

# **IDENTITY THEFT**

## **From Top Secret Clearance to Minimum Wage**



*by Dyches Boddiford*

Major Zane Purdy's life crumbled overnight...

Maj. Zane Purdy was making over \$100,000 a year employed by defense contracting company, General Dynamics, when his identity was stolen and sold to an identity theft and tax fraud ring. Now, Purdy makes \$7.25 an hour at a Krystal to support his wife and two children.

In 18 years of service, Purdy had never had an issue with his top-secret security clearance. But once thieves stole his identity, his credit was trashed. Bad credit automatically flags someone as a national security risk and his security clearance was suspended. To add insult to injury, he has also been blocked from active duty and General Dynamics was forced to fire him.

Adding to his plight, he has tax liens levied against his property and the IRS is claiming he owes them more than \$10,000 in back taxes.

You may want to believe he was careless with his information, maybe on an Internet smut site or volunteering personal information to a phone scammer. Nope.

**His identity thief was a data-entry clerk at a nearby hospital!**

Her job provided access to steal the personal information of more than 800 patients--names, Social Security numbers, birth dates, and addresses. She sold this data to a ring of thieves manufacturing "synthetic identities" for \$6,500 to 8,000 in just 9 months 2010 and 2011. The US Attorney's office as well as the Secret Service working on the case say the thieves had turned this personal-information cache into \$1.6 million by 2012.

Usually, the typical identity thief is only able to rack up charges of an individual account until it is noticed by the individual or the limit is reached. This usually mitigates the damage. The synthetic approach takes longer than conventional credit fraud...but the returns are much, much higher.

The identity thieves start out setting up some new credit cards and other accounts, making payments to establish a good credit rating. This gives them time to get more credit cards, open bank accounts, start fake businesses to get business credit, take out home and auto loans and file tax returns. Once this house of cards is constructed, they pull out all the cash they can get. Then they leave the cleanup to the victims.

In New Jersey, a small number of these synthetic identity thieves stole at least \$200 million in the last six years. It is reported that the group gathered small pieces of personal data from stolen utility bills, swiped Social Security cards and hacked online accounts among other thefts. They then used these pieces of personal information to piece together fake credit identities.

An FBI report said these criminals fabricated some 7,000 synthetic identities. Banks then issued them 25,000 credit cards. At the same time, they established at least 169 fake bank accounts from which \$60 million in cash was withdrawn.

All that happened to someone else. Maj. Zane Purdy has his own burden in repairing his credit. His wife has had to quit nursing school and his two children can no longer go to the private school they attended before. They have also had to drop their medical insurance.

And Maj. Purdy did nothing wrong. He just volunteered the information for which he was asked when filling out the hospital's paperwork when he went in for minor surgery.

Federal law allows you to receive a free copy of your credit report once per year. You can get your report (and should immediately) from [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com). While you are looking for possible use of your credit unknown to you, check for accuracy. The Federal Trade Commission found that 1 in 4 credit reports have at least one significant error. You may also consider freezing your credit so others cannot gain access.

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