do you distinguish in that  
5 circumstance between consumer victims and  
6 perpetrators when the request comes in to have it  
7 taken off?

8 MS. TERRY: Well, we require the request in  
9 writing to remove it and we think that that's very  
10 reasonable and most of the consumers like it that  
11 way. They would not prefer a call to be made to  
12 have that removed.

13 MS. FOSTER: Robin, I wanted to give you a  
14 chance to respond.

15 MS. HOLLAND: Sure. We certainly require,  
16 if you want the fraud alert removed, we, too,  
17 require that information in writing. In terms of  
18 information, we at he Equifax would like to say that  
19 California law in terms of a fraud victim submitting  
20 that police report, we accept a police report from  
21 all of the states, not just California.

22 MS. FOSTER: So, when a victim reports that  
23 they are a victim of fraud, you place it on a  
24 temporary fraud alert and then to get a more  
25 permanent one, you require a police report?

1           MS. HOLLAND: A police report would be one  
2 of those, the affidavits from the credit grantors  
3 could be something else, a utility bill could be  
4 some other documents that are requested to be  
5 submitted.

6           MR. PRATT: I just want to say, this is one  
7 of those challenging areas where as we all know that  
8 falsifying documents is easier today than ever  
9 before, in fact I think, Mari, we talked about your  
10 own situation, it's also easier to get a valid  
11 driver's license these days.

12           So, unfortunately, in society today we have  
13 a lot of points of entry, where in one sense we want  
14 more validation, authentication to make sure that  
15 we're offering the right governmental document or

1 crook on the street, but it's an example of the  
2 challenge we have, where we have thousands of proof  
3 documents coming in every month where somebody is  
4 falsifying BofA's letterhead.

5 So, again, it's not to say that that's an  
6 excuse for not doing anything, it's just part of the  
7 challenge we have in a desktop publishing world  
8 where almost anything can be produced and look  
9 pretty good.

10 MR. MCKEE: If I could make an addition to  
11 that. Two parts. One of our actual staff members  
12 wound up becoming the victim of identity theft and  
13 she had a lot of problems when she was trying to  
14 make her fraud reports because she had to have  
15 everything notarized. And she was lucky, on that  
16 score, because we have a notary in our office.

17 However, this can be quite difficult to  
18 someone, especially if they're in a rural  
19 environment, or if their bank does not offer free  
20 notarization service. I know my credit union  
21 notarises everything for me for free, but many  
22 people don't have that, and so this adds another  
23 level of financial things.

24 A notary may not be as expensive as the  
25 hours on the long distance phone call, but it still

1 is an added expense, and to some victims that we  
2 hear from on the phone, it's almost considered an  
3 insult, because from their perspective, the crook  
4 was able to get the information onto their report  
5 without much verification, and yet they're not even  
6 trusted to sign their own name.

7           The second thing that I wanted to mention is  
8 actually takes one step further back, and I thought  
9 it was important to mention, because I didn't --  
10 wasn't sure whether it would ever get mentioned  
11 anywhere else, and that was brought to mind by what  
12 Stuart just said about the Internet. It's important  
13 for people to remember, when they go online, not to  
14 fill out all of those forms immediately. I don't  
15 know how many times at the Internet Fraud Watch  
16 we've heard from consumers who a few days after they  
17 filled out that survey, or a few days after they  
18 filled out this huge long form with all of their  
19 demographic and personally identifiable information  
20 so that they could get a chance to win some fake

1 think your point is well taken, and since I plugged  
2 the Department of Justice and the Secret Service's  
3 workshop in December, I will do the same thing for  
4 the Social Security Workshop on Prevention which  
5 will be on Wednesday of this week, and they will  
6 talk in depth on topics about sharing information  
7 and how information can be compromised.

8 Your earlier point is one that we will --  
9 your notarization point, and it's a similar issue to  
10 getting a police report, it kind of under the rubric  
11 of burdens on consumers to verify their information  
12 will be talked about in panel 3, but it also has  
13 application here in terms of the consumer reporting  
14 agencies, and that's why I asked the question about  
15 what you're requiring, because often times, it's  
16 almost a toss-up, what's more difficult, to go to  
17 the police and ask them for a police report and then  
18 they say no, or to have to find a notary, if you  
19 are, as Phil said, in a rural area or just don't  
20 have access to a notary, like some of us who, you  
21 know, work in a lawyer's offices do. So, your point  
22 is well taken.

23 MR. PRATT: And Helen, that's why we have to  
24 be careful about choosing one document and saying  
25 well, there it is, that's the document. Because if



1 we choose a police report, for example, which we  
2 don't, that's not an impediment. I think that Robin  
3 has said that, for example, that's one on the list  
4 of a number of documents that we think could be  
5 helpful because it may be the case where the victim  
6 just can't have access to a notary to notarize some  
7 sort of document. And a lot of our documents are  
8 being faxed anyway.

9 So, it doesn't make a lot of sense to have  
10 some sort of notarized raised seal on it, for  
11 example. But we have to be careful about choosing  
12 the documents to make sure that they are ones that  
13 work but are not impediments to getting the job  
14 done.

15 MS. SWEET: And if I can speak on that, the  
16 notarization and the difficulty. In defense of the  
17 creditors who are going to be on the later panel, I  
18 know what that experience is, because we experience  
19 the same thing. Everything that we do to try to  
20 help consumers and make it easier, the criminals are  
21 just as quick to pick up on it and take advantage of  
22 it.

23 So, it's always a balancing act. Everything  
24 that we try to do to make it easier for the real  
25 consumers, we're opening the door for the bad ones.

1 And the lenders are in the same position on these  
2 documents. When you claim fraud, and they make it  
3 easy, then they're opening the door that the credit  
4 repair firms are sending us hundreds of thousands of  
5 disputes saying fraud. So, the lenders are getting  
6 these stacks of documents saying it is fraud, it's  
7 not mine, when, you know, only this many of them are  
8 real fraud. So, they're having to, you know, how do  
9 we deal with it. It's a challenge.

10 MS. FOSTER: I would like to get back to the  
11 victims right before we take more questions from the  
12 floor. And Nicole, in particular, I know that your  
13 experience was one where a fraud alert didn't  
14 necessarily stop, and I was wondering if you could  
15 -- stop further fraud, and I was wondering if you  
16 could expand on that from your earlier statements.

17 MS. ROBINSON: Yes, I placed a fraud alert  
18 on my credit reports on April 10th, and the criminal  
19 in my case, although she was arrested, and released,  
20 she was able to open new accounts in June, even with  
21 the fraud alerts on there. I know that she had gone  
22 to at least 15 car dealerships in June attempting to  
23 purchase a car, and only one of those car  
24 dealerships looked at that fraud alert on the credit  
25 report and called me. Although they didn't leave a

1 message, I did see when I got home later that they  
2 had called.

3 And I think it's irresponsible of these  
4 credit grantors to look at a fraud alert and even  
5 though they don't grant credit, not contact the  
6 consumer and say hey, this is going on. You know,  
7 it's just irresponsible.

8 MS. FOSTER: Thank you. Robert -- or I'm  
9 sorry, Eric?

10 MR. GRAVES: I guess in terms of the alerts,  
11 my son who had the alert put on earlier this year,  
12 he had one phone call from a department store I  
13 think that was a -- that was having someone try to  
14 access his ID, and he was able to respond  
15 accordingly, and say no, that's not me. And the  
16 other time, he didn't get any notification. I think  
17 as a victim, you would want to be bothered by that  
18 kind of information.

19 And I guess the question we've all got is  
20 why do these -- what do these places like Best Buy,  
21 all these computer stores and department stores, who  
22 do they go to to confirm that somebody's credit is  
23 viable? Do they go to the three agencies that are  
24 represented here or do they go to some central  
25 source, or do they sometimes just put it on hold and

1 say well, if the computer is down, we'll issue the  
2 credit now, and then get back to the computer  
3 verification later. They do have to be held to a  
4 higher standard than they're currently doing.

5 MS. FOSTER: I think if you ask ten  
6 creditors that question, you get ten very different  
7 answers, but generally we know that they are using  
8 at least one of the big three consumer reporting  
9 agencies to get credit information, and that's why  
10 the fraud alert plays such a vital role in stopping  
11 the continuing issuance of credit.

12 Diane, did you have something?

13 MS. TERRY: Well, it concerns me that some  
14 of the victims have said that the credit grantors  
15 are not looking at those, and that's certainly a  
16 problem. That's what that alert is for, it was one  
17 of the first processes that we established to help  
18 the consumer victim.

19 So, the fact that they're not -- that would  
20 be a problem. So, in addition to that, though, day  
21 in and day out, we do get calls from credit grantors  
22 that do look at those statements. We've had some  
23 very successful cases where someone goes to Circuit  
24 City or an electronics store and is applying there,  
25 and there's an arrest made, you know, right on the



1     our next topic which is going to be one-stop  
2     shopping, again the proposal that one call by a  
3     consumer could activate a fraud alert on their  
4     report for each of the credit reporting agencies.  
5     So, we're going to be coming back to that

1 Postal Commission, they established a really great  
2 procedure where when you move, the Postal  
3 authorities will send a postcard to your present  
4 address and the address that you're moving to, and  
5 if there is fraud, they ask you to, you know, verify  
6 it, have you really moved.

7 And it seems to me like that's really  
8 working very well. And I would just suggest that  
9 either the creditor be held to that, or the credit  
10 reporting agency be held to say someone has applied  
11 for credit at a different address, is this truly  
12 your address or is it not and clarify with us and  
13 update your credit report record. But the biggest  
14 issue for all of the victims that I think we talk to  
15 is there is always a change of address, unless  
16 somebody is going to do skimming or a quick bank,  
17 you know, quick access to your credit card, but if  
18 they're going to establish a whole profile in your  
19 name, they're going to get a new address. And that  
20 is probably, at least in my view, the biggest issue.

21 So, what do you think about having a  
22 notification like Postal authorities have, you know,  
23 either Barry or Stuart.

24 MR. SMITH: Let me say this, I think you may  
25 have mixed a couple of subjects together there. I

1 don't think there was always a change of address, at  
2 least the way a credit grantor looks at a change of  
3 address where somebody has infiltrated our file or  
4 managed to get somebody at our bank to make a change  
5 of address on an existing account.

6 MS. FRANK: No, I'm talking about new  
7 profile.

8 MR. SMITH: When somebody applies for credit  
9 with a different address, then that address is going  
10 to appear on the bureau, and that's going to appear  
11 whether the credit was granted or whether the credit  
12 was denied. The new address is going to appear on  
13 the record. We're certainly suspicious for a  
14 particular time frame, and we challenge addresses  
15 that are on file for particular time frames, and  
16 we'll vary those from time to time.

17 I think that it's a problem, because there  
18 are so many address changes that are out there, and  
19 I think that one of the things that I have asked the  
20 bureaus to look at, is to say if they could tell me  
21 as a credit grantor how many subscribers are  
22 reporting address A, and how many subscribers are  
23 reporting address B, then I would be in a much  
24 better position to determine whether this is a true  
25 application for fraud, or whether it's a fraudulent



1 application for fraud.

2 I know the people sent cards have them sent  
3 to their office address as well as to their home  
4 address, and those records are going to be out there  
5 on the file, but if over a period of time, and I  
6 think you mentioned that you had been a victim for  
7 many years before you found out that that was a  
8 problem, if I had applied -- or if you applied for  
9 credit at Bank of America and Bank of America looked  
10 at this and said gee, there are three accounts out  
11 here, or two accounts out here, that are reporting  
12 one address, and there's five out here that are  
13 reporting another address, and we looked at them and  
14 said they don't look like they're a home/work type  
15 address, we would be suspicious of that and we would  
16 follow up.

17 So, I think that's one of the things that I  
18 would like to see the bureaus look into. Now, back  
19 directly to your question, okay, your question about  
20 notifying people, I believe that's the law in  
21 California, starting in is it next July that all  
22 address changes to all credit grantors?

23 MS. FRANK: No, it didn't pass.

24 MR. SMITH: I understood that it did pass,  
25 and we are going to comply with that, because we

1 think that that's a good idea, and we think that's a  
2 good idea for across the country. We think it's a  
3 good idea to send -- I don't understand why it was  
4 defeated. It sounded like to me like it's a -- it  
5 would be a good law to follow.

6 MS. FOSTER: Stuart, do you want to briefly  
7 jump in here and then we have to move on.

8 MR. PRATT: Yeah, address management, Mari,  
9 as a whole, is a part of our discussions. You're  
10 right, it's both trying to -- I'm not sure, by the  
11 way, we're building our databases based on inquiry  
12 data coming in, we build our databases based on tape  
13 data coming in from the suppliers when the credit  
14 account has been opened.

15 So, we're not just loading in an inquiry, I  
16 don't believe, just because the inquiry data is  
17 coming in. So, just to clarify that.

18 But with regard to address management, it is  
19 on the table for continued discussions, but it is  
20 part of the competitive world of these big three  
21 companies, it's also part of trying to manage the  
22 large volume and make sure that you somehow identify  
23 the right pattern where it's different and where it  
24 it would be a victim's circumstance. It's out  
25 there, Mari, but it's a big chore working through

1 that one.

2 MS. TERRY: And, Stuart, if I could add,  
3 again Diane Terry, we have several alerts right now  
4 if the input address differs from the one on the  
5 file, you know, that alert is given out. It in  
6 itself alone, you know, it should not be taken as  
7 fraud, but it is a red flag that the credit grantors  
8 should be looking at it more thoroughly. Keep in  
9 mind, you know, that many of our consumers use home  
10 address, they will use a P.O. box or a work address,  
11 a student goes off to school, we may now have a  
12 temporary address. We have elderly that have two  
13 residents. So, it's very complex, but we are  
14 looking at any way that we can do a better job in  
15 assisting the fraud victim.

16 We have another alert system that mail  
17 drops, those are typically used by criminals. All  
18 of that data is added routinely and daily to our  
19 fraud alert system so that again another alert is  
20 given out so that the credit grantor can recognize  
21 again here's a red flag, take a look at your  
22 application, take a look at your consumer.

23 MR. PRATT: Also, our challenge is to make  
24 sure, and we're actually exploring this with the  
25 Postal Service in terms of their system. For

1 example, victims of spousal abuse don't necessarily  
2 want a card going back to the previous address  
3 saying we know you've moved, is this your new  
4 address. And so then do you send a card that just  
5 says generically we know you've moved, have you  
6 changed your address. And then of course in the  
7 context of fraud, does that just simply spur the  
8 perpetrator forward to say I have other identifying  
9 elements, so now I can call back to the credit  
10 bureau and say well, no, I haven't moved, I am at  
11 this old address, here's all of my other identifying  
12 information that validates who I am.

13 So, one of the challenges is to make sure  
14 that we're not just thinking we're solving the  
15 problem, there may be a difference in behavior  
16 between just a generic Postal Service kind of  
17 service versus somebody who has economic motivations  
18 to continue to perpetrate a crime.

19 We've got to stop the crime, but we've got  
20 to do it with the right tools in place, Mari.  
21 That's one of our challenges right now, and we have  
22 heard from individuals that there are concerns like  
23 that.

24 MS. FOSTER: Regretfully I think we have to  
25 move on to the one-stop shop or we won't get there.

1 As I explained previously, the proposal is that  
2 there would be one phone number, be it to one of the  
3 individual agencies, or to the identity theft  
4 hotline run by the Federal Trade Commission,  
5 877-IDTHEFT, that would effectuate a fraud alert for  
6 a victim at all three of the national consumer  
7 reporting agencies.

8 And I want to address this first to the  
9 victims on our panel in terms of if you could put in  
10 your mind had that been in place at the time that  
11 you began dealing with identity theft, can you give  
12 us an idea of the importance of that initiative or  
13 how it would have helped you, or if it would have  
14 helped you.

15 MR. GREER: In my case I think it would have  
16 helped an awful lot. Would I have depended on that  
17 solely, no. I've been so proactive in chasing down  
18 all of the different accounts and all of the other  
19 issues that I have contacted each of the agencies as  
20 well as all the creditors and their companies that  
21 have made inquiries on my account. So I would have  
22 used it just as a third avenue, if you will.

23 MS. FOSTER: Eric?

24 MR. GRAVES: I guess if I had known, I would  
25 have put it on immediately, too, but I also wouldn't

1 have stopped pursuing what other activity was going  
2 on, just like he said, and however, maybe if I had  
3 applied this alert first off, it would have been  
4 more credible to the, you know, reporting agencies,  
5 too. Because when I first started reporting  
6 miscellaneous incorrect data, you know, they did ask  
7 for ID, but maybe they wondered why there wasn't any  
8 alert on it to begin with. I mean, maybe there  
9 should be some procedures internally there, too. If  
10 there was a fraud alert, then other things -- it's  
11 not good to make assumptions, but at least some  
12 things would piece together.

13 So, I wasn't aware of that, like I mentioned  
14 at the prior morning session, that that fraud alert  
15 was an option to us, until actually the spring. And  
16 if it was in the material that was sent, I guess I  
17 didn't take it as serious as I thought it should  
18 have been, and it wasn't -- I guess regarding all  
19 those reports, some of them are text oriented, so as  
20 a result you don't know what's important and what's  
21 not. So, you really have to read every word.

22 And be that as it may, we didn't report it  
23 until later, but no other activity was put on during  
24 the course of the two years, either, so that was  
25 positive. But if it had been the other way around,

1 I would have regretted not putting it on earlier.

2 And if there was one place to give all the

1 this session what we're seeing as the hurdles, why  
2 haven't we moved further up until now and what can  
3 we do now to move further on this important  
4 initiative?

5 MR. PRATT: I think I can give you at least  
6 part of the response, and that is that one of our  
7 concerns as the consumer reporting industry is that  
8 once you have contacted us you have begun triggering  
9 a series of duties we have under the law. And I  
10 don't want to make the law a reason as an -- I don't  
11 want to make the law an impediment to doing the  
12 right thing, but keep in mind that even in trusting  
13 the FTC and saying we're going to do the following,  
14 and then the consumer misunderstands and thinks  
15 they've submitted their dispute, along with the  
16 fraud alert, so now there's more confusion rather  
17 than less confusion.

