

## Car Dealers May Be Held Responsible For Identity Theft

November 10, 2006

HOUSTON -- The Harris County District Attorney's Office is cracking down on identity theft used to purchase cars, but the thieves aren't the only targets. The car dealerships should do more to prevent the crime and could find its property seized, according to prosecutors Friday.

Officials said too many identity thefts happen because dealers aren't diligent about checking buyers' credit records.

"When they sit back and watch a piece of their property walk out the door, we have to go find it. And when we have to go find it, the taxpayers have to pay for that," said John Brewer, an assistant Harris County district attorney.

Prosecutors said it came to a head last month when Charles Loving, a 19-year-old black cross-dressing man, used a 48-year-old white woman's identity to purchase a car at Helfman Dodge.

The district attorney said red flags should have gone up immediately. But the finance manager who handled the deal said it was not apparent that Loving was not a man because he was dressed as a woman.

"Convincingly?" KPRC Local 2's Phil Archer asked.

"Oh, yeah, definitely. (He had) cornrows, makeup on. We thought it was a female," credit manager Jesse Dotson said.

But, there was already a fraud alert from the victim's credit history.

"The credit warning was missed. We missed the credit warning. But the credit warning said, 'Verify ID.' And we had ID," said Steven Wolf with Helfman Dodge.

The district attorney said that is not good enough. He is planning to ask a judge to forfeit the car to the county to help pay expenses. He also told the Texas Auto Dealer's Association that he plans to make that a policy in similar cases.

"I'm not shot in the arm about doing a whole bunch of forfeitures. But, I feel like you've got to get somebody's attention. We've been telling them it's been a problem for a while," District Attorney Chuck Rosenthal said.

The forfeitures have never been tested in court.

Officials said Loving was caught when he tried to use the stolen identity to purchase a vehicle at another dealership, which acted on the credit warning.

He faces a felony charge of making a false statement to obtain credit. If convicted, he faces up to 10 years in prison.