

APPENDIX F: ILLUSTRATIVE CASE SUMMARIES

NUMBER OF VICTIMS

Case No. 343914: Single Victim

The defendant used her husband's name and father-in-law's social security number to obtain five credit cards. The outstanding balances on the five cards exceeded \$20,000 at the time her offense was discovered. She was sentenced to two years probation.

Criminal History Category I

Case No. 377394: 389 Victims

The defendant in this case bought and sold stolen ESN/MIN pairs for cloned cellular telephones, affecting approximately 389 cellular customers and victimizing 10 cellular service providers. Cellular telephone fraud does not cause monetary loss to individual victims whose numbers are stolen because the losses are absorbed by the cellular industry carriers. The losses to the companies totaled \$13,000 but the amount of loss for sentencing was reduced by the court (reason unknown). Under the §2F1.1 guideline, the defendant received the enhancement for more than minimal planning and was sentenced to 3 years probation.

Criminal History Category I

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Case No. 395675: 250 Victims

This defendant was part of a large fraud conspiracy, involving at least 10 other co-participants and lasting more than a year. The defendants obtained financial and identification documents by dumpster diving, stealing mail, and burglarizing homes and cars. They searched for blank and completed checks, credit and debit cards, and driver's licenses. Using the stolen credit cards, the defendants rented hotel rooms to use as clearing houses. The stolen items were used to create false identification means ("breeder documents" that were in turn used to open fraudulent bank accounts, pass stolen checks and make ATM withdrawals and credit card purchases.

Losses for this conspiracy totaled more than \$300,000. The defendant in this case was not directly involved of the theft of the original documents, but possessed counterfeit identification at the time of her arrest. In addition, she had accessed 27 of the compromised accounts using checks and credit cards for losses of \$37,000. The defendant was sentenced to 42 months' imprisonment.

The probation officer estimated that approximately 2,300 fraudulent credit card, check, and false identification incidents occurred as a result of this conspiracy. No individual victims were contacted by the PO to evaluate victim impact because there were so many.

Criminal History Category I

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Case No. 400134: 1,130 Victims

The defendant was part of a scheme involving the theft of ATM account numbers and accompanying PINs (Personal Identification Numbers) that were then used to manufacture counterfeit cards enabling the withdrawal of money from automatic teller machines. The co-conspirators used two different methods to obtain these numbers. First, they wrote computer programs that stored the account numbers from ATM cards when swiped at a sales terminal. Video cameras were placed above the adjoining keypads to record customers' PINs as they were entered. The information collected was later programmed onto the magnetic strips of blank (or "white") cards. The leaders of the scheme paid shop owners and clerks to install and maintain the equipment. The defendant was a clerk in a participating gas station.

The second method involved the recruitment of bank tellers who persuaded customers to provide this information (purportedly for a legitimate bank transaction) which was similarly encoded onto blank cards. The total conspiracy acquired over 1,130 pairs of ATM account numbers and PINs that were used to withdraw money; losses exceeded \$600,000. The defendant was responsible for 600 account numbers and PINs and losses of \$159,000. He was sentenced to 3 years probation.

Criminal History Category I

APPENDIX F: ILLUSTRATIVE CASE SUMMARIES

NUMBER OF ID MEANS/USE OF BREEDER DOCUMENTS

Case No. 356421: 50 Fraudulent ID Means

The defendant in this case was part of a large, on going (nearly 2 years) scheme to defraud businesses through the misuse of instant and in-store credit contracts. The defendant and co-participants created false identities by counterfeiting birth certificates and employment and/or educational verification. With these documents they fraudulently obtained driver's licenses. Other individuals were recruited to use the fraudulent sets of documents to obtain cellular telephone accounts and purchase electronics, jewelry, furniture, and clothing. *None of the identification documents represented real individuals*, but the scheme resulted in over \$300,000 worth of loss to financial institutions and retail establishments.