18 So, keep in mind, what you're suggesting is  
19 to re-orient the system away from the first three  
20 calls. Now, we ought to make sure that those calls  
21 get you through quickly and efficiently to the  
22 people that you need to speak with. I think that's  
23 the point that was made very clearly in the first  
24 panel. We've agreed in our initiatives that we will  
25 simply load a -- if you just leave your name and



1 information and say I've been a victim of fraud,  
2 with no additional validation, on a voice mail  
3 system, even on a weekend, we will load the alert,  
4 we will opt you out of prescreening and we will send  
5 you your file, you know, we will get it in the mail  
6 within three business days.

7 We have done that because we have heard  
8 consumers saying we want to escalate, we want to  
9 have assurances certain steps are taken quickly and  
10 efficiently. We don't want to be an impediment, but  
11 we do have certain duties under the law, and it's  
12 just difficult for us to know whether cycling  
13 through the FTC, consumers will assume our duties to  
14 have been triggered at a particular point or not.

15 MS. FOSTER: Well, the FTC, speaking on  
16 behalf of my own organization, has a long history of  
17 consumer education. I think we could take up that  
18 challenge of making sure that when consumers call  
19 us, as we do now, that they get the right story and  
20 they understand what the process is, if we could get  
21 the process in place to work.

22 The second thing that you mentioned is  
23 something we wanted to talk about on the fraud  
24 alerts and didn't get to, but if you are placing an  
25 automatic fraud alert, if you're calling as you're

1 saying and leaving a voice mail and your information  
2 by virtue of identity theft doesn't match what is in  
3 the file, we have consumers repeatedly telling us  
4 well, I called and tried to place the fraud alert,  
5 but it wouldn't take, because the fraudster's  
6 information is what's in my file, I can't verify  
7 anymore with the consumer reporting agencies who I  
8 am.

9 MS. BENNER: I think something that would  
10 help that is just to get a live person on the phone  
11 when you call a credit bureau. A lot of victims  
12 that I have spoken to say I go through, you know,  
13 number after number and I enter all my information,  
14 I don't know what happened because I'm not talking  
15 to anybody, any real person, and while I think  
16 one-stop shopping is a wonderful idea, I understand  
17 there are problems with funding that sort of a  
18 system. I think the first step is definitely just  
19 to make sure that the credit bureaus always have a  
20 live person on the phone to deal with victims once  
21 they call.

22 MR. MCKEE: I would like to agree with that.  
23 When we had the one member of our staff that tried  
24 to go through the process, she was pretty specific  
25 when I was brainstorming with my other staff members

1 that she really didn't get to deal with a live  
2 person except at one place. And she found that to  
3 be very confusing, very difficult, even though we  
4 give out information, we have brochures about  
5 identity theft.

6 So, though she doesn't work specifically on  
7 the fraud issue, she had ready access to all of the  
8 information about what she should be doing. She  
9 herself had a problem caused by the lack of  
10 communication, and the inability to make a direct  
11 contact with anyone except at Experian.

12 MS. FRANK: Not Experian.

13 MR. MCKEE: If I can expand on that. We  
14 were lucky in that one of our staff members is on a  
15 board at Experian, and so there was another traction  
16 method there.

17 MS. FRANK: You do not get a live person at  
18 Experian.

19 MR. GREER: I was in a situation where just  
20 this last August, my -- the whole ID theft began for  
21 me in March of '99. In August of this year, I tried  
22 to get all new accounts from all of the -- all new  
23 reports from each of the agencies, and I don't  
24 remember which one it was, but they've got an  
25 automated system where you enter in your address and

1 some other information and then they automatically  
2 mail you the credit report.

3 Well, the fraudulent address was in as my  
4 current address, and I could not talk to a real  
5 person, and I was asked to leave a voice mail  
6 message with all of my personal identification,  
7 which I will not do, but what I did leave is my  
8 phone number at home and at work and said that those  
9 numbers matched the numbers on my security alert,  
10 please call me. It's a way of verification.

11 My call was totally ignored. I got nothing.  
12 Ended up searching for a few hours and making dozens  
13 of phone calls and I ended up going in through some  
14 of the business offices down in I think it was  
15 Georgia, and I got transferred and I just worked my  
16 way through until I got somebody that could actually  
17 help me out.

18 They grilled me, which is the whole purpose  
19 of the fraud alerts in the first place, and when  
20 they finally said, I mean they're asking -- not only  
21 -- one of the accounts, they asked when I obtained  
22 it. They wanted a month, day and year. On the card  
23 itself, you have the month and the year. I haven't  
24 a clue what day you get a credit card, and I doubt  
25 that there's any person here that can say that. And

1 I pay off the balances every month, so I couldn't  
2 say what my balance was on one particular month or  
3 another. The person on the phone finally said the  
4 reason I'm putting you through this grilling is the  
5 address isn't matching, and then it clicked, and I  
6 said okay, if the address isn't matching, you either  
7 have this one, that one, this one, or the other one.

8 And I heard on the other end of the phone  
9 yeah, yeah, yeah, my real address was four or five  
10 addresses down, and once I got that established,  
11 everything was very well established and worked  
12 through. But -- getting through that stage is very,  
13 very difficult.

14 MS. FOSTER: I wanted to give Maxine and  
15 Robin a chance to jump in here and respond.

16 MS. HOLLAND: What we at Equifax really  
17 believe, we understand how difficult it is for fraud  
18 victims to go through and do everything that they  
19 need to do, and so what we do is give a special  
20 number to credit grantors, so if the consumer has  
21 notified the creditor grantor before anyone else,  
22 the credit grantor can give them an 800 number that  
23 allows them to speak to a live person. It is not a  
24 long BRU system, it says you can give an alert or  
25 press 2 for a live body.

1           So, we recognize that, and I think I would  
2     like to point out, as Deborah said this morning, I  
3     think there's always areas for us to improve. I  
4     think it's getting better, but are we where we need  
5     to be? Absolutely not. And we want to work  
6     together, because not one entity is responsible for  
7     identity theft, and not one identity is going to  
8     solve it alone. We must, must, must work together.

9           MR. MCKEE: I would like to suggest, though,  
10    that that number not be given to the credit  
11    grantors, but should be made more publicly  
12    available. Many times consumers are getting turned  
13    down for credit, that's when they request the credit  
14    report and discover that oh, my God, I don't have  
15    all -- I didn't have all of these accounts, I didn't  
16    request all of this stuff. But the credit grantor,  
17    when they turned them down, didn't realize it was a  
18    case of identity theft, the credit grantor turned  
19    them down because they had too much credit. And so  
20    this phone number isn't making it to the consumers.

21           MR. PRATT: Well, when the consumer has been  
22    declined and if they have gotten their file, then  
23    they do get a number with live personnel available,  
24    so at that point they do have live personnel.

25           MR. MCKEE: But often --

1           MR. PRATT: I'm not saying it's the whole  
2 solution, Philip, I'm just saying it's a question of  
3 let's make sure that we know in the right order when  
4 a consumer has acces to personnel.

5           MR. MCKEE: I agree, but unfortunately the  
6 live personnel at the dispute, at that line for when  
7 the person gets turned down for credit, are not  
8 always the best trained on ID theft. And we do  
9 have, we have heard lots of problems on that,  
10 because they get told, they're telling me this is my  
11 credit problem, it's not my credit problem, my  
12 credit has been stolen. And they are not getting to  
13 the right place in the reporting bureau.

14           MS. TERRY: If I can add to that, at Trans  
15 Union, we have been working in credit fraud many  
16 years, but in 1992, we actually had a group of  
17 dedicated associates that are familiar with that  
18 type of crime, and very familiar, deal with it day  
19 in and day out. We have 800 lines that go into this  
20 unit that over 100 associates that are there to talk  
21 to consumers.

22           Further, to, you know, we certainly are  
23 looking at any way that we can assist the consumer  
24 victims in a better, more accurate way, but right  
25 now, we do feel, and I'm convinced of it even more

1 hearing some of the victims speak, that allowing  
2 them to talk to an individual, I mean immediately,  
3 is the most satisfying and timely way that we can  
4 help the victim.

5 MR. GRAVES: Could I interject something?

6 MS. FOSTER: Sure.

7 MR. GRAVES: In terms of that, my son was  
8 turned down for credit for a used car loan, and it  
9 was turned down by Trans Union, that was the credit  
10 reporting agency that Lockheed had used at the time,  
11 but we couldn't get to any people, you know, it was  
12 all still a menu driven thing, and because that's  
13 the time that we first got notified of this, and he  
14 was only 19 at the time. Granted, I'm sure that  
15 your databases don't really check on age, but, you  
16 know, why didn't we -- this goes back to address  
17 changes, why didn't we get notification of this  
18 spurious address in Georgia where there wouldn't  
19 have been any traces for that social security  
20 number, or why didn't we get any kind of  
21 notification that I was listed as my son's spouse.  
22 You know, some of these kind of things would just be  
23 a little proactive to help in eliminating some of  
24 these things.

25 MS. FOSTER: Maxine, did you want to



1 respond?

2 MS. SWEET: Well, we are at this point  
3 automated, and the good news of that is that it  
4 makes our number available 365 days a year, you  
5 know, seven days a week, 24 hours a day kind of  
6 thing. We, too, recognize that we still need to  
7 improve the access, especially when the automated  
8 system fails. But I would also point out -- well,  
9 another point is that we only have the one number,  
10 so no matter where you get referred to us, you will  
11 always have the fraud option or the option for all  
12 the different situations that you might -- why you  
13 might be contacting us.

14 And then -- I lost my other point. Oh, the  
15 other point I wanted to make is in terms of one-stop  
16 rpoint. Oh, the

especwul

1 hotline, when you call here to get information or to  
2 file your complaint with the Federal Trade  
3 Commission, in addition to telling you you need to  
4 place these fraud alerts, we do provide the  
5 information on consumer reporting agencies and how  
6 to contact them and the other steps that you need to  
7 take. So, those sources are available.

8 I want to go back to the floor, we only have  
9 a few more minutes left, so I am not going to get to  
10 everybody and I apologize. Let's go all the way  
11 over here on the left.

12 MR. CARMODY: Frank Carmody from the New  
13 Jersey Division of Consumer Affairs. Have the  
14 credit reporting agencies had experience with phony  
15 claims of ID theft? In other words, just for that  
16 person to perpetrate things where they've gotten  
17 credit and don't want to pay for it type of things,  
18 and also, how much have they found collusion with  
19 the credit grantors in putting phony applications,  
20 let's say, through in order to gain credit for  
21 someone else on that side as to finding out that the  
22 actual, let's say loan company or jewelry store or  
23 something, employee is doing it.

24 MS. TERRY: Diane Terry, Trans Union. Yes,  
25 we do get, you know, fraudulent documents. We've

1 received fraudulent police reports as bold as the  
2 criminals are, they have no problem doing that. The  
3 collusion, that would be a very care rare unusual  
4 situation, typically that's not the case at all in  
5 identity theft.

6 MS. FOSTER: Robin or Maxine, do you want to  
7 add to that?

8 MS. SWEET: Yeah, I checked, and especially  
9 like in California with the police report, the  
10 estimates are maybe as much as 10 percent of those  
11 are fraudulent. So, just it opens the door.

12 MS. HOLLAND: We do get some of that as  
13 well, but we have a special unit within Equifax that  
14 handles those type of things and I really wouldn't  
15 want to comment on what we do to pursue that, but  
16 just as Diane said, we really don't have any  
17 knowledge of collusion.

18 MS. FOSTER: All the way in the back on this  
19 side.

20 MS. LEWIS: Janice Lewis from the U.S.  
21 Postal Inspection Service, the victim witness  
22 coordinator. My question is, are you standardizing  
23 or thinking about standardizing processes for law  
24 enforcement agencies?

25 I had a situation where some victims were

1 contacting the credit reporting agencies and they  
2 were -- some of the agencies were asking for case  
3 numbers or complaint numbers and other agencies  
4 weren't. So, are you trying to standardize  
5 processes for law enforcement agencies?

6 Also, real quick -- that's fine.

7 MS. FOSTER: So, the question is  
8 standardizing processes for law enforcement  
9 communication? Diane?

10 MR. PRATT: Let me just respond on behalf of  
11 the industry and that is that I think it's a great  
12 suggestion. We have been in touch with the Postal  
13 inspectors in a couple of regards. One of which is  
14 to help with the effort to educate law enforcement  
15 about the need to issue police reports and about the  
16 need to investigate the crime and what are some of  
17 the criminal statutes that are out there on the  
18 books today. But as an extension of that, I think  
19 it's a great suggestion, that if we can work in our  
20 fraud areas to make sure that we're asking for the  
21 same information and there's consistency there, that  
22 seems to be exactly why we have this task force in  
23 place within our industry. I don't know if  
24 individually the members have anything to add.

25 MS. TERRY: Well, Mari had mentioned the

1 California law relating to police reports, and I do  
2 know at Trans Union, long before that law existed,  
3 the police report was still a very vital part of  
4 information that was supplied to us by the consumer  
5 victims. So, we've been looking at police reports,  
6 you know, for years. But certainly the police  
7 report and the California law changed our process,  
8 and we do accept them nationwide. It can be a  
9 Postal report. We know Postal inspectors, we deal  
10 with them, you know, on an ongoing basis as well, in  
11 the area of identity theft.

12 MS. FOSTER: Any questions? Right back  
13 here.

14 MS. NEWHOUSE: Joan Newhouse. I'm not clear  
15 as to who is responsible for the initial  
16 notification of the victim, and to give a quick  
17 antedote, which is similar to what Eric's experience  
18 was. I was speaking with a gentleman who was denied  
19 credit from a banker that he knew and had known for  
20 a long period of time. He then asked for his credit  
21 report and found that there was another gentleman  
22 who had the same first name and whose social  
23 security number was one digit off. This gentleman  
24 lived in Houston, the person I spoke with lived in  
25 the Dallas area. They had different spouses,

1 different addresses, different dates of birth, the  
2 only thing that was similar was their first name,  
3 and their social security number was one digit  
4 different. And yet he had never been notified until  
5 he was applying for a mortgage on a second home, and  
6 this friend of his who was a banker had said this  
7 fellow is on your credit report.

8 MS. FOSTER: So, your question is at what  
9 point does a consumer get notified of --

10 MS. NEWHOUSE: Right, and should there be  
11 some responsibility if the person who picked it up,  
12 I mean there was -- that would have -- it was a  
13 mistake, it started as a mistake, and somehow their  
14 credit reports were merged, yet this person who had  
15 -- was the one with the good credit and the other  
16 one had very bad credit, was never notified by  
17 anyone that it had happened, even though they didn't  
18 even have the same last name. They did not have the  
19 same last name, the same spouse, the same date of  
20 birth or the same address.

21 MS. FOSTER: I think this takes us a little  
22 further afield from identity theft into what the  
23 bureaus I know refer to as a mixed file problem,  
24 which is something that they work on and have  
25 different processes to identify those types of

1 anomalies. Do any of you want to speak to that?

2 MS. TERRY: Yeah, I would think that sounds  
3 like someone with very similar identifying  
4 information but not credit fraud as we're talking  
5 here on identity theft.

6 MS. NEWHOUSE: But whatever the notification  
7 process would be would be the same type of  
8 notification process that should apply to an  
9 identity theft victim.

10 MS. FOSTER: It's a little different,  
11 because usually the onus is on the consumer when  
12 they discover that they are a victim of identity  
13 theft to identify that to a consumer reporting  
14 agency, which may not necessarily know that this  
15 information is anomalous or they think that one  
16 person has several addresses or that kind of thing.  
17 So, it is a little different in the respect that if  
18 it's not, you know, a fraud situation where a  
19 consumer has been notified by multiple creditors  
20 that there are multiple fraudulent accounts, that  
21 the consumer is usually the first person to know.  
22 So, they are the ones on the front lines saying to  
23 the consumer reporting agencies, this is a problem.  
24 So, in your situation, they found out because an  
25 alert creditor realized that there was this

1 anomalous information, but unless it's picked up  
2 that way or by the consumer themselves checking  
3 their credit report or through some sort of anomaly  
4 package, there's no way, you know, that's the first  
5 --

6 MS. NEWHOUSE: So, there's no proactive  
7 mechanism?

8 MR. GRAVES: Yeah, that's the problem, I  
9 think. I mean there's enough technology out there  
10 to parse data and compare what's what. I know there  
11 are all sorts of ramifications, especially like the  
12 one that was cited like spousal abuse and stuff, you  
13 certainly don't want information going to the wrong  
14 sources for those kind of reasons, but you don't  
15 normally get notified of this until you're in a  
16 crisis, it turns into a crisis mode. You're trying  
17 to apply for a home or you're trying to get a car  
18 loan. All of a sudden it's all stymied and you have  
19 to go 360 degrees around and then you have to fight  
20 this as well. So, I don't see why it isn't really  
21 the same thing.

22 MS. FOSTER: That is a topic that needs  
23 further attention, I think, and in terms of being  
24 able to monitor credit reports. We suggest that the  
25 Federal Trade Commission recommends that consumers



1 check their credit reports at least once a year and  
2 be very rigorous in that check for any information  
3 that doesn't look right to you, inquiries that don't  
4 look right to you, accounts that you don't  
5 recognize. But as Stuart mentioned earlier, there  
6 are also processes that work where n't looFo

## 1 AFTERNOON SESSION

2 (2:00 p.m.)

3 MR. STEVENSON: I think we're ready to start  
4 again. If everyone would like to take a seat, we  
5 would appreciate it. We're ready for our next panel  
6 this afternoon. Before we start that, though, I  
7 just wanted to mention a couple of things. Just a  
8 couple people said that a lot of this is about  
9 raising awareness of what's happening, and I wanted  
10 on that subject to make sure that everybody was  
11 aware of the brochure that's in your pamphlet that  
12 you received this morning When Bad Things Happen To  
13 Your Good Name.

