

U.S. Charges Three in Massive Identity Fraud
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NEW YORK -- U.S. authorities charged three men with orchestrating the largest identity theft scheme in U.S. history, a scam that "picked the pockets" of thousands of consumers to steal millions of dollars.

Announcing the arrests on Monday, Manhattan U.S. Attorney James Comey said more than 30,000 consumers across the United States were affected. Authorities pegged losses at \$2.7 million, which Comey said could rise as the investigation unfolds.

"With a few keystrokes, these men essentially picked the pockets of tens of thousands of Americans and, in the process, took their identities, stole their money and swiped their security," he told a news conference.

Comey said the scheme was orchestrated by Philip Cummings, a 33-year old employee at Teledata Communications Inc. of Bayshore, New York. Teledata, which was not charged, provides banks and other corporations with access to consumer credit information from the three commercial credit bureaus -- Equifax Inc., Experian and TransUnion.

None of the credit bureaus was implicated in the scheme, authorities said. Teledata said in a statement that it cooperated in the investigation, but declined to comment on the arrest.

Comey said Cummings had agreed to provide credit details to a co-conspirator in return for money.

He said Cummings was provided with a "wish list" of desired reports and, using stolen passwords, Cummings accessed the documents and allegedly sold them to a network of more than 20 individuals of Nigerian descent in the Brooklyn and Bronx suburbs of New York.

Those individuals allegedly used the personal information -- credit card and bank account details and Social Security numbers -- to make money. They would open credit card or bank accounts under the stolen identities and then run up charges.

They allegedly paid \$60 per report, half of which was split with Cummings, Comey said.

Cummings, of Cartersville, Ga., appeared in the U.S District Court in Manhattan late on Monday where he was released on a \$500,000 personal bond, secured by \$100,000 in equity. The next court hearing was set for Dec. 26.

If convicted, Cummings could get up to 30 years in prison for wire and fraud charges as well as millions in fines.

'WORST NIGHTMARE'

Authorities said Ford Motor Credit Corp. was one such company whose confidential password and subscriber code were allegedly stolen and used by Cummings to access 15,000 credit reports from ZExperian over a 10-month time period.

Ford discovered the scheme after reviewing bills sent by Experian and after receiving numerous complaints from its customers, investigators said.

After searching its database, Experian found that passwords of Washington Mutual Bank in Florida and Washington Mutual Finance in Crossville, Tenn., had also been hacked into, with 6,000 other credit reports illegally siphoned off.

"The potential windfall was probably far greater than the contents of a bank vault ... and they didn't even need a getaway car," said Kevin Donovan, assistant director of the Federal Bureau of Investigation.

Other companies, including Dollar Bank in Cleveland, Ohio, Sarah Bush Lincoln Health Center in Illinois, the Personal Finance Company in Frankfort, Ind., and Vintage Apartments in Houston, were also affected.

"It was every American's worst financial nightmare," Comey said. He added that there was no reason to suspect any terrorist connection.

Cummings, with two other defendants -- Linus Baptiste and Hakeem Mohammed -- allegedly started the scheme in early 2000. Baptiste was arrested in early October and Cummings turned himself in earlier on Monday, Comey said. The ages of Baptiste and Mohammed were not disclosed in court documents.

Comey added that his office had sent letters to the 30,000 victims asking for additional information. He said consumers looking for more information about the fraud should go to <http://www.ftc.gov> or call 1877-IDTHEFT.