14 This is something that we at the FTC have  
15 handed out to ID theft victims and that other  
16 institutions have also handed out to ID theft  
17 victims, and we just want to emphasize this is  
18 available to be reprinted and be handed out by your  
19 organization. We can get you copies, Photo Ready or  
20 on ZIP Drive to get copies made, and we would  
21 suggest this is a really helpful first step to  
22 provide to the victims, and I just wanted to make  
23 sure that we didn't fail to mention that.

24 On the subject that came up this morning, I  
25 think Mari mentioned the importance of making sure

1 the law enforcers were aware of the information  
2 that's available to them when consumers provide it  
3 to us, and we would encourage any law enforcement  
4 people with interest in finding out more about that  
5 to contact us to (202) 326-2913 or by Email to  
6 Sentinel@FTC.GOV, S E N T I N E L to FTC.GOV.

7 And finally, for consumers reaching us,  
8 obviously we would encourage you, if you have an  
9 identity theft complaint, to call 1-877-ID-THEFT or  
10 also visit us at the web site WWW.Consumer.  
11 Gov/IDTHEFT.

12 With that brief commercial message over  
13 with, we'll move on to panel three, Clearing up the  
14 Victim's Credit History, and this is moderated by  
15 Betsy Broder, Assistant Director from the Division  
16 of Planning and Information, and also Bill Haynes,  
17 who's an attorney in the Division of Financial  
18 Practices here at the FTC.

numb was( 10? of Planning and Info2ling and InfoThank T\*( )Tj  
25EFT.

1 in the process for identity theft victims and talk  
2 about how the victims report identity theft to  
3 creditors and to law enforcement. Our consumer  
4 education material that Hugh referred to advises  
5 consumers to do three things immediately upon  
6 discovering that they're victims of identity theft:  
7 First, contact the three major consumer reporting  
8 agencies; second, contact each of the creditors or  
9 other entities where a fraudulent account was opened  
10 or where your identity was corrupted; and finally to  
11 file a police report.

12 We're going to focus on the second and third  
13 of these issues this afternoon and ask if currently  
14 these practices are accomplishing allvecloc 9 ntly



1 this system so that a consumer, a victim of identity  
2 theft need not fill out a different fraud affidavit  
3 for each creditor or financial institute. They  
4 would fill out this one form, attach their  
5 supporting documentation and send it to everyone.

6 But let's talk about the other point here  
7 which is reporting to law enforcement, which is very  
8 important. We heard about it this morning. What is  
9 law enforcement doing to take these complaints?  
10 What are they doing with the information that they  
11 receive from victims? Can they help victims in  
12 reporting this fraud? What are police best  
13 practices in dealing with victims of ID theft, and  
14 what about law enforcement that still does not see a  
15 consumer as the victim of ID theft but still focuses  
16 only on the financial institution that may have  
17 assumed most of the financial loss?

18 I'm confident that we can address and make  
19 meaningful progress on these issues in the next two  
20 hours or so. We have representatives from -- key  
21 stakeholders in this discussion, from banks, from  
22 creditors, law enforcement, and we also have the  
23 guidance from victims, from consumer advocates and  
24 others in this area.

25 So to this point I would like to introduce

1 our panelists, and let's get to work. Starting on  
2 my right, your left, our report performer Joe Genera  
3 who is a victim of identity theft and hails from  
4 Connecticut. Next to him is James Fishman, an  
5 attorney from New York City who has represented  
6 victims of identity theft. He's with the firm of  
7 Fishman, Neil & Armentrout.

8 Nicole I don't see, but Linda Foley, who has  
9 confounded me by moving her space is the executive  
10 director of the Identity Theft Resource Center. Oh,  
11 my goodness, why did you do this? Jim Flynn next to  
12 Linda is with the Bladensburg Police Department and  
13 also is a key member of the International  
14 Association of Chiefs of Police.

15 And Judith Welch sits next Thompson. She's  
16 an assistant vice president of Chase Manhattan Bank,  
17 and to my right sits Patsy Ramos from SBC Services  
18 hailing from California. To my left is William  
19 Haynes, who as Hugh said is an attorney, an expert  
20 on financial and credit laws from our division of  
21 financial practices.

22 And to his left is Barry Smith, the senior  
23 vice president for fraud, police and strategy with  
24 the Bank of America. Jack Jordan, no. Janine  
25 Movish is with, don't tell me, vice president of

1 risk and fraud services, GE Capital.

2 And who is sitting to her left?

3 MR. JORDAN: Jack Jordan.

4 MS. BRODER: Thank you, and Jack Jordan is a  
5 lieutenant with the Los Angeles County Sheriff's  
6 Department, and I'm hoping that Debra North -- that  
7 looks nothing like Debra North, talk about identity  
8 theft, Werner Raes who is with the Anaheim Police  
9 Department and who is also a long time concerned  
10 person with the prosecution of identity theft.

11 Is there anyone between him and Shannon  
12 McCallum? Yes, Debra North, a victim of identity  
13 theft who is helping us out today and seeing these  
14 issues from a victim's perspective. Next to her  
15 sits Shannon McCallum from Travelocity.COM who has  
16 taken a lot of initiatives to address ID theft as it  
17 affects his industry, and next to him Robert Cross  
18 joining us from National City Bank.

19 What I would like to do, as I mentioned, is  
20 hold off on our discussion of the fraud affidavit  
21 until the second half. We will be talking for about  
22 an hour now. We'll take a break and then reconvene  
23 and address the model fraud affidavit.

24 I would ask people when they talk to  
25 identify themselves by name, please. We have a new



1 court reporter, and it would be very helpful for her  
2 if she could get all the right names in the record.

3 I would like this panel to be as  
4 conversational as possible. I would like to see  
5 interaction between the members, to the extent we  
6 want to hear from you in the audience as well, but I  
7 would ask for the audience to more or less hold off  
8 until we can sort of develop a momentum on our own  
9 on this panel.

10 So I would like first to start out and ask  
11 the question generally, and I think among --  
12 directed mostly to our creditors sitting on the  
13 panel of what you found to be best practices that  
14 have been adopted by your company for taking fraud  
15 reports and proving the fraud for identity theft  
16 victims and maybe, Barry, I will open up with you.

17 MR. SMITH: I would be glad to. We see  
18 disputes about identity theft and fraud applications  
19 coming in from several different ways. The most  
20 common seems to come in from our collection folks,  
21 when they place a call to somebody and say, "Where's  
22 our payment," the people that can't make a payment  
23 turn around and say, "I don't think I ever applied  
24 for that card, that's not my transactions, I'm not  
25 responsible for them."

1           Well, we've wrestled with this within the  
2 bank going back and forth about just what do we do.  
3 Here's a dispute. How do we resolve it as quickly  
4 as possible and get back on track doing the day's  
5 business and yet handling things correctly for the  
6 consumer?

7           The process we came up with is we pull a  
8 copy of the application. We attach a questionnaire  
9 to it, and we send it to the customer with a letter  
10 that says, Please review the application, comment in  
11 the questionnaire about the information on the  
12 application, send it back to us within 30 days, and  
13 if you read the application and you recognize the  
14 information as being yours, then you don't have to  
15 go through the problem of sending it back. 30 days  
16 later we'll resume collection efforts so we will  
17 expect that you will have started to pay your bill.

18           We found this process to be very well  
19 received by our customers, and we get back a  
20 tremendous amount of investigative information.  
21 People tell us that they did live at that address.  
22 They tell us the name of the people. They tell us  
23 this may be an ex significant other. It may be a  
24 friend that lived with them for a little period of  
25 time that's gone out and applied for credit in their

1 name.

2 In a lot of cases they just own up to the  
3 fact that -- or don't really come back to us and  
4 tell us, but they just accept the fact that the  
5 application is really theirs.

6 60 percent of the documents that we send out  
7 this way are just accepted by the consumer, so that  
8 means that more than 50 percent of the people that  
9 are telling us on the phone that they don't  
10 recognize the account, they have nothing to do with  
11 the account, once they see the application, they  
12 accept responsibility for it.

13 Now, of the people that send it back to us  
14 and say, "I had no part of that, however here's the  
15 person that did," this is still a fraud application,  
16 and they are usually pretty happy to tell us how we  
17 can get in touch with that person, especially if  
18 there's been a relationship in the past and they  
19 know where that person is today.

20 Once we get that information, then we can  
21 either go set up a billing account for the second  
22 person. We can start collection efforts with them.  
23 We can clear the bureau for the primary person  
24 that's on the application if in fact they had  
25 nothing to do with it, and everybody can get back to

1 their normal business.

2 In the cases that we get the dispute back  
3 and then proceed to find the other person to get  
4 them to take responsibility for the application or  
5 the debt, about 50 percent of the ones that are  
6 returned to us, we actually find the other person  
7 and resume collection efforts with that other  
8 person, so that kind of skinnies the number down  
9 quite a bit.

10 The other place where we get our  
11 applications are, of course, just normal consumer  
12 disputes coming to us because they found something  
13 on the credit bureau, and they've contacted us. In  
14 those cases we do the same thing. We pull a copy of  
15 the application, send it to them with the  
16 questionnaire, and we get back a tremendous amount  
17 of leads and information also through that source.

18 So I think that if there's something that  
19 Bank of America feels that they're doing right in  
20 regard to this dispute process, it's just this  
21 because we are giving the people the information,  
22 and we're letting them make the decision about  
23 whether or not it's fraud.

24 MR. FISHMAN: I want to commend Bank of  
25 America for that practice because I think you're the

1       exception. Most of my clients have a very hard time  
2       getting the application when they ask for it when  
3       they've been a victim, and often that can clear up  
4       the problem very early on, and I think Bank of  
5       America may be the exception in that area as opposed  
6       to certain other banks.

7               MR. SMITH: Thank you. But let me ask you  
8       this question: If you can't provide the  
9       application, then how can you continue with  
10       collecting the debt?

11              MR. FISHMAN: I don't know that it's an  
12       issue that they can't. It's that they won't, and I  
13       don't know why they won't because it seems to me  
14       that your rationale of giving the application is a  
15       sound one, and it should be one of the first  
16       responses when somebody says, Fraudulent activity or  
17       not my account because often I've seen -- finally  
18       sometimes it takes litigation to get the  
19       application.

20              And when I see that application in  
21       litigation, I say, "Well, they didn't even spell my  
22       client's name right, and if we had gotten that  
23       application long ago, we could have cleared this up  
24       long ago and we wouldn't be in this lawsuit now."

25              MS. BRODER: Let's see what the other

1 creditors are doing. Thank you, James. Patsy, am I  
2 right, to SBC Services, what is your process?

3 MS. RAMOS: We're a telecommunications  
4 company, and our process differs depending on what  
5 region. Currently we've used the opportunity of  
6 merging companies over the last few years to go in  
7 and take a look to what the existing processes are  
8 in each of the regions and to try to pull out of  
9 there what is best practice.

10 And what we're aiming to do is to reengineer  
11 the process to take in what we learn from the work  
12 being done here and to centralize the claim handling  
13 for all of the three regions.

14 So what do we do today? Basically, although  
15 the processes differ, when we get a customer that  
16 calls us to tell us that they have no knowledge of  
17 the telephone debt on their account, we ask them to  
18 provide proof of residency during that period of  
19 time. We do ask them in the states where they can  
20 place a police report to do that, and we ask them to  
21 sign the affidavit, send it to us so that we can  
22 exonerate them from the debt.

23 MS. BRODER: Do you provide them with copies  
24 of the application for the account or any of the  
25 documentation about the account?

1           MS. RAMOS: That's a good question, and I  
2 think it's probably typical for the  
3 telecommunications industry that the service  
4 application is done over the phone, and it's not  
5 done in person.

6           MR. FISHMAN: Sometimes there's a tape --

7           MS. RAMOS: No tape.

8           MR. FISHMAN: -- over the phone.

9           MS. RAMOS: No, no tape, and so there is no  
10 application to provide the customer, and it also  
11 brings up a question that we're kind of struggling  
12 with right now. When a customer comes to us and  
13 says that I have no knowledge of this account or we  
14 identify that they're serviced to a different  
15 address and they become aware of this, they want the  
16 information regarding that fraudulent account to try  
17 to understand where was the service installed, what  
18 was the telephone number.

19           And we're struggling with whether or not --  
20 because of privacy issues and also because of risks  
21 of whether or not that's information that we want to  
22 provide to the victim of identity theft, our concern  
23 is that they may want to go by there and confront  
24 the person which could be a problem.

25           MS. BRODER: I'm moving to the online world,

1 Shannon, what do you do to Travelocity?

2 MR. MCCALLUM: You bet. We're kind of  
3 unique, the Internet is. It's growing every day.  
4 We don't actually issue credit. You dial in or you  
5 go through your web browser to our site. We are a  
6 web portal so you use your Internet service  
7 provider. You come to us looking for airfare,  
8 hotel, rail, et cetera.

9 We provide a list of those services. We  
10 take your transaction online, pass it through to  
11 that actual carrier, for example. What we see is  
12 identity theft left and right, hotels, rental car  
13 agencies, et cetera, et cetera. Your information is  
14 mined there. Usually they have the right to have  
15 that. They are a merchant. They've already  
16 verified your billing address, and perhaps you're  
17 open to buy.

18 We say, "No, you have a little bit more  
19 left." They come to our site or any of the Internet  
20 sites, and they establish a profile to conduct  
21 business, and they pose as you and in turn book a  
22 flight for themselves or somebody else who needs to  
23 fly, and most of those flights are related to other  
24 criminal enterprises.

25 To this time, when we do find out that a



1 flight has been booked through ID theft as far as  
2 use of credit card, we want to immediately --  
3 because we can pinpoint people usually to a  
4 particular space and time, to an airport terminal,  
5 to a city on a particular date. We want  
6 documentation right then and there from the true  
7 credit cardholder, and we get that from the issuing  
8 bank.

9 And we need something from you right a way  
10 that a police department will take, and we've been  
11 very successful with this program, with the port  
12 authorities, with the airport police, with the  
13 federal agencies if it's an out of country, and  
14 we're to 100 percent prosecution right now.

15 MS. BRODER: It seems to me a pretty fast  
16 turnaround for a consumer to realize that their  
17 account has been accessed in order to obtain travel.

18 MR. MCCALLUM: It is, absolutely.

19 MS. BRODER: And you're able to be there at  
20 the gate to welcome the traveler home. How often is  
21 it that a consumer would be aware that quickly?

22 MR. MCCALLUM: Probably one out of every  
23 five, but we still feel like that's a good rate, and  
24 we're trying to increase that every day. Being an  
25 Internet company, there are certain Email accounts

1       that you can just imagine that are only used for  
2       fraudulent purposes.

3               They get to us by using an IP address which  
4       is a definite string of numbers. We report that to  
5       the ISP security department at the individual  
6       Internet service providers. We do everything that  
7       we can. It is literally a net that we throw out. I  
8       try to catch as many people as we can.

9               With that in mind, we need something, either  
10       something that's been provided to the issuing bank  
11       as far as an affidavit or we have a little to go by  
12       form that we hope to replace with something more  
13       permanent.

14              Once I give that and it's notarized, most  
15       police departments, with us also being a victim, and  
16       under UCC since we do not collect a signature, it's  
17       all on us so we are a victim, and we will send in a



1 years, so we don't know -- what worries about that  
2 is that they may come back to some point as some  
3 creditors do, will come back at some point, either  
4 show up again on the credit report or start hounding  
5 us for the money.

6 One of them we're talking about, we got  
7 cleanly out from, we have actual letters from them,  
8 yes, this is a fraud account, we won't be bothering  
9 you anymore.

10 MS. BRODER: I'm going to ask people, we're  
11 kind of squeezed in here, but we need both mikes in  
12 order to be picked up. How long was the process for  
13 those banks or entities that had good practices and  
14 got back to you?

15 MR. GENERA: The first three legitimately  
16 went away -- I believe we notified in November, they  
17 went away by January or February, so three -- about  
18 two or three months. Average for the good guys were

1 that they helped you with?

2 MS. NORTH: Right. It's only been two and a  
3 half months, so I don't think I've given it enough  
4 time to get the complete response, but the customer  
5 service department is friendly enough and they take  
6 your information, but as far as forwarding you to a  
7 fraud department and finding out that they're  
8 actually following up with it, I had one creditor  
9 who took the information and said they would take  
10 care of it, and I said, Please send me a letter  
11 confirming this discussion.

12 And they sent me a letter, but they  
13 addressed it to the other person, so that was  
14 upsetting, and it just continues to -- I don't think  
15 they really get the picture or listen to the story  
16 sometimes, and I think the fraud department and  
17 these institutions could really be worked on.

18 MS. BRODER: Were there any other thoughts  
19 on best practice? James.

20 MR. FISHMAN: Yes, one that I think you  
21 touched on briefly is whether you get hooked up to  
22 somebody in the customer service department or the  
23 fraud department makes all the difference in the  
24 world, but one thing I hear all the time from  
25 clients is that every time they have to call in,

1 they get to deal with somebody different from  
2 scratch and start all over again from the very  
3 beginning.

4 For some of the people who have maybe the  
5 more severe cases, I don't know, but if they were  
6 assigned a fraud assistance person in the fraud  
7 department who knew their problem from the beginning  
8 and they didn't have to go over it every time, who  
9 they could get a direct line to and not have to be  
10 on hold for 20 minutes or so, that would go a long  
11 way even just to give the consumer a sense that they  
12 are helping them and not feeling like just a number.

13 MS. BRODER: Robert Cross, what do you think  
14 about that?

15 MR. CROSS: Well, we have a distinct  
16 advantage of being a relatively small credit card  
17 issuer with several million credit card accounts,  
18 and we do that. We assign a case worker in every  
19 case that comes up, and they work the case and work  
20 with the consumers.

21 They also have affidavits customized for  
22 each type of fraud. We've got for account take  
23 over, you wouldn't necessarily want to provide that  
24 information, and you do have to be careful and make  
25 sure you're not conversing with the wrong parties,

1 so it's always a challenge.

2 MS. BRODER: Let's talk about that.

3 MS. FOLEY: May I jump in for a minute?

4 MS. BRODER: Please do, Linda.

5 MS. FOLEY: Linda Foley, and besides being a  
6 victim advocate, I'm also a victim of identity  
7 theft. For those who don't know, my employer stole  
8 my identity. The information I gave her in terms of  
9 employment was what she took and used to buy her  
10 credit cards and cell phones.

11 I found out quickly because Citibank VISA  
12 called and wanted to confirm a change of address  
13 which got me on the process. The only way I found  
14 out who was doing it and I found out so rapidly was  
15 I was able to get an application form from First  
16 USA. that was how I could point to the person who  
17 did it.

18 The police were out there with a search  
19 warrant within three weeks. It did end in  
20 conviction, and she was eventually -- she is a  
21 convicted felon now out on probation unfortunately.  
22 You would always like to see more, but the idea of  
23 getting an application, and we're going back to that  
24 again, is so important.

25 The one group that I couldn't get an





1 this several times today that if consumers were only  
2 given access to the application form, it would  
3 really go a long way, and, James, you've mentioned  
4 that sometimes you've had to actually litigate to  
5 get access. How successful have those litigations  
6 been?

7 MR. FISHMAN: Once you get the -- just  
8 looking from a problem solving perspective, once you  
9 get that document and you say, Here's the signature,  
10 it doesn't match, it isn't even close, they didn't  
11 even spell the name of my client correctly, so the  
12 chances that a court is going to find that my client  
13 is the one who opened this account is pretty slim,  
14 and those cases tend to get resolved.

15 But as I said before, it shouldn't have to  
16 go that distance. I'm sure that -- as an attorney I  
17 try to avoid litigation, I really do, because it's  
18 very often not in my client's interest either, but I  
19 find that I am often forced as the only -- the only  
20 way I can go to solve the problem is to go that  
21 route when my client has tried and failed and I've  
22 tried and failed.

23 And it does raise another problem, which I  
24 want to mention, which is as an attorney we -- as  
25 the FTC has said that we are covered by the Credit

1 Repair Act under the FCRA, and that makes it more  
2 difficult for attorneys who really want to help  
3 consumers who have been unable to help themselves,  
4 and that's something I want to throw out to the FTC  
5 to change so that it is easier for lawyers who want  
6 to help consumers to do that because what we're  
7 forced to do is bring lawsuits because that's exempt  
8 under the act, but non litigation resolution is  
9 covered by that.

10 So that's something that would make it a lot  
11 easier for lawyers to help consumers who have been  
12 unable to do it themselves.

13 MS. BRODER: Thank you. I think I want to  
14 open this up a little more for our law enforcement  
15 participants too and to talk for a little bit about  
16 the balance between making it easy for consumers to  
17 report fraud but also making certain that they are  
18 bona fide victims and not simply people trying to  
19 get out of debt.

20 So I think this actually encompasses all of  
21 us, whether law enforcement and private industry and  
22 our victims on the panel, but I would ask, Jim, if  
23 you have some thoughts on that and taking reports.

24 MR. FLYNN: Well, I'm an advocate of the  
25 police throughout the nation taking reports, the

1 initial report from a victim. Sometimes we get a  
2 little lazy. Sometimes we don't want to take a  
3 report, but regardless, I've put it to my chief of  
4 police who has taken it to the International  
5 Association of Chiefs of Police.

6 They are presenting it in November, I  
7 believe it is in San Diego, to make it a national  
8 policy. Don't know if it's going to happen.  
9 They're going to present it. It probably is going  
10 to take at least another year for it to become  
11 standard throughout the United States, but we are  
12 attempting to get that pushed in one direction, and  
13 that is for -- if you are the victim of identity  
14 theft or fraud, that you should be able to contact  
15 your local police department where you live and  
16 report that.

17 We take accident reports. We take theft  
18 reports. We're not there when the theft occurs, but  
19 we take the report anyway. 90 percent of the time  
20 we're not there when the accident occurs, but we  
21 take the report anyway.

22 So there really isn't a reason why we  
23 shouldn't because it doesn't qualify as an actual  
24 crime to that point in time. We just want the  
25 report written that there is a victim, that the

1 officer specifically met with that individual and  
2 that a report was written.

3 Now, the flip to that for most people that  
4 don't understand is that that means that you are  
5 reporting to me that you're the victim of fraud. I  
6 really don't know who you are any more than I know  
7 who most other people are.

8 So while I'm taking this report and  
9 everybody is real, real comfortable now that the  
10 police officer is taking that report, you want to  
11 keep in mind that the officer doesn't know these  
12 people that are making the report. He's only going  
13 to try to do the same thing that the banks and  
14 everybody else are doing, and that is look to some  
15 identification and things of that nature.

16 If you have good false identification  
17 documents, passports, things like that, you could  
18 probably scam most of the police officers out here  
19 to a certain degree, so we're not the total answer,  
20 and why the bank would require a police report when  
21 the bank's not going to get a scope of the police  
22 report, they just want the number.

23 I've been doing it for 21 years. I've  
24 gotten five requests from the bank regarding those  
25 reports, so why they want a number, I don't know,

1 but they want a number. I personally believe that  
2 if that's what they request, they should get one. I  
3 also believe in the FTC's database, and I will club  
4 this forever, if you're the victim of fraud and you

1 in bed going to sleep, I'm the one that's out here  
2 hitting the door with a ram trying to get into the  
3 house to get the evidence to catch the bad guy.  
4 That's how I do my best for you, the victim, is to  
5 catch the bad guy.

6 So the FTC database and their hot line  
7 number takes care of all of those problems that I've  
8 had to deal with for six years and that's, Feel  
9 sorry for you, try to help you out and get you in  
10 contact with the different credit reporting  
11 agencies. These are the type of things that that  
12 database does and that hot line does, and I'm a big,  
13 big strong believer in it.

14 My best friend, who's a lieutenant from  
15 Metropolitan Police Department, two weeks ago became  
16 the victim of identity theft through scamming or  
17 through skimming his credit card. He was unable to  
18 get the information from the bank. He's a  
19 lieutenant for the Metropolitan Police Department,  
20 and I'm a sergeant.

21 I make one telephone call. I can get  
22 everything in the world. He's a lieutenant, can't  
23 get anything. They delivered the product that was  
24 purchased with the card two days after the fraud was  
25 reported, two days after, and they wouldn't tell him

1 where it was being delivered.

2 So when you all start deciding that law  
3 enforcement is really going to help out and do all  
4 that, I'm going to tell you if you're going to  
5 deliver two things two days after the fraud was  
6 reported, I'm not going to go real, real hard on  
7 this case, okay? I've got 4,000 cases. People that  
8 really want to work them, I'll work with those.

9 A bank's going to give the property away and  
10 come back three months later and ask me to go and  
11 investigate the case, I'm just telling you I'm not  
12 gonna, so that's where we wind up with law  
13 enforcement. We are trying to get the banks to work  
14 with us. We believe in the victim being the victim,  
15 not a suspect in the crime.

16 We feel for you. We want to catch the bad  
17 guy more than you do, so what we want you to do is  
18 be very, very adamant with, number 1, law  
19 enforcement that you want just a miscellaneous  
20 incident report, just an incident report that says  
21 you're the victim of fraud or identity theft.  
22 That's all you want, just a case number, and then  
23 report that because now we have a centralized  
24 location that we can find the actual victim to the  
25 crime anywhere in the United States through the FTC

1 database.

2 I'm a big, big -- I push for it. I believe  
3 in it, so that's where we are. You've heard it from  
4 law enforcement because I'm the guy you're going to  
5 call. Like it or not, this is what you get.

6 MS. BRODER: I would just put in a plug and  
7 then we'll go to Joe that usually in our ID theft  
8 hot line, we receive about a thousand calls a week,  
9 and as of this morning Kathleen told me between 9:00  
10 and 11:30 we received almost 200 calls, so clearly  
11 this is touching a nerve, and we know that.

12 Joe, something to add?

13 MR. GENERA: Yes, I would like to ask a  
14 question, this is open both for law enforcement and  
15 the credit providers, credit grantors. It seems to  
16 me when we're talking about ID theft, that there are  
17 two crimes going on here. You have the identity  
18 theft and that fraud in and of itself which is a  
19 crime against me.

20 But it seems to me the greater crime to  
21 times is going to be against the credit granter,  
22 okay. If Citibank or Discover is out \$15,000, then  
23 they have been stolen from. They didn't take money  
24 from me, so if that's the case, I have yet to hear  
25 -- both talking to victims and our own experiences,



1 I have yet to hear whether or not credit grantors  
2 are pursuing these perpetrators of these crimes  
3 through criminal or even civil means?

4 MR. RAES: Can I respond to that?

5 MS. BRODER: Of course.

6 MR. RAES: Werner Raes from Anaheim PD.  
7 I've been involved over the last 28 years, the last  
8 15 years specifically in identity theft cases. I've  
9 spoken throughout the country, written numerous  
10 articles on this, et cetera.

11 It's not a problem that we're going to solve  
12 in the room today, but it's one that I told the FTC  
13 director today we want to become aware of, and I  
14 want to share just a few minutes to answer Joe's  
15 questions in sort of a round about way the  
16 perspective from law enforcement, okay, because  
17 there is a little bit more to it than my esteemed  
18 colleague I think at the other end of the table  
19 shared with you, and I would like to share my  
20 perspective.

21 There is civil and there is criminal law in  
22 this country, and a lot of what has been discussed  
23 openly today revolves around procedures, policies  
24 and civil wants and needs. We all want things. We  
25 all wish things, but unfortunately law enforcement

1 is somewhat tied to a codified set of rules and  
2 regulations in each state called the penal code,  
3 okay?

4 Now, we want to help victims. I'll bend  
5 over backwards to help victims. For the last 14  
6 years I've been on a whirlwind talking tour talking  
7 throughout this country speaking to legislators,  
8 senators, everybody that will listen.

9 However, being tied to the two of these  
10 codified rules and regulations, I'm here to say that  
11 this is not one stop shopping as far as law  
12 enforcement is concerned. I wish it could be,  
13 underline wish. It is not. We have two different  
14 crimes to deal with on almost every identity theft  
15 case, what we've referred to as the front end crime  
16 and the back end crime and, Joe, this kind of goes  
17 to where you're headed I think with your question.

18 The front end crime is the individual, human  
19 being who is impersonated and had their identity  
20 stolen, and in California and most other states this  
21 is rapidly coming a law to do this. Right wrong or  
22 indifferent, that law is usually a weak misdemeanor  
23 version. I don't care what the legislation puts  
24 forth, if it's a felony, a wobbler or whatever.  
25 Normally that's a weak misdemeanor case.

1           The bigger crime for the book, not to the  
2 victim, is the back end. The back end is the  
3 financial institutions that Joe refers to. Now, in  
4 order for us to solve the front end case because, by  
5 the way, we will take reports and I advocate we do  
6 take reports throughout the country, if you're a  
7 resident of the city, that that law enforcement  
8 agency generates a report and takes that report, so  
9 I want to go on record as saying that.

10           However, having said that, the back end  
11 crime is what the district attorney wants. Again,  
12 this goes back to wants, wishes and needs. It  
13 doesn't matter what you want, what I want. The DA  
14 is the person that's going to file and stamp that  
15 thing against that crook, and if the DA says, and  
16 they say routinely, the only cases we're going to  
17 file is where we can show the back end crimes, the  
18 monetary losses and we can fly those witnesses in on  
19 the bigger cases.

20           In other words, Joe, you came to me to  
21 Anaheim and you say you're the victim of identity  
22 theft, somebody is using your identity in Georgia,  
23 New York or whatever. We'll take your report. To  
24 prove your case I might have to send and allocate  
25 resources to Georgia, New York, et cetera, et

1       cetera. Keep in mind too that the feds normally  
2       won't work a case unless there's a hundred thousand  
3       loss.

4               This is not bad mouthing my fellow federal  
5       agents. They have a lot of big fish to fry, okay,  
6       and there are exceptions, but generally they want a  
7       hundred thousand dollars loss, so, Joe, getting back  
8       to the example, I now have to allocate resources to  
9       go to where, Georgia, New York, whatever, or I can  
10      network over the phone or the Internet to have that  
11      back end resolved.

12             Let's say everything comes to fruition, 100  
13      percent solvability, okay, the bigger case, the  
14      better case is filed in the jurisdiction where the  
15      back end occurred. Most people would agree, so that  
16      leaves you, the frustrated victim back in Anaheim  
17      saying, Well, what about me, what are you going to  
18      do, what about my case.

19             And the DAs normally are going to say, Well,  
20      it's been adjudicated in another jurisdiction, I'm  
21      not paying to fly X number of witnesses from New  
22      York in this example to Anaheim or California to  
23      prove again what is going to ultimately be, and I'll  
24      call it my words, a weak misdemeanor.

25             So I think this -- that's part of the

1 awareness that I want to share, okay. It is not  
2 that law enforcement doesn't want to help victims or  
3 that we give people the run around. I think there's  
4 a total lack of awareness and understanding of the  
5 procedures that have to be involved.

6 The simple example I give is if you buy  
7 something to Sears you've got to return it if it's  
8 defective to Sears. You can't take it to Penney's  
9 just because we do the same kind of a job, kind of  
10 sort of the same but not really, and we are bound by  
11 the penal code to effectively enforce the rules  
12 within that code.

13 MS. BRODER: I don't want to get too far  
14 afield here because we're really talking about the  
15 challenges of prosecuting a case that has victims  
16 around the country and victims in different  
17 perspectives, and so I think what I would like to  
18 return to somewhat is the balance between we  
19 encourage consumers to get copies of police reports.  
20 It's an indication of the authenticity of the crime  
21 against them. At the same time we're telling, we're  
22 asking credit grantors and others to consider the  
23 burdens that they impose upon consumers in  
24 establishing that they're victims of ID theft, and  
25 there's a little bit of a tension there.

1           So I guess I would ask some of the  
2           creditors, and maybe, Judy, I'll ask you whether  
3           Chase requires copies of police reports; if so why;  
4           what could be a substitute document for that, if  
5           anything, and maybe some others on the panel could  
6           jump in, and if the victims think that if it was a  
7           real burden to get a police report, what that means  
8           to you, so starting with Judy from Chase.

9           MS. WELCH: Chase does require a police  
10          report generally, although it's a case by case  
11          basis. We want to make sure that the consumer is  
12          going to be there to prosecute with us should that  
13          ever come about, and that's why we request the  
14          police report.

15          In lieu of a police report, again the  
16          prosecution is the issue, so I'm not sure what we  
17          would get in lieu of a police report to solve that  
18          problem other than something signed by the consumer  
19          saying if it is ever prosecuted I will be there with  
20          you to testify. I don't know what else.

21          MS. BRODER: So you require the actual  
22          police report attached.

23          MS. WELCH: No, no, just a number.

24          MS. BRODER: Just a number. And what does  
25          that indicate to you?

1 MS. WELCH: That it has been filed. A lot  
2 of that I think has to do with friendly fraud. If  
3 it's a relative, we want to make sure that again  
4 they will prosecute.

5 MS. BRODER: Linda.

6 MS. FOLEY: I would like to jump in on that.  
7 I work with a lot of victims, and I currently have  
8 three cases right now where the victim knows who the  
9 imposter is. It's a member of the family. They  
10 don't want to turn this over to the police. There's  
11 a lot of family issues. They are trying to get  
12 letters from the relative who did this to send on to  
13 the credit card company, to send on to the  
14 collection agency.

15 They're not accepting that because if you're  
16 not serious enough to file a police report, then  
17 you're probably trying to skip out a bill. That's  
18 what they hear repeatedly, so if it's a family  
19 member, they don't want to file a police report,  
20 it's brother, it's mother, it's spouse.

21 They're in a catch-22. They can't clear it  
22 with you because you guys won't take them seriously,  
23 and, Barry, you've talked about that as well that  
24 you have a lot of them that don't come back. It  
25 could be a family member, once they see that

1 application form and they're trying to deal with it  
2 inside the family, but it's not a case of identity  
3 theft. Then what?

4 MS. BRODER: Janine and then Patsy.

5 MS. MOVISH: This is Janine Movish with GE



1 knocking on the door and arresting the suspect.

2 Now, although we know it's not like that in  
3 every jurisdiction, we don't know which ones will  
4 and which ones won't take that kind of aggressive  
5 action on the case so we like to encourage that they  
6 file a report for that reason.

1 willing to work these cases, but we are bound by  
2 jurisdictional issues. In other words, say a phone  
3 company files a case in one jurisdiction, it may not

1     for the police reports for several reasons.  If we  
2     can make an apprehension at the airport, and the

1 enforcement background, I have to put on that hat  
2 too, I have to do that for my company. I have to  
3 ask you to at least to a minimum call your PD or  
4 your SO or your federal agency and put in that  
5 report for me.

6 MR. RAES: Shannon and the rest, I would  
7 like to also mention that Consumer Sentinel is a  
8 wonderful product, but it is a tool in law  
9 enforcement's tool box. Anaheim does belong to the  
10 Sentinel, and there's a valuable database there, but  
11 I think we all need to understand that neither the  
12 FTC nor Sentinel take over complete case  
13 investigations nor do they file criminal complaints.

14 They only handle things from a civil  
15 perspective or a clearinghouse perspective, so back  
16 to law enforcement, which this panel's focusing on,  
17 we use Sentinel and other tools in that tool box to  
18 establish jurisdiction, to validate if a crime has  
19 been committed and then to try to pursue that on  
20 behalf of both victims, front end, back end, et  
21 cetera.

22 But I think it's important to know because I  
23 know a lot of my federal detectives I speak to don't  
24 understand some of the good and some of the things  
25 that can't be done with Sentinel, so it's a tool,

1 but we need to learn to use it like anything.

2 MS. BRODER: I would emphasize here, one of  
3 the benefits that we think Sentinel and the ID theft  
4 clearinghouse component of Consumer Sentinel offers  
5 to law enforcement in the context of identity theft  
6 is a way to aggregate data so you don't simply see  
7 an independent complaint, but rather you can see a  
8 pattern of complaints, and therefore you can more  
9 likely reach your threshold of financial loss by  
10 looking into the database.

11 It's not just one person who's been  
12 victimized by someone at this address, but it's a  
13 dozen of them, and quickly you have a big case there  
14 that's more attractive to law enforcement, so we do  
15 think that it offers that promise, but thank you  
16 very much for the plugs. Bill?

17 MR. HAYNES: We've talked about prosecution,  
18 police reports. I would like for us to turn to how  
19 you deal with consumer reporting agencies, both from  
20 the perspective of the creditor being contacted by  
21 the consumer reporting agency and the creditor being  
22 contacted by the consumer and then contacting the  
23 consumer reporting agency, what has worked  
24 particularly well? Are there any problems that  
25 people see?

1           So I would like to turn to the creditors.  
2       Maybe Janine could start on this issue.

3           MS. MOVISH: Sure. We have a strict  
4       operating instruction guideline that we follow. If  
5       someone is the victim of fraud, after we send out  
6       the affidavit, it's returned, we send a closure  
7       letter to them stating we're going to delete all  
8       this information from all three credit reporting  
9       agencies.

10           Our system automatically sends a message to  
11       all three of the agencies to delete that from the  
12       credit bureau.

13           MR. HAYNES: Does it work effectively?

14           MS. MOVISH: Yes, it does. It's automatic.  
15       It goes to the bureaus, and then as soon as they get  
16       tapes from us and as soon as it's reported to them,  
17       they delete it from the victim's credit bureau.

18           In the meantime if there is a lag say 30 to  
19       60 days, they have that letter, so if they're going  
20       to apply for a mortgage, they have that letter from  
21       us to state that they were a victim of fraud, this  
22       has been cleared.

23           MR. HAYNES: What about the situation where  
24       we heard this morning things reappear? Do you see  
25       that yourself, that you've sent it to the credit

1 bureau to take it off and then somehow it gets back  
2 on?

3 MS. MOVISH: I don't see that very often.  
4 When my fraud investigators work a case, they work  
5 it. It's closed. It's done. If we get some calls  
6 like that, it's very far and few between.

7 MR. FISHMAN: I would like to say something  
8 on that score. James Fishman, New York. This is  
9 something that I see a lot of, and I think the  
10 problem may be that when can you send a UDF or  
11 Universal Data Form to the reporting agency saying  
12 delete or whatever, you're supposedly certifying on  
13 that form that you have also deleted it from your  
14 own records.

15 And that often is not the case, and I see  
16 lots of situations where I even get a copy of the  
17 UDF for from my file, so I know it was sent, but  
18 then a year later that trade line is back on the  
19 credit report, and when I contact the credit  
20 reporting agency about it, their response is, "Well,

1 they can't rest assure that it's not going to come  
2 back unless you've also certified to the consumer  
3 that you've corrected your own records.

4 So I think that's something consumers need  
5 to be aware of to get that two step assurance and  
6 not just the first step.

7 MS. MOVISH: I can't speak for B of A or  
8 Chase, but we are required to keep accounts on our  
9 books. We can't just delete a record completely  
10 from our system. The account is closed. It's  
11 notated. No one can reopen it, and there are notes  
12 stating to that effect.

13 MR. FISHMAN: But they do find their way  
14 back.

15 MS. MOVISH: Yeah.

16 MR. FISHMAN: And some banks have more  
17 problem with this than others, and I don't know if  
18 it's a way of designing your system so that that can  
19 be safeguarded better, but I think that is something  
20 that banks need to look to and find a way to make  
21 sure that it doesn't leave your hands again.

22 MR. HAYNES: Barry I think has got something  
23 to add.

24 MR. SMITH: Jim, I'm baffled that people  
25 talk about it coming back a year or so later because



1 once an account is blocked as fraud, it's going to  
2 move through a process and be charged off. It's  
3 going to be blocked as a fraud account. It's going  
4 to be charged off and considered dead on the books.

5 MR. FISHMAN: Ideally, not always the case.

6 MR. SMITH: Again, we can't talk -- I can't  
7 talk for every bank. I can talk to some of the  
8 banks that I'm familiar with and of course our own  
9 bank. It's marked as a fraudulent account and moves  
10 through the system. Now, if some bank misses it as  
11 a fraud account, and it ends up moving through a  
12 collection account or doesn't charge off or is  
13 reenaged or something like that, some sort of  
14 exception process, then I can make stretch the  
15 imagination and understand that it's out there for  
16 more than a year.

17 But I know that in our case after 90 days  
18 that account is going to be gone from the books.  
19 It's going to be charged off. It's going to be  
20 marked as fraud. Social Security number is taken  
21 off it, and it's certainly flagged as do not report  
22 to the bureaus, so I can't understand how those can  
23 come back on.

24 MR. FISHMAN: I don't either, but it does  
25 happen, and I don't work in banks so I don't know

1       what systems are being used, but it is a very common  
2       problem that this stuff just comes back out of the  
3       blue.

4               MR. SMITH: I have no doubt.

5               MR. FISHMAN: And it's extremely  
6       frustrating.

7               MR. SMITH: I have no doubt that it does and  
8       I think, go back to the statement that said working  
9       with the people that are attempting to do this right  
10      or do it right and the process is not as painful as  
11      it is in some of the other areas, so maybe we ought  
12      to look to just where these accounts are coming  
13      from, and maybe we can take a sample of them and try  
14      and trace them back, maybe turn them over to the  
15      bureaus and ask them exactly where did they come  
16      from.

17              MR. FISHMAN: I think you hit it a minute  
18      ago when you talked about accounts that are put out  
19      for collection. I know that some accounts go to  
20      secondary and tertiary collection and maybe even  
21      beyond that before it eventually works its way back  
22      to the bank, and maybe that's the year we're talking  
23      about, that it's been out there from one agency to  
24      the other.

25              MR. SMITH: That's possible too because that

1 does pop into an exception process. If an account  
2 is moved through the collection process because we  
3 haven't been able to contact somebody and it charges  
4 off and those accounts end up being sold somewhere  
5 else and now the collection agency comes back and  
6 contacts the victim through a skiptrace and says,  
7 "You're the person who owns this," and the person  
8 says no and starts the dispute process, if that  
9 account has been sold several times, it may be  
10 difficult to locate that account and bring that  
11 account back.

12 But I have to think that that is surely an  
13 exception process, and it troubles me if it's  
14 happening that much.

15 MR. FISHMAN: I don't think it's exactly  
16 that much of an exception. I think part of it is  
17 that every time it is sold it gets rereported to a  
18 credit reporting agency under the new collection  
19 agency's name so you can't even tell from looking to  
20 it that it's the previous Citibank or Bank of New  
21 York account anymore.

22 Although they're supposed to have the  
23 account number follow it, it doesn't always happen.  
24 That's for the obsolescence rule, but it doesn't  
25 always happen.

1           MS. FOLEY:  And the collection agencies  
2    won't always tell you where they've bought the  
3    account from.  That's been the other problem.

1 here today to tell you we're all now trying to talk  
2 and to get this worked out so that a standard  
3 reporting system comes in to place nationally.

4 It's going to start with local law  
5 enforcement. It's going to start with the banking  
6 systems, and it's going to start with the attorneys,  
7 okay? That's where all this is starting, and that's  
8 why we're here today is to go over this, but I want  
9 to let you know we don't do subpoenas either, so all  
10 the lawyers and everybody here, law enforcement  
11 doesn't do subpoenas.

12 MR. HAYNES: Could we turn to the situation  
13 where the creditor, whether it's the bank or the  
14 telephone company, first hears from -- about the  
15 fraud from the consumer reporting agency? In other  
16 words, the consumer does not contact the creditor.  
17 It comes first through this intermediary.

18 How does that impact the way that the  
19 creditor deals with it or does it impact? Maybe we  
20 can start with Chase and the telephone company.

21 MS. WELCH: I'm only dealing with the non  
22 credit side of it, more the DDA, so we're not  
23 dealing with the top three, the Equifax, the  
24 TransUnion and Experian. We're dealing with a  
25 TeleCheck, the check systems, and we will be

1 notified by them that fraud has occurred on an  
2 account we've opened because they're aware as we're  
3 opening a DDA, we're going out to them for  
4 information so they know what accounts we're opening  
5 accounts on, a checking account.

6 MR. HAYNES: A checking account, demand  
7 deposit.

8 MS. WELCH: Yeah, demand deposit, and they  
9 will notify us, and we will take measures to secure  
10 the account and notify whoever we have to that --  
11 whoever we can find to notify that this is an  
12 account opened by fraud or to find out if in fact it  
13 was an account opened by fraud.

14 MR. HAYNES: Then you go back to the  
15 consumer?

16 MS. WELCH: If we can find the consumer, but  
17 sometimes we're going back to the bad guy per se.  
18 We're not going back to the innocent victim because  
19 we haven't found really that person yet. We've been  
20 notified only by a third-party that something has  
21 occurred, but we're given minimal data to go back to  
22 somebody and talk to them.

23 MR. HAYNES: What about a credit card type  
24 situation, Barry or Janine, does this happen where  
25 you hear first from --

1 MS. MOVISH: Oh, sure. We have automated  
2 consumer dispute verification letters that we work  
3 daily, and by law we have to work those within 90  
4 days. The Fair Credit Billing Act says we must work  
5 those and resolve them within 90 days, so we work  
6 very closely with the credit reporting agencies when  
7 they report information to us that we did not  
8 necessarily know about from the consumer.

9 MR. SMITH: We take those disputes very  
10 seriously, and we work them the same way. If it's a  
11 phone call that comes in because something big is  
12 going on and it's part of a ring or something, we  
13 assign someone to it right away. We find that your  
14 best cooperation with law enforcement, to get even  
15 from the bottom of that small pile that Jim has over  
16 there without subpoenas, is that if you can identify  
17 the person, send someone out to do an investigation  
18 and identify where they are and be prepared to  
19 present a case that's pretty much ready to be taken  
20 to the district attorney, then you're going to get a  
21 lot of cooperation from law enforcement, and where  
22 possible, that's our attitude. We try to do that so  
23 we can prosecute.

24 MR. HAYNES: But when you're dealing with  
25 this process where it comes from the consumer

1 reporting agency, do you then -- do you need to get  
2 a fraud affidavit from the consumer or how does that  
3 work?

4 MR. SMITH: We do ask for a fraud affidavit  
5 from a consumer. We come back and we contact the  
6 consumer, and we have a fraud affidavit, and if in  
7 fact there's an application that we have, we'll send  
8 them the application and them to give us the  
9 information back.

10 Now, if a person for some reason can't send  
11 the information back to us, if there's somebody in  
12 custody being prosecuted for a case, we like to have  
13 this information to support the case, but if  
14 somebody doesn't send it back and we know that it's  
15 fraud, well, we often have elderly people who are  
16 victims of this, that this is a very big burden for  
17 them, and yet it's pretty clear to us from the  
18 surface information that this is a case of ID theft  
19 or a fraudulent application and we're going to treat  
20 that one the right way.

21 We're not going to punish the person just  
22 because it will make it difficult for them in a  
23 situation like that, but when we know it's a crime,  
24 we're going to take it as a crime regardless of the  
25 source.



1 MS. BRODER: Jack Jordan, you look like you  
2 have something to say.

3 MR. JORDAN: Yeah, I would like to pony up  
4 on what Barry was just saying. There's two adages  
5 that I believe we need to address here. One is  
6 knowledge is power, and the other is that 90 percent  
7 of the people or 90 percent of the crime is  
8 committed by 10 percent of the people.

9 And what really I think needs to be done is  
10 what we're doing here, and that is exactly meeting  
11 people that are in the business with one's sole  
12 focus. We all have the same goal, and the goal here  
13 is to assist the victim in removing this bad  
14 information from their credit and to prosecute  
15 successfully people that are committing these  
16 crimes.

17 I think the biggest reason that these crimes  
18 should be reported to the police is because it  
19 quantifies how big the problem is. A couple years  
20 ago when I got involved in identity theft we made a  
21 concerted effort to educate not only the people in  
22 our communities where we serve, I'm from Los Angeles  
23 County, California, we educated the people that we  
24 served but we also educated our own department  
25 members so that when the first responders go out to

1 take these crimes, they don't tell the victim what  
2 they used to tell them and that is, You're not a  
3 victim, it's the bank or it's the financial  
4 institution.

5 So I think in meeting here, meeting the  
6 people behind the name that we knew a couple of  
7 weeks ago, I encourage everyone body to join  
8 associations. If you're in the financial community  
9 or if you're in law enforcement and you're  
10 prosecutorial, you should go to association meetings  
11 so that when I pick up the phone and I call Janine,  
12 I'm not just another annoying phone call.

13 I go, You remember me and we went to the  
14 Capitol Grill and yeah, I do, what do you need,  
15 Jack, and that's what happens. I see more success  
16 -- we have probably, what's this October 23, we  
17 probably have over 2,000 cases of identity theft  
18 reported to Los Angeles County Sheriff's  
19 jurisdiction alone. That's about a 43 percent  
20 increase over last year. It has to do with a couple  
21 things. One, obviously we've educated the public  
22 that there is this crime out there.

23 The law changed in '98 to make the victims, I do, wha

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1 to address.

2 I am very aggressive with the deputies that  
3 work with me. We do go out and do control  
4 deliveries and arrest people and prosecute them. We  
5 have a couple of excellent success stories wherein  
6 you're dealing with white collar crime, you're not  
7 going to get the same long prison terms or federal  
8 penitentiary terms that I got when I worked gangs,  
9 but we are getting some that are approaching five  
10 years in law enforcement -- or five years in the  
11 penitentiary for some of these crimes.

12 I agree totally with Werner. They're very,  
13 very labor intensive, because they're complex. They  
14 cross jurisdictions. What I want to be able to do  
15 by knowing people in other law enforcement  
16 communities is again pick up the phone, tell them  
17 that they have a crime.

18 We take the first report. If you live in a  
19 sheriff's jurisdiction in LA county, we will take  
20 the first report, and I started that two years ago  
21 because I was having people tell victims, There's  
22 nothing we can do for you. Well, there is something  
23 we can do for you, we will take the first report.

24 That does not mean like Werner says, we're  
25 not going to Florida generally speaking, we have

1 actually gone to New York. We're not necessarily  
2 going to go on every single case, but it gets the  
3 ball rolling for the victim.

4 I agree with something someone down here, I  
5 don't know if it was Jim, the attorney from New  
6 York, that said it, but there are a lot of -- there  
7 is a lot of reluctance on some victims to prosecute  
8 the suspects because of the knowledge that they have  
9 with them, the relationship that they have either  
10 currently or they had in the past.

11 We encourage that because again you go back  
12 to reporting these crimes. It's a deterrent to most  
13 people to commit them. I encourage you to get to  
14 know the people that are in this room, whatever walk  
15 of life they're in, and realize that no one person  
16 -- somebody said earlier this morning, there's no  
17 one person -- the lady from I think it was Experian,  
18 no one person is going to be able to create this  
19 problem, no one person is going to solve it.

20 But every person, and I say this from the

1 opportunity now to take a brief break. I'm sad to  
2 say the cafeteria is closed at this time, but you  
3 can get coffee across the street, and let's  
4 reconvene to 3:30 to which point we'll start  
5 discussing the proposed standard fraud declaration.

6 (A brief recess was taken.)

7 MS. BRODER: Thank you all. This is the  
8 snooze part of the afternoon, so we'll try to keep  
9 things as lively as possible. I wanted to start by  
10 commenting that during the break, there was all this  
11 wonderful networking going on. People were making  
12 great connections, and this is something that we've  
13 all recognized as one of the values of getting  
14 together, bringing folks from the financial  
15 industries, from the consumer reporting agencies,  
16 from law enforcement, consumer advocates, putting us  
17 all in a room and see what happens.

18 And we would like this dialogue to continue,  
19 so from my selfish perspective, I would ask each of  
20 you on behalf of your organizations to establish  
21 someone to be the point of contact, preferably  
22 yourselves, and to give your business cards to Helen  
23 Foster, wearing the ID theft colors over here.

24 They are fight colors, we're going to have a  
25 song too, and so that we can keep this going because

1 I think that this is incredibly valuable.

2 On the same line, I owe an apology to Doug  
3 Johnson from the American Banking Association,  
4 Bankers.

5 MR. JOHNSON: Bankers.

6 MS. BRODER: Bankers Association, the other  
7 ADA who joined us, and I didn't acknowledge him on  
8 our panel, but I think he has a few words to share  
9 with us on training banks, their member  
10 organizations on identity theft and dealing with  
11 their customers who become victims of identity  
12 theft. Doug, when you can kind of round that up,  
13 and then we'll go on to the standard fraud  
14 affidavit.

15 MR. JOHNSON: Great, thank you, Betsy, but  
16 if you come in late to a meeting, you can't expect  
17 everybody to stop what they're doing, particularly  
18 when such a good dialogue was occurring, and I was  
19 struck by the level of detail and how much content  
20 was within the discussion beforehand.

21 But I did think that there was one thing  
22 that we to ABA could particularly add to the  
23 conversation as it goes on and that's, Okay, this is  
24 all fine and good, we've got very large institutions  
25 doing supposedly the right thing, and they want to

1 do the right thing for the most part. How do you  
2 transport those sort of procedures and how do you  
3 transport that knowledge to 10,000 financial  
4 institutions that are throughout the United States?

5 And that's just your depository financial  
6 institutions, not just -- there are all sorts of  
7 other institutions that are out there as well  
8 obviously, and so from other standpoint, that's one  
9 of the things that we to American Bankers  
10 Association have tried to accomplish because we  
11 obviously have seen the trends. We see that  
12 identity theft is becoming an increasing problem  
13 within our financial institution industry and that  
14 it's not just the larger financial institution that  
15 have been in concert with consumer victims of  
16 identity theft going forward.

17 It's all institutions, and that's going to  
18 be a trend that's going to continue and one that we  
19 have to meet as an industry, and so one of the  
20 things that we've striven to do is attempt to  
21 transport some of that knowledge, particularly  
22 organizations such as Chase for instance have, in to  
23 the community banking environment particularly so  
24 that they have the tools that are able to try to  
25 meet identity theft.

1           And the one thing that we particularly try  
2           to do is what happens when the consumer comes to  
3           you, either through the phone or at the teller line  
4           because the consumer has been struck by identity  
5           theft is going to come into the banking system or  
6           into the system generally from any type of different  
7           angle and you're teller line, your customer service  
8           representatives on the phone, pretty much the  
9           majority of your staff have to be properly trained  
10          and educated in terms of how to attempt to assist  
11          this consumer because if you don't do that right at  
12          the onset, first of all, the relationship isn't as  
13          good as it could be because you have to recognize  
14          and we have to recognize as an industry that we're  
15          partners in this.

16                 I think one of the comments that was made  
17          that is very true is there's more than one victim to  
18          this. The individuals are obviously victims, but at  
19          the end of the day it's the financial institution  
20          that goes through the process of charging off that  
21          loan to the extent that there is a loan that is  
22          ultimately not paid back.

23                 And so to the extent that the relationship  
24          is productive from the onset, obviously that's for  
25          the best of all parties, and it's a win win to the



1 extent that that happens, and so that's one thing  
2 that we certainly attempt to stress is that we want  
3 to make sure that our financial institutions have  
4 the ability and the tools to train their customer  
5 service reps and everybody to the extent possible.

6 And one of the things that we've attempted  
7 to do, for instance, is to provide the standard  
8 little tools such as the ten steps to prevent  
9 identity theft and the standard types of other types  
10 of information that would be helpful to accomplish  
11 that, but at the same time, what we also want to do  
12 is take advantage as an industry of opportunities  
13 that present themselves.

14 Like for instance in the course of trying to  
15 adhere to certain privacy preventions which are in  
16 law now in the United States, we're viewing that as  
17 an opportunity for institutions to go through and  
18 review all of their information sharing practices  
19 with all the parties that they share information  
20 with because one of the things that you do when you  
21 do that is you understand, if you map it out,  
22 exactly how information is going from the bank to  
23 the credit bureau to all the people within the  
24 system so that you can see where you may have some  
25 difficulties in that system and maybe rectify the

1 system.

2           So, for instance, to the extent you can  
3 possibly have control over it, loans which have been  
4 charged off in your institution but may be in a  
5 collection process somewhere, don't end up back on a  
6 credit report to the extent possible, things of that  
7 nature so that you do have a full idea as an  
8 institution how your information is shared  
9 throughout the entire process.

10           But the other thing that we certainly want  
11 to stress is that to the extent that the customer  
12 enters a system in the bank to some place which  
13 would not necessarily be anticipated, that there is  
14 a central receiving. There is someone who is  
15 responsible and owns that process within the  
16 community bank, within the financial institution so  
17 that people know within the institution who has that  
18 responsibility, and that person can then in turn  
19 take ownership of the person's problems, not just  
20 within the institution itself but also again try to  
21 act as a partner for that individual consumer in  
22 their challenges generally because one of the things  
23 that we attempted to do, for instance, is to try to  
24 put together a modest report and not certainly  
25 extensive as the standardized fraud report, but a

1 report that at least our financial institutions  
2 could use to provide to their customers to say,  
3 Okay, these are the things -- these are the people  
4 you need to contact, these are the phone numbers  
5 that you need to call and this is the process, this  
6 is the information that you need to have in order to  
7 help you along the way in terms of trying to rectify  
8 the situation.

9           So we heartedly endorse the concept of  
10 having some standardized report that can be utilized  
11 across all parties, from a database standpoint  
12 obviously makes the most absolute sense to have that  
13 information, but also from the standpoint of making  
14 sure that everybody has the information that is  
15 necessary going forward to try to rectify the  
16 problem.

17           MS. BRODER: Thank you. Let me ask a  
18 question. I hope there are no answers to this  
19 question, and that is we all are working under the  
20 assumption that a standard fraud affidavit is a good  
21 thing, that it would help consumers in the process.

Wally f, Mecel a tion.

1 nuts and bolts, so Werner, anything?

2 MR. RAES: Only that I think we should  
3 define that an affidavit as you normally -- and I'll  
4 just pick a one page piece of paper, an affidavit as  
5 opposed to a report, so --

6 MS. BRODER: This is a declaration actually.  
7 This is a standard fraud declaration.

8 MR. RAES: I'll hold off until we get into  
9 the discussion. I think standardization is good,  
10 but I think we have to define what we want -- where  
11 we want the vehicle to go, what we want to tailor it  
12 for, so I'll hold off.

13 MS. BRODER: James?

14 MR. FISHMAN: One of the things that  
15 consumer victims often experience after awhile, a  
16 tremendous amount of paranoia, and I can see a  
17 situation where if you present this to someone who  
18 has been through the ringer on identity theft,  
19 they're going to say, Why should I put all this  
20 information in one place where if it falls in the  
21 wrong hands, they're off to the races all over  
22 again, and I think you're going to have a hard time  
23 convincing some people to do this for the same  
24 reason that some people won't answer the census.  
25 They don't trust anybody.

1           MS. BRODER: So your point has to do with  
2 the information that is requested in this form or  
3 the concept?

4           MR. FISHMAN: I think that's more -- well, I  
5 don't see how you can have the concept without the  
6 information because it's information driven really,  
7 and what you're doing is you're giving everything in  
8 one place. It's one stop fraud right here if it  
9 falls into the wrong hands, but on the other hand, I  
10 don't want to say that steps shouldn't be taken to  
11 make it easier for consumers to report this stuff,  
12 and this is one way of doing this.

13           I think you have to be aware of some of the  
14 road blocks and hurdles that will be faced. This is  
15 not that different -- the information that is in  
16 here is not that different than the information  
17 you're required to give to apply for a membership at  
18 Blockbuster Video, and look what happens there.

19           Those applications get stolen all the time,  
20 and they're used -- there's more than enough  
21 information on that one piece of paper to open up  
22 all kinds of credit accounts for people, so for  
23 somebody that has been victimized that way, looking  
24 at this I think is looking at another victim --  
25 being victimized all over again if this were to fall

1 under the wrong hands.

2 MS. BRODER: Linda, was that your concern as  
3 well.

4 MS. FOLEY: That's part of my concern. I'm  
5 also concerned with the fact that this type of a one  
6 step declaration not only is overburdensome to the  
7 victim in terms of information, but also to the  
8 recipients. A merchant for instance, Wicks  
9 furnisher, or my boutique down the street that's  
10 been ripped off is going to take a look to this and  
11 not know what to do with it.

12 They're interested in one page only maybe,  
13 and I guess the concept I would like to go to  
14 instead -- if we're going to do something standard  
15 maybe as a cover sheet or a couple -- then have like  
16 a letter kit that would go with it where this letter  
17 would go to this particular type of a merchant or a  
18 vendor, this would go to the banks, this would go to  
19 credit card companies, this would go to collect  
20 agencies, this would go to the CRAs and work it that  
21 way so it's more specific.

22 As someone who's affidavit of fact was put  
23 in to the imposture's hands because of a court case,  
24 and I looked to this and I went, if this had gotten  
25 into my employer's hand who was my imposter, I would

1     have died. You might as well just give me a new  
2     Social Security, shoot me now because she had not  
3     only what she had stolen from me, but a dozen more  
4     pieces of information that could have been used at a  
5     future time.

6             MS. BRODER: Actually Joe, then I have  
7     something.

8             MR. GENERA: I would just like to point to  
9     two things that we saw on this, that I'm not sure --

10            MS. BRODER: Actually I think we want to  
11     look at the big picture first.

12            MR. GENERA: Yeah, but I'm hearing you say  
13     you want this sent to every affeaot atcreditor, e

1 number 1 is going against a lot of prevention law  
2 enforcement is putting out as far as your mother's  
3 maiden name is on here, Social Security some of that  
4 kind of thing, so I don't think law enforcement will  
5 support those small points of that.

6 MS. BRODER: Well, that's why we're here  
7 today. I'll tell you, this document was put  
8 together not as a creative writing assignment but  
9 using the fraud declarations that are currently in  
10 use, and some of you on this panel provided  
11 declarations, and we used your form affidavits, and  
12 we use that information to put together and now  
13 let's kind of deconstruct.

14 Let's go through it and find out those areas  
15 that are problematic, what can be trimmed down  
16 because if we can get a buy-in on both sides of this  
17 conversation, that is it's overly inclusive, and it  
18 -- but we need to confirm the identity, the actual  
19 identity of the person, maybe we can find some  
20 common ground here.

21 We have a comment from the audience, and if  
22 you could wait until you're miked and identify  
23 yourself, sir, please.

24 MR. MUNSON: I'm Steven Munson. I'm a  
25 deputy Attorney General from the State of New



1 Jersey, Division of Criminal Justice, and my concern  
2 with the fraud affidavit is exactly what law  
3 enforcement has expressed. It will, not may, it  
4 will get in the wrong hands.

5 I think if you're going to use something  
6 like that, it needs to come with a confidentiality  
7 guarantee of some sort. I don't know what, but it  
8 needs a confidentiality guarantee, and it also needs  
9 somehow without violating the constitution to stay  
10 out of the hands of the defense in discovery because  
11 the moment you go to criminal prosecution, defense  
12 is going to want that plus a whole lot more.

13 MS. FOLEY: Yes, thank you.

14 MR. MUNSON: And as a prosecutor quite  
15 frankly I don't want to revictimize any of those  
16 victims. That's the reason I'm here, and so there I  
17 think needs to be an honest broker, whomever that  
18 may be, government or a private entity or a  
19 nonprofit who would be the guardian, if you will, of  
20 the information disseminated to those to whom it  
21 should rightfully go, and maybe not entirely.

22 I can't see that all credit givers need all  
23 of the information. Many of them probably don't  
24 even have a fraud department because if they're a  
25 little boutique that granted credit, who knows.

1 That's probably the boss saying, Yeah, I think I'll  
2 do that. There does need to be a parsing out of  
3 this.

4 The other thing I think we need to keep in  
5 mind from the victim's standpoint is that there is a  
6 law enforcement component, nobody denies that, but  
7 law enforcement, the criminal justice system, has  
8 limitations. The moment we bring an indictment, the  
9 defendant is entitled to all constitutional rights,  
10 and the state or the federal government must prove  
11 that case beyond a reasonable doubt. The defendant  
12 doesn't have to do a thing, again potentially  
13 revictimizing the victim.

14 Maybe there's a different way of pursuing  
15 remedies without using the criminal justice system.  
16 There are civil penalties. There's forfeiture.  
17 There's all of that.

18 MS. BRODER: Just as a question, are these  
19 fraud affidavits that consumers report currently  
20 discoverable in the criminal process?

21 MR. MUNSON: I would venture a guess that  
22 they most likely are, certainly if they fall into  
23 the hands of the state in any form.

24 MR. GENERA: Right, but the ones you're  
25 sending in -- I'm sorry. But the ones you're

1        sending in, if I send a fraud affidavit into  
2        Citibank, I'm only including their particular  
3        information.

4                    MS. FOLEY:    And they can turn it over to the  
5        defense attorney who can then turn it over to the

1 enforcement or talk to prosecutors and say, I've got  
2 this case, it's a thousand dollars on my side and I  
3 hear stories there's several other victims that  
4 suffered financial loss, wouldn't it be so much  
5 better if we could present the information about the  
6 entire case to somebody?

7 I agree with some of the personal  
8 information, and I think we're going to talk about  
9 the personal information, but I think it's great  
10 that a fraud department can suddenly get a complete  
11 picture of what the identity theft impact was on the  
12 individual and how big the case is, I could probably  
13 get a lot more on that.

14 MS. BRODER: Let's look at the affidavit.  
15 As pointed out on the cover sheet, while it's not  
16 exactly a confidentiality agreement, that the last  
17 line says that "except as otherwise noted the  
18 information you provide with this form will be used  
19 only to process your fraud report."

20 While it doesn't guarantee it won't get into  
21 the wrong hands, it certainly does make clear to the  
22 consumer that no one is going to use this for  
23 marketing purposes, something that is of great  
24 concern.

25 I would like to go through this sort of

1 systematically page by page and elicit any comments  
2 that you have, and I would hope -- well, let's go  
3 through the first page and any issues that anyone  
4 has?

1 didn't put that down on here and they know about it,  
2 then you're being viewed with suspicion because you  
3 left one off.

4 MR. SMITH: Again I would hope that as we go  
5 through this that we're not looking to grade this  
6 paper or say someone made a mistake, we're going to  
7 disallow their dispute or their claim or something  
8 like that.

9 MR. FISHMAN: But that's typically when  
10 consumers complain that they're fraud victims, they  
11 are being evaluated, and I have seen banks use  
12 whatever they can find and inconsistencies in the  
13 consumer's story to say, "You're not a victim,  
14 you're a thief," so I think you have to be cognizant  
15 of the fact that people are evaluating consumers and  
16 finding ways to disallow their claim.

17 MR. SMITH: I certainly know that we try to  
18 figure out ways to disallow claims when claims  
19 should be disallowed, and I hope that the wording  
20 that we're trying to build in here --

21 MR. FISHMAN: I think that's something to  
22 keep in the background, that's what's going on.

23 MR. MCCALLUM: Regarding the Internet, which  
24 I think is important to talk about because it's  
25 going to be 20 billion worth of sales in the next

1 year, we need to talk about the ways in which  
2 Internet companies are accessed, so if you're  
3 telling me that your Email account is such and such  
4 but it was accessed by another one, it's a very  
5 vital piece of information, that you did not own the  
6 Email account that was used to get to me.

7 So I think we need to ask in the case of  
8 Internet related crime that we're asking, can you  
9 verify as to the ownership of this Email account and  
10 what is your current account, that is how they get  
11 to Internet companies is through the Email address,  
12 and it goes deeper into the IP address strain, but  
13 typically my people figure that out.

14 MS. BRODER: So you're asking for Email not  
15 as a point of contact but as a way to verify --

16 MR. MCCALLUM: Exactly, exactly. And the  
17 other thing on any Internet site, the very first  
18 thing you have to do in order to do a transaction  
19 typically is to establish a profile. Whether that's  
20 us, Expedia, EBAY, et cetera, are you the owner of  
21 that profile. Typically if it's legitimate fraud,  
22 they're going to say, no. We established that very  
23 critical point.

24 MS. FOLEY: I would like to go back to the  
25 first page, please. Mari pointed out something

1 interesting last night. We're dealing with people  
2 who have been victimized that are sensitive to this  
3 point and have seen more legal documents than they  
4 care to see. I would like to see something a little  
5 more humanistic in the beginning, something like, We



1 screwed up you, owe me money, please put it back in  
2 my account.

3 That's not lawyer talk, so what I'm asking  
4 is could we not standardize an affidavit, a one-page  
5 affidavit much more quickly and simply with this  
6 group working forward and get that in circulation?  
7 I could probably help promote that in on the law  
8 enforcement sending it to the International  
9 Association of Financial Crimes Investigators to  
10 whom hopefully everybody belongs to in this group.

11 Then if with we want to do a declaration,  
12 and quite honestly from a law enforcement  
13 perspective, this is more than any police report --  
14 this goes to like a homicide report. If I was a  
15 victim and received this, I'm not sure that -- I  
16 would go, "It's overwhelming, I'm under enough  
17 stress," and there's no law that requires them to  
18 fill this out.

19 And by the way, while we're on that, again  
20 remember earlier I said we have civil law, criminal  
21 law, wish list, we want to, we wish we could. This  
22 is a wish thing. It's a nicety. It's the cherry on  
23 top. I'm saying that the meat and potatoes is the  
24 one page affidavit of fraud or forgery.

25 This is kind of a nicety. It's not a

1 necessity, and my final point is, and this is  
2 jumping a few pages ahead, but the notarization of  
3 this thing, there is no law that requires anybody  
4 anywhere to spend money to notarize it.

5           When people call me to my desk to Anaheim, I  
6 tell them, if you want to do that, that's up to, you  
7 work that out with your financial institution, I  
8 would ask them to pay for it if you even want to  
9 consider doing it because that's an undue hardship  
10 on the victims who have been already victimized.

11           And a side note as far as law enforcement is  
12 concerned, I don't know how many of you are  
13 notaries, but a notary is not what it used to be ten  
14 years ago. It means absolutely nothing to me in  
15 fraud anymore.

16           MS. BRODER: Then I'm going to -- we jumped  
17 from the first page to the last page, and let me ask  
18 the financial institutions, notarization, so what?  
19 What does it mean to you, and does it make any  
20 difference, so, Judy?

21           MS. WELCH: I don't think it makes any  
22 difference to us for our existing customers where we  
23 know who the customer is. We have information on  
24 the customer. We know what the customer's signature  
25 is, is like.

1           When it's a non customer, somebody who  
2           doesn't do business with Chase and hasn't, we don't  
3           know anything about this person, so it's -- I guess  
4           it just gives us a comfort level that somebody else  
5           was looking to maybe some identification when this  
6           person was filling out the affidavit or the  
7           declaration, and we draw the line on whether or not  
8           it was a customer or a non customer as to whether we  
9           require notarization.

10           MS. BRODER: I think we hear from a lot of  
11           people that if an identity thief is resourceful  
12           enough to open up accounts and maybe even create  
13           false identifications, what stops them from going  
14           someplace and just signing the paper and having  
15           someone witness it? And so I guess I think there is  
16           some rethinking in the industry of the value of  
17           notarization, but, Patsy, do you have -- do you  
18           require notarization?

19           MS. RAMOS: We ask first for them to file a  
20           police report, and if they do that, there's no  
21           request for notarizing. In those situations where  
22           they're in a state that the local law enforcement  
23           won't take the complaint, we do ask that it be  
24           notarized, and I think the value that that brings  
25           are for us as a corporation is to understand that

1 this customer is serious about this, that it is a  
2 crime, that they have no knowledge of -- truly have  
3 no knowledge of the debt.

4 And again it's a question -- we don't  
5 insist, and if that is a hardship for the customer  
6 there are other options for them.

7 MS. MOVISH: I was going to say we don't  
8 require notarization or a police report. If they  
9 provide a police report, fine. If they provide a  
10 copy of their driver's license, that's even better,  
11 but we don't require a notarization.

12 MS. BRODER: I wonder from Doug sort of from  
13 an industry perspective is notarization something  
14 that you think is generally required among the banks  
15 that are members of your organization?

16 MR. JOHNSON: Just like you heard here, it's  
17 all the way across the map. I think that for  
18 customer information that as Chase indicated it's  
19 probably less relevant than it would be for frauds  
20 that have occurred outside of the customer arena.

21 MS. BRODER: To put it in concrete terms and  
22 based upon what we saw of other fraud affidavits,  
23 this requires either notarization or a police  
24 report, and I would ask the panel whether you think  
25 that makes sense, whether it's overkill. Robert

1 Cross?

2 MR. CROSS: I think it's -- it could be  
3 requested, not required. We don't require it. If  
4 we're not sure who we're dealing with, we may  
5 request a police report. I agree that notary is of  
6 little or no value.

7 MR. SMITH: A police report can be filed  
8 over the phone, and here at least the signature that  
9 we're getting we know is the signature that's on it,  
10 driver's license or another piece of identification.

11 MS. FOLEY: No, you don't.

12 MR. SMITH: What?

13 MS. FOLEY: No, you don't. You know how  
14 many fraudulent driver's licenses have been issued  
15 this year in California? Over a hundred thousand.

16 MR. SMITH: Yes, I do, but I also get  
17 disputes that come in where the individual has  
18 completed the application, has his brother sign the  
19 affidavit when it comes back, so the affidavit  
20 doesn't match the signature and doesn't match the  
21 sales slip, but if the sales slip come in because  
22 they signed it with their left hand or they did  
23 something like that, so if it creates an undue  
24 burden and so many people send it back to us and  
25 it's not notarized, and --

1 MS. FOLEY: My driver's license has my  
2 signature on it. What's the difference between that

1           MR. FLYNN: And I just want to add one  
2 little small thing in here. For everybody out here  
3 that's thinking about ten pieces of paper and the  
4 lawyers and banks, how many people have the same  
5 fingerprint? I'm telling you now, you don't know  
6 how to read fingerprints, you don't need how to read  
7 fingerprints. If your fingerprint shows up on a  
8 check, how is anybody going to know?

9           The only people that need to know are the  
10 people who read them. Those people are law  
11 enforcement. You cannot say your finger wasn't on  
12 the check if your fingerprint is on the check, can't  
13 do it. You've got prosecutors. You don't lose  
14 cases where there's fingerprint identification. Put  
15 the fingerprint on the check, put it on the receipt.  
  
15          checkwant t on the receFor eI yotayshe receipt.





1           Also we talk about privacy in the  
2 information age and the right to know. I know that  
3 when I was a victim, I sent over 90 letters myself  
4 that -- in trying to get letters back from these  
5 different creditors, that they didn't even really  
6 read my letters to begin with, that I had to -- they  
7 were looking to it. And I would get a form letter  
8 back and the same thing with the credit reporting  
9 agencies.

10           So there is no reason that if I had a Bank  
11 of America problem, that you need to see all the  
12 other creditors' statements. It's a lot of  
13 paperwork that you're going to hopefully shred, and  
14 you're not going to look to it because you're  
15 dealing with fraud departments that don't have the  
16 time to look to all this stuff.

17           The truth of the matter is you want  
18 something that cuts to the chase, that you can look  
19 to your fraud stuff. You can make a determination  
20 if this is fraud. You can fix the file. You don't  
21 have the time.

22           And then what scares me is what Joe was  
23 talking about and what Jamie was talking about,  
24 having all that information out there, there's no  
25 safeguards, there's no need to know.

1           I really like what Werner was saying about  
2           having a one-page affidavit. This is what I  
3           originally thought was going to happen and then  
4           maybe some sample letters. Like when I did the  
5           identity theft survival kit, I put sample letters in  
6           so people could fill it in with a diskette.

7           I'm not trying to sell it here. I'm only  
8           saying I was trying to make it easy for victims when  
9           I did it, and I gave a copy to the Federal Trade  
10          Commission to David Medine saying, Let's make it  
11          easy on victims, but I really have a problem with  
12          giving all this information not knowing where it's  
13          going to be.

14          One of the last pages say that this may be  
15          shared with other entities. Well, what does that  
16          mean? I think you did a good job in trying to meet  
17          all the needs of everybody, but what it did was give  
18          far more information than is ever needed to know.

19          The other issue is if I am a victim and I  
20          find out that someone has been working in my name,  
21          then I have send something to the IRS. Am I going  
22          to send them this? No. The truth of the matter is  
23          is I am going to send a specific letter to each  
24          creditor because it's going to be a different issue  
25          with each creditor.

1           And my specific fact has to be clarified,  
2       so a one-page affidavit along with your cover letter  
3       is a far better way to go. There's no problem with  
4       getting a sample letter with maybe some spaces like  
5       I did in my mine, here, fill in what's appropriate  
6       for you.

7           But the truth of the matter is from all the  
8       victims I've spoken with and from my twice being a

1 statements. I was able to get the billing  
2 statements, but I must tell you that it is -- if  
3 they don't give it, it's because they don't have it,  
4 so there is no reason, you're actually putting more  
5 of a burden on victims with this than you were  
6 without it.

7 And I just wanted you to understand that but  
8 I really think the one page affidavit is a great  
9 idea, and Werner --

10 MS. BRODER: Actually I would like to spend  
11 a couple minutes going through this and having  
12 people point out the information that they think is  
13 excessive or that will not serve the purposes of the  
14 fraud examiner who's looking to this and trying to  
15 figure out what's going on, and Patsy?

16 MS. RAMOS: I think maybe what we need to  
17 consider is having something like a one-page  
18 affidavit. Some of these questions are good, and  
19 there are questions that probably need to be asked  
20 of the consumer at the time of the claim to help  
21 with the fact finding process by the investigator,  
22 but I don't think it necessarily has to be in the  
23 form of an affidavit or a document.

24 MS. BRODER: Great.

25 MR. SMITH: You know, I think the focus has

1 turned. When we met and we talked about this  
2 affidavit, I think that what we were trying to focus  
3 on, all good intentions, was to figure out how  
4 people can put down their information once and send  
5 it to people and make it easier for the credit  
6 granting institutions to arrive at the decision that  
7 this is frozen because I think a one-page affidavit  
8 may be covering this.

9           And this being some sort of statement of  
10 information behind it and filled out as much as  
11 people can might change some feeling about it, a one  
12 page affidavit gets filed where the police. People  
13 write us a letter and say, This account is  
14 fraudulent. What do we do? Do we say, Okay, we're  
15 going to take it off the bureau, forget the debt,  
16 we're going to do this and that?

17           We're going to ask for more information so  
18 rather going back and forth, back and forth and  
19 trying to resolve the issue, we're trying to say if  
20 you fill this out and send it to us, we probably  
21 have enough information in maybe 90, 95 percent of  
22 the cases to arrive to a decision to make the  
23 process simpler and painless.

24           When the victims here have been through this  
25 for a year, two years, et cetera, this type of

1 information should almost close the case out much,  
2 much earlier, so that's what I'm looking to, and  
3 what I'm hearing is some opposition to that.

4 And if we go through it and just ask that  
5 people look to it in that light, it's not to  
6 disprove the fraud. It's really trying to prove the  
7 fraud, but if we can't arrive to that agreement that  
8 that's the purpose for it, then we're never going to  
9 agree on what belongs in the document.

10 MS. BRODER: Joe, and then we're going to go  
11 through the document.

12 MR. GENERA: Actually listening to both,  
13 especially the gentleman from Bank of America, I do  
14 understand the importance of people needing this  
15 information, and I'm also with you in terms of the  
16 more you can prove that there is a thousand dollars  
17 here, ten thousand dollars there, it makes for a  
18 stronger case.

19 But I also support the idea of a one page  
20 affidavit, and as we were talking about this  
21 morning, people want to talk to a real live person  
22 when they report their fraud to VISA, MasterCard,  
23 whomever it is, have this be the phone interview,  
24 have them fill out the notarized or however you want  
25 to do it -- their one-page affidavit but have

1 someone listen and go through this list and  
2 definitely take off the mother's maiden name.

3 MS. WELCH: That is exactly what I was going  
4 to say. This is almost in lieu of talking to the  
5 victim. This is everything you're ever going to  
6 need or want to know about the victim without ever  
7 talking to them, but at Chase we talk with every  
8 victim, and this is the type of information we may  
9 find out or we may ask, but this is long and  
10 cumbersome.

11 MS. BRODER: I'll tell you one challenge we  
12 had with having a single page affidavit that you  
13 would send to any creditor or financial institution  
14 is as in Mari's case, there were 15 or some odd  
15 accounts that were opened, how in the space of one  
16 page can you list this? You have to fill it out 15  
17 pages.

18 MS. FRANK: And then a cover letter that we  
19 could give them for the different types of -- and  
20 then they would send the police report so it would

10 This doesn't do any harm to the  
2 ff thbe three f infoe spf thb 15 accouns? Yn going to  
2 relf infshipYou but . 273

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Waldorf, is ays o we may

1 Chase only wants to see what I'm talking  
2 about with Chase, and they can see a copy of the  
3 police report, however, that will list the accounts,  
4 the other accounts, so what Barry was saying about,  
5 Well, maybe it will help us if we know this victim  
6 was victimized by Citibank as well as Bank of  
7 America and Providian and all these other banks.

8 Well, they're going to have a copy of my  
9 police report, and my police report is going to list  
10 these ten accounts, so instead of including all the  
11 documentation from those accounts, just have the  
12 police report, a cover letter and an affidavit.  
13 That's it.

14 MR. RAES: I think too, I want to piggyback  
15 real quick, I think it's important to go back to  
16 that concept I espouse which is you have legal  
17 ramifications, and you have nice wish lists of  
18 things, okay? It's nice to provide the banks with  
19 the additional places fraud have occurred. There's  
20 no mandate anywhere that that occurred.

21 But in effect the legal mandate is that an  
22 affidavit of forgery or fraud is a legal instrument.  
23 It is the vehicle by which you as their customer are  
24 legally demanding that they put the money back in  
25 your account, okay, and then the bank acts upon



1 that. That's the single, the green light that says,  
2 bank you have to do something, and they review it  
3 and they make their decision, but there's nothing  
4 incumbent upon the law that says you have to supply  
5 this other information.

6 I agree they should have it of course being  
7 a law enforcement member. I'm all for them getting  
8 it so if we go from a one page, I might say go for a  
9 two page or a major page and a half and include  
10 miscellaneous and list that stuff, but keep it in  
11 perspective is all I ask, legal and niceties and  
12 wish lists.

13 MR. FISHMAN: I would also add that there is  
14 another legal effect of this, and that is since it  
15 was mentioned this morning by Ed Wernesky that we  
16 now have limited furnisher liability under the Fair  
17 Credit Reporting Act. That is also triggered by  
18 notice, and this document or something like it,  
19 whether it's one page or ten pages, will trigger  
20 furnisher liability so that if the account is not  
21 cleared up, and it is reported again to a reporting  
22 agency, then the consumer will have met the  
23 predicate for furnisher liability under that  
24 statute.

25 So I think that maybe that's something also

1 to mention on here is that this satisfies your  
2 obligation under the Fair Credit Reporting Act which  
3 you should be doing anyway.

4 MS. BRODER: Which wouldn't be any different  
5 with this document than --

6 MR. FISHMAN: No, I'm saying adding to the  
7 instructions --

8 MR. SMITH: Add the statement.

9 MR. FISHMAN: -- add the statement that  
10 you're required under the Fair Credit Reporting Act  
11 to notify the furnisher before you can sue them, and  
12 that this satisfies that obligation.

13 MR. SMITH: I don't like that exactly.

14 MS. FOLEY: This sort of reminds of a one  
15 size fits all clothing item. It works for  
16 accessories, but when it comes to shoes and clothes,  
17 it doesn't work. I still would like to see the idea  
18 of going back to a simplified two or three page  
19 document that's on top that becomes a cover letter  
20 that provides the general information everybody  
21 seems to need.

22 MS. BRODER: So let's look to page 3.

23 MS. FOLEY: So what do the CRAs need? What  
24 do creditors need, and make it a pull apart kit.

25 MS. BRODER: Let's look at page 3. Thank

1 you, Linda, and the question that we asked on the  
2 page there with how the fraud occurred: Is this  
3 information that is important and useful to the  
4 banks and financial institutions where it states  
5 that other -- that the person has not authorized the  
6 account being opened, that someone used their  
7 information, all of these affirmations.

8 Is this information that the banks and other  
9 financial institutions would want to receive in any  
10 affidavit that they might use for identity theft?

11 MR. SMITH: Yes, but I think you need  
12 another box that simply says -- the box that will be  
13 checked most often and that is you do not know how  
14 the comprise occurred, so I think we kind of have to  
15 add that.

16 MS. BRODER: Although I guess 15, someone, a  
17 person that I do not know, used my identifying  
18 information which is it's invisible to me.

19 MS. FRANK: They might not know what they  
20 used.

21 MS. FOLEY: Can we go back to the page  
22 before and I'm wondering how many merchants and  
23 banks really need to know four past names I've been  
24 known by or how many previous addresses because my  
25 imposture doesn't even have that information?

1           MR. SMITH: Well, the previous address I  
2 think is important because quite often the previous  
3 address is where the new fraud has occurred.

4           MS. FOLEY: Shouldn't you time limit it, or  
5 is this a case that only one specific group of  
6 people need this information and not everybody?

7           MS. BRODER: Let's listen to somebody from  
8 our audience?

9           MS. CALDWELL: I'm not a victim of identity  
10 theft and I still have some concerns with this form,  
11 basically two of them. I don't understand why I  
12 should give a creditor that is an organization that  
13 I don't have a relationship with my date of birth,  
14 my Social Security number and my mother's maiden  
15 name. I don't give those to anything but banks that  
16 I have financial relationships with.

17           I don't think I should have to give it out  
18 to somebody else. I realize this may create  
19 problems, but I'm very uncomfortable with that, and  
20 the other point I wanted to raise was I don't know  
21 exactly what the intent is as to what happens with  
22 this document, but we just heard from the gentleman  
23 from Travelocity that apparently there's a fair  
24 amount of merchant fraud that gets promulgated  
25 through this system.

1           So, for example, if somebody at some sort of  
2   travel organization has taken my credit card  
3   information because of a transaction I made with  
4   them, and they are now -- they're now in the

1 perpetuate fraud. I know there's a fairly well  
2 known one I think in LA.

3 MR. JORDAN: Oh, blame LA.

4 MS. CALDWELL: I'm sorry.

5 MR. SMITH: I would suggest that we look to  
6 delete the mother's maiden name.

7 MS. BRODER: Is that fine with the  
8 creditors?

9 MR. FISHMAN: I just wish banks would stop  
10 using the mother's maiden name in general. I can  
11 give you a specific and concrete reason for that. I  
12 have a lawsuit now in New York, I won't mention the  
13 bank it's against, but the mother's maiden name is  
14 the security password, and when somebody calls in to  
15 access the account, they are asked three questions,  
16 your name, the account number and your mother's  
17 maiden name.

18 My client's wallet was stolen and she's from  
19 Venezuela. In the Hispanic culture your mother's  
20 maiden name is part of your name, and it's in your  
21 wallet, so asking the mother's maiden name, account  
22 number and your name are three things that are in  
23 that person's wallet, and that imposter was able to  
24 order access checks from this bank and run up tens  
25 of thousands of dollars.

1           And when I requested from the bank why are  
2 you using the mother's maiden name, what became  
3 clear is because it's very inexpensive to use  
4 because everybody remembers it, and if you required  
5 people to make up a password, they would forget it,  
6 and it's more time consuming and expensive.

7           But there's a serious downside and it's not  
8 just Hispanics in this country. I think Asians also  
9 use the mother's maiden name as part of their name,  
10 so I think a significant part of the population the  
11 mother's maiden name is no security, and at the very  
12 least if you're going to use the mother's maiden  
13 name, at least tell consumers they have the right to  
14 choose something else because it's often used  
15 without your knowledge or consent, and I think that  
16 would go a long toward stopping some of this.

17           MR. MCCALLUM: Jim, what about a city of  
18 birth or a unique pin number? That's what I use.

19           MR. FISHMAN: Even that's available one way  
20 or the other, but let the consumer provide  
21 something. I don't know of very many web sites that  
22 require mother's maiden name. Yet you have to  
23 provide a password that you know, that you remember,  
24 but mother's maiden name really in this day and age  
25 has no business being in the banking industry

1 anymore.

2 MS. BRODER: Speaking on behalf of those of  
3 who us who didn't change their name when they got  
4 married. We've made it to page 4.

5 MR. SMITH: It took a long time to get to  
6 page 4 .

7 MS. BRODER: You see there's so much blank  
8 on this form. I hope people appreciate we used  
9 large fonts and have a lot of blank space, so it may  
10 not be -- once he get down to it, it's not as much.

11 MS. FOLEY: I would like to see an addition  
12 of the word checks because I have a lot of victims  
13 who have had checks either stolen, lost, forged.

14 MS. BRODER: This is on number 16, Linda?

15 MS. FOLEY: 16 and 17 at least.

16 MR. GENERA: And 18?

17 MR. SMITH: A couple other fields that we  
18 have on our statement when the credit card was  
19 opened as a fraudulent application, I'm not sure  
20 where they might fit in here or they might not, as  
21 we'll hear from some people. One was we asked for  
22 persons residing with us, with them, and the persons  
23 residing with you, the name and the relationship so  
24 we know the names of children or other household  
25 members who may have applied for this account or a



1 signed sales drafts.

2 We like to ask the people, Are you willing  
3 to prosecute, even if is a relative, yes or no.

4 MR. FISHMAN: What information does that  
5 give you? If the person says, No, I'm not willing  
6 to prosecute, does that mean you discount the story?

7 MR. SMITH: We then want to know the reasons  
8 why, and we will try to figure out whether this is a  
9 civil matter or a criminal matter.

10 MS. FOLEY: None of your business.

11 MR. FISHMAN: But if you don't want to  
12 prosecute their family member, that doesn't mean it  
13 was any more authorized.

14 MR. RAES: Barry, could I jump in? From a  
15 legal law enforcement standpoint, again it goes to  
16 wish list and legal, okay? If you're not going to  
17 prosecute, if you check the on the affidavit, that's  
18 one thing we do want on the affidavit because if  
19 you're not going to prosecute, it's not a police  
20 matter.

21 We don't need to take a report. Remember I  
22 told you we're not going to stuff the file cabinets  
23 full of nonsense, so if they're not going to  
24 prosecute, that needs to be on there so we know

1           MR. FISHMAN: I'm looking at it in terms of  
2 the bank getting this, not the law enforcement. How  
3 are you going to translate the consumer saying, I'm  
4 not going to prosecute?

5           MR. SMITH: But if somebody calls me and  
6 says, I didn't open that account and therefore I'm

1           MR. SMITH: You're going to be in the middle  
2 of it. If we turn around and prosecute, who are we  
3 going to bring in as a witness?

4           MS. FOLEY: That's different. I'm being  
5 asked to serve your purposes. I'm not prosecuting  
6 my brother.

7           MR. FLYNN: Let me through one in here. You  
8 didn't give them the money, you wouldn't have to  
9 prosecute them. If you didn't give them the money  
10 or the credit or the loan, you wouldn't have to  
11 prosecute them.

12           If you found out who the person was who got  
13 the money from you initially, you wouldn't have to  
14 prosecute them with the help of a family member.  
15 That's your responsibility, not mine, but I will  
16 tell you this, if somebody in my family does it,  
17 they're going to jail.

18           MS. BRODER: We have no doubt about it, but  
19 that you would fill out in number 19 all of the  
20 identifying information about your poor relative who  
21 is going to spend the rest of their life in the  
22 woosca for stealing your information.

23           But section 19, part 19 here does give the  
24 opportunity to reveal information that, what, 30  
25 percent of our people who call into our hot line

1 have some kind of information about the person who  
2 was involved in the ID theft. It may not be  
3 everything. It may be an address because they know  
4 that a change of address form was put in, but they  
5 don't know the name of the person so we try to  
6 collect this information here.

7 Now, is this information of interest and  
8 value to the creditors, that is the potential perp?

9 MR. MCCALLUM: It is.

10 MR. SMITH: Absolutely.

11 MS. BRODER: Do you ask for it now?

12 MR. SMITH: Yes, we do.

13 MS. MOVISH: Yes, we do.

14 MR. SMITH: We usually get it in the case of  
15 ex spouses very promptly.

16 MS. BRODER: Or soon to be.

17 MS. FOLEY: Is there a way of combining 14  
18 and 19 together as well as 15 and 20 together? They  
19 seem to address the same subject but go into more  
20 detail.

21 MS. BRODER: Yes, probably, and that is the  
22 identity of the person who stole or was thought to  
23 have stolen your identity, to bring that information  
24 together.

25 MR. FISHMAN: I want to throw in another

1 family member issue that I've seen, and it may not  
2 be as common as all that, but I don't know, maybe it  
3 is. I have seen some situations where the family  
4 member who perpetrated the fraud owns up to it and  
5 is willing to take on the obligation, but the banks  
6 will not transfer that obligation to the family  
7 member who's willing to own up to it.

8 And so that puts them in a bind, and then  
9 you're going to get less cooperation on prosecution  
10 because the victim is saying, My brother is willing  
11 to pay it, get it off my credit report, but the bank  
12 won't do it.

13 MR. SMITH: Is the brother able to pay it?

14 MR. FISHMAN: Maybe the brother has to fill  
15 out a credit application. Maybe the brother needs  
16 to get a cosigner, maybe something needs to be done,  
17 but I'm hearing it's falling on deaf ears. They  
18 won't even consider it.

19 MS. BRODER: I'm actually going to pull us  
20 back to the topic at hand. I think that's an  
21 intriguing problem, and as Helen said earlier in the  
22 day, that's for a later panel, but that's something  
23 very, very important to keep in mind.

24 MS. FRANK: It really does goes to the  
25 issue.

1 MS. BRODER: Can you wait one second until  
2 you're miked?

3 MS. FRANK: I think it really goes to the  
4 issue because then if you're asking for that  
5 information you could ask are they willing to take  
6 on that responsibility. If you know who it is, I  
7 had a judge whose stepson did this to him, and the  
8 judge didn't want to prosecute him because he was  
9 afraid his wife would leave him, but he did get his  
10 stepson to say that he would take it but could not  
11 get the bank to agree to let him take it.

12 So the bank was willing to lose the money  
13 instead of transfer the account, and in that case  
14 they would lose the money or prosecute the judge, so  
15 it was a very difficult situation, and I think that  
16 goes to the issue. If you know that person, is that  
17 person willing to own up to it and take it, and then  
18 that -- then the person is the victim no longer is  
19 the victim and you don't have to prosecute and  
20 you've got someone who takes on the responsibility.

21 So I think it's a real critical issue that  
22 Jamie brought up.

23 MS. BRODER: Let's put that in as we're  
24 trying to trim down this document, let's include  
25 that information.



1 son or the stepson the credit if you're saying that  
2 he's willing to take the responsibility.

3 But if his credit report indicates he has  
4 repossessions and charge offs, I'm not going to take  
5 a risk of giving him a loan at this point. I'm  
6 going to take my car from him and deal with the  
7 problem on with the deficiency.

8 MS. BRODER: Could you please identify  
9 yourself for the court reporter?

10 MS. BHAGWAKAR: I'm Bharna Bhagwakar. I'm  
11 with Volkswagen Credit.

12 MS. BRODER: After the workshop, if you  
13 could spell your name for the reporter. Thank you.

14 We're all the way to item 20, which requests  
15 for the date when you became aware you were a victim  
16 of ID theft. I think that's of great importance to  
17 most creditors and certainly for law enforcement,  
18 and I was wondering if our privacy watch dogs had  
19 any concern with that. I say that in the nicest of  
20 ways.

21 We're on page 6. Now, page 6 and page 7  
22 both ask for a listing of creditor information, that  
23 is all of the creditors who may have opened accounts  
24 or whose accounts may have been corrupted by an  
25 identity thief, and I understand that there are



1 strong misgivings, if I'm correct, about sharing  
2 this information universally among all creditors.

3 First of all, that it makes it harder for  
4 the creditor involved to find the information  
5 pertaining to them, and second that it may circulate  
6 private information more broadly than most people  
7 and certainly victims of identity theft would  
8 otherwise choose to do so.

9 MS. FOLEY: It also opens us up to work  
10 place identity theft issues as well, which we'll  
11 talk about in a couple days.

12 MR. FISHMAN: But what you're doing here is  
13 really reproducing a credit report. Anything on  
14 page 6 and 7 is what would be on a credit report,  
15 and a creditor already has the right to pull your  
16 credit report as an existing creditor, so by giving  
17 him this, why don't you just get your own credit  
18 report and attach it and say, This account is mine,  
19 this one isn't, this one is mine, this one isn't.

20 MR. SMITH: I think if we pull the credit  
21 report, I don't think we can share that information  
22 with the consumer. I think that's why the consumer  
23 has to go through the bureau to get a report, but I  
24 do agree that we get this information on the bureau  
25 but we don't know which accounts are real or and

1 which accounts are fraudulent.

2 MR. FISHMAN: That's why the consumer can  
3 simply attach an Experion report and go through it  
4 and cross off the ones that are not theirs and check  
5 off the ones that are theirs.

6 MR. SMITH: I think that the one piece that  
7 would be important in here would be somewhere  
8 authorizing us to be able to contact other credit  
9 grantors that have had fraudulent applications on  
10 their behalf.

11 MS. BRODER: I'll tell you, one of the  
12 reasons that we included this, and it was after  
13 considering the issues that have been raised today,  
14 is that it gives some assurance to other creditors  
15 that they're not the only ones, it wasn't just this  
16 one account that was created but rather that the  
17 victim was subject to a whole rash of false accounts  
18 opened in their name which establishes some kind of  
19 verification that they are not a bona fide victim  
20 trying to get out of a single debt .

21 Were you going to say something?

22 MR. MCCALLUM: I'm sorry. Jim, just to  
23 address this a little bit. My ultimate goal is to  
24 shut these people down, whoever's doing this. What  
25 we do typically is almost a prosecution package

1 where we work at maybe 70 percent. If I know my  
2 counterpart at that fraud department within that  
3 issuing bank or whoever and maybe a unique case  
4 number that they have, we'll get a lot done so I  
5 would just like to throw that in on this particular  
6 page.

7 MS. BRODER: Does anyone else think among  
8 the creditor, financial institutions? Patsy.

9 MS. RAMOS: I don't think personally this is  
10 the level of documentation we would ask for.

11 MS. BRODER: What on page 6 or 7 would you  
12 ask for? Now account -- it asks for creditor, name,  
13 address, account number, type of unauthorized  
14 credits or goods or services, date issued or opened  
15 if known and the amount or the value provided. What  
16 of that would you look for?

17 MS. RAMOS: We would just like to know if



1           It gives you more credibility, and I would  
2 encourage banks to do that wherever possible.

3           MR. RAES: And I think law enforcement would  
4 support that on the peripheral. It's beyond our  
5 scope, but I have no doubt that it does and I think  
6 -- go back to the statement I would add getting back  
7 to that instrument that goes to that financial  
8 institution that says, make a decision. You're  
9 forcing their hand legally, make a decision, I am a  
10 victim, and you're recompensating me or you don't  
11 think I am, tell me why.

12           So to me the key in law enforcement is that  
13 one-page affidavit. They have to by law respond to  
14 it, so you're either a victim or you're not. The  
15 safe harbor letter is a nicety and sure, I would

ss       oyn't

1 necessarily would be sought by the financial  
2 institution? Jack?

3 MR. JORDAN: Well, I don't want to steal his  
4 thunder, but I think what I said earlier was you're  
5 not going to solve 100 percent of anything, and I

1 that are trying to get out of a legitimate debt and  
2 also prosecute the ones that are trying to defraud  
3 the banks further.

4 MS. FOLEY: And let's not forget the people  
5 we're really trying to help, the victims.

6 MR. JORDAN: That's what I said first.

7 MR. RAES: And, Betsy, too, to add to that I  
8 think that the affidavit -- and I don't know the  
9 state that we're talking about because each state  
10 again has its own codified note or penal law, and  
11 unfortunately like Japan or someplace we don't have  
12 one set of laws.

13 Each state has their own, so I can't speak  
14 specifically to your point, but normally in about 98  
15 or 99 percent of the cases, if that affidavit was  
16 not honored, if that was me speaking personally, I  
17 think I would find myself an attorney like the  
18 gentleman on the end there, and it would be  
19 rectified very, very quickly because in most cases  
20 the financial institutions do and are very good at  
21 responding because they're legally bound to respond  
22 and they know that, okay?

23 The other thing too that I might add, Mari,  
24 this new brochure that Anaheim put out which is  
25 available back there for everybody, there's a sample

1 letter in here which addresses some of these issues.

2 MS. BRODER: Joe, yes?

3 MR. GENERA: If I could add on to that, that  
4 is a very, very good point, and we were fortunate,  
5 very fortunate to be able to find Attorney Fishman  
6 to help us with this. There are a lot of people out  
7 there who can't and who don't have the means, and  
8 there are also a lot of attorneys out there who  
9 don't know what they're doing when it comes to  
10 identity theft, when it comes to fraud, et cetera,  
11 et cetera.

12 Now, we need to leave soon, and I just  
13 wanted to leave you with a thought because we are  
14 not going to be able to join you all tomorrow. A  
15 lot of this could be avoided. In fact so much more  
16 of this could be avoided. Catherine and I don't  
17 have to be here. As the gentleman just said, there  
18 are laws and regulations that credit bureaus and  
19 credit grantors need to comply with.

20 We wouldn't be here if you had done your  
21 job. That's all I have to say. Sorry.

22 MS. BRODER: Thank you. We thank you for  
23 making the effort to come today. Phillip McKee?

24 MR. MCKEE: Phillip McKee from the National  
25 Consumers League. I just wanted to quickly jump



1 back a couple seconds before we had our discussion  
2 about relative importance of affidavits versus  
3 declarations and once again talk about item number  
4 21 on this list.

5 It's a nice idea that was proposed by the  
6 attorney to have the person make notations on their  
7 credit report but that assumes the person will be  
8 able to understand their credit report and know what  
9 accounts on there are the fraudulent ones.

10 Unfortunately with the differences in  
11 formats that are out there and with the often  
12 confusing formats, unless at the same time as  
13 creating this declaration you also created a  
14 standard easy to read, plain language form for a  
15 credit report, most consumers who are brand new  
16 victims of identity theft would not be able to use  
17 an attached credit report as a substitute for item  
18 21.

19 They would not be able to figure that out.  
20 Usually the people that we have contacting us become  
21 experts in how to read a credit report, but that's  
22 much later in the process. That first time when  
23 they discovered it, there are many people who's  
24 credit reports to them might as well be a foreign  
25 language because that is so confusing for many

1 people.

2 MS. BRODER: The language we're looking for  
3 in 21 is the best information that the victim has on  
4 the accounts that have been opened in their name,  
5 and whether they obtain it because a debt collector  
6 has contacted them or because they've been able to  
7 interpret their credit report, they'll be in the  
8 same situation.

9 MS. FOLEY: I want to go back to the victim

1           MS. BRODER: I think on the first page with  
2 the important instructions, you bring up an  
3 important point, Linda, which is we say what this  
4 form asks for, what you should do, what you should  
5 know, but maybe we need a little bit of why we need  
6 this, and when we figure out what that is, that is  
7 how generally this will be used, that would bring us  
8 ahead.

9           There's a gentleman in the back of the room.

10          MR. THOMPSON: Joe Thompson. I think  
11 there's another point here that we need to make. We  
12 have a little bit of a --

13          MS. BRODER: Can I stop you one second? Do  
14 we have a better Mike?

15          MR. THOMPSON: Joe Thompson, President's  
16 Information Technology Advisory Committee. I think  
17 what's happening here to some extent is the credit  
18 industry is in the new economy, and the consumer,  
19 the potential victim is still back in the old  
20 economy.

21          The consumer particularly in the fast paced  
22 economy we have has become a commodity, but in  
23 establishing the fraud we are leaving the consumer  
24 as still an entity which is the way things used to  
25 be.

1           The speed of getting credit or getting a  
2 cell phone or getting any type of this has really  
3 gone down. We had a minute ago that you can get a  
4 cell phone simply by calling a number and setting it  
5 up. If I could get out of such an account simply by  
6 calling a number, perhaps the cell phone industry  
7 might find a solution to the problem.

8           My point of it is that's the new economy,  
9 old economy, and I think that we have got to face  
10 this issue, that as we have made business -- the  
11 credit industry, business, cell phones, et cetera,  
12 operate so quickly and so easily and so instantly  
13 for people, and particularly that's been not really  
14 so much to serve the people but because of  
15 competition, that we've got to do the same thing for  
16 the consumer.

17           We've got to bring the consumer in to the  
18 new economy also, and 12 pages on everything that  
19 comes out is the old economy. I'm in danger every  
20 day of someone opening up some false account, and I  
21 have to put another 12 pages on in principle, not  
22 only some individual doing it, but there's nothing  
23 to prevent some person from getting a list of names  
24 and Social Security numbers, opening up his own  
25 little small business and setting up financial

1 liabilities for everybody on the list.

2 MS. BRODER: And it happens, and we've sued  
3 them.

4 MR. THOMSPON: It does.

5 MS. BRODER: But actually I'm very  
6 interested in if you have an idea of how to bring  
7 this process that may seem cumbersome and a little  
8 bit antiquated in a more timely --

9 MR. THOMSPON: You can look to it in  
10 different directions. One thing that might choke a  
11 little bit would be that if the credit industry  
12 incurred a liability to the person when they set up  
13 a financial liability because what you're doing,  
14 what the company is doing, is establishing a  
15 financial liability for that individual.

16 If the credit industry incurred a liability  
17 for damages to that individual in doing that I think  
18 they probably would redirect corporate resources to  
19 finding a solution to the problem, and I have great  
20 confidence that they could.

21 MS. BRODER: That's one perspective that I  
22 think would generate a great deal of discussion on  
23 this panel.

24 We have already gone over by about 15  
25 minutes, and under other circumstances, I would plow

1 through except I know we have an opportunity  
2 tomorrow in a smaller break out group to continue  
3 this discussion which I think is important.

4 We are determined and dedicated to  
5 establishing something that will facilitate  
6 consumer's efforts in reporting their fraud, and  
7 we're going to move ahead with that.

8 We thank you so very much, all of you today,  
9 for your important input. We look forward to seeing  
10 you tomorrow morning at nine o'clock, and I remind  
11 you also to share your business cards with Joanna  
12 Crane and with Helen Foster, the women in the ID  
13 theft colors.

14 Thank you very, very much.

15 (Time noted: 4:46 p.m.)

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1 C E R T I F I C A T I O N O F R E P O R T E R S

2 CASE TITLE: ID THEFT WORKSHOP

3 HEARING DATE: OCTOBER 23, 2000

4

5 WE HEREBY CERTIFY that the transcript  
6 contained herein is a full and accurate transcript  
7 of the notes taken by us at the hearing on the above  
8 cause before the FEDERAL TRADE COMMISSION to the  
9 best of our knowledge and belief.

10

11 DATED: NOVEMBER 7, 2000

12

13 SALLY BOWLING

14

15 DEBRA L. MAHEUX

16

17 C E R T I F I C A T I O N

18 O F P R O O F R E A D E R

19

20 I HEREBY CERTIFY that I proofread the  
21 transcript for accuracy in spelling, hyphenation,  
22 punctuation and format.

23

24

25 DIANE QUADE

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