The defendant's wire fraud conviction was predicated on the fact that the in-store credit applications require faxes and phone calls to approve the credit applications. The guideline computation under §2F1.1 included the adjustment for "more than minimal planning/scheme to defraud more than one victim." Additionally, the defendant received an enhancement for leadership of more than five participants. He was sentenced to 30 months in prison.

Criminal History Category II

APPENDIX F: ILLUSTRATIVE CASE SUMMARIES

Case No. 359367: 40 Fraudulent Breeder Documents

The defendant in this case submitted 40 false social security applications to the Social Security Administration and received cards. Each application represented a *fictitious child* that he claimed to have. The defendant sold each social security number to a co-participant for \$150. The co-participant used the social security numbers to obtain birth certificates and fraudulent drivers' licenses. In turn, these documents were used to obtain loans and credit cards. Losses of \$16,000 amassed for the unpaid loans and credit card bills. The defendant was sentenced to five years probation.

Criminal History Category I

Case No. 344419: 100 Breeder Documents and Credit Cards

While serving in the military, this defendant obtained a roster containing the social security numbers, dates of birth, addresses, and other personal information of other individuals stationed at his base. Upon leaving the service, the defendant used this information to manufacture military IDs and other documents to apply for credit cards. He had the cards mailed to out-of-state addresses and made purchases with the cards. He enlisted the help of three other individuals to make purchases with the fraudulently obtained cards. The purchases resulted in losses in excess of \$10,000. At the time of his arrest, the defendant was in possession of 100 credit card numbers. The defendant received the "more than minimal planning" enhancement under §2F1.1 and an enhancement as the organizer/leader of the scheme. He was sentenced to 21 months in prison.

Criminal History Category I

APPENDIX F: ILLUSTRATIVE CASE SUMMARIES

Case No. 396241: 5,191 Credit Card Accounts

The co-defendants in this case obtained account numbers and personal information for 27 Merrill Lynch accounts in order to call and change the PINs for the accounts. They encoded the account information onto the magnetic strips on blank (or “white”) cards and accessed the accounts through ATMs. They also changed the addresses and diverted the mail for some of the accounts. At the time of arrest, the defendant had in his possession a total of 5,191 credit card numbers on hotel receipts, rental car receipts, written on paper and in notebooks, and on computer printouts. He had been diverting mail to numerous addresses using various aliases.

One victimized couple mentioned in the PSR had their mail, containing a canceled check, diverted by the defendant. He used this check to order replacement checks with a different address. The defendant was also in possession of their social security numbers, broker’s name, and a rental car receipt with their names and credit card number. The losses attributable to the defendant exceeded \$1 million. The defendant was sentenced to 41 months’ imprisonment.

Criminal History Category II

APPENDIX F: ILLUSTRATIVE CASE SUMMARIES

UNDERMINING INTEGRITY OF THE POSTAL SYSTEM

Case No. 366055: Repeated Diversion of Mail

The offender in this case was a disgruntled former employee of the victim. Using U.S. Postal Service forms, he diverted his former employer's mail 13 times over the course of 14 months. The mail diversions were temporary; he often allowed the mail to be re-routed correctly before re-diverting it in order to avoid detection. In the mail that he diverted to his own residence, the defendant received checks and credit cards belonging to the victim. Through charges to the credit cards and both attempted and successful deposits of the checks, the defendant incurred losses of \$84,140. Due to the medical condition of the elderly victim, his monetary (or other) losses were unable to be determined. The defendant received a 10 month split sentence (5 months imprisonment).

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IMMIGRATION FRAUD

Case No. 388705: Mail Fraud

The defendant in this case claims to have found the birth certificate and identification card belonging to another individual in his van and used the information on these documents to apply for a U.S. passport. He mailed the application, on which he falsely claimed U.S. citizenship, to the passport office. He was sentenced to four months in prison, receiving credit for time served which essentially equated to his sentence.

Criminal History Category IV

Case No. 352028: 4 ID Means in Same Name

The defendant submitted a counterfeit birth certificate, social security card, driver's license, and learner's permit all bearing the same name to a passport official. The official quickly discovered that the defendant was not the individual represented in the documents and was, in fact, an illegal alien. The defendant had purchased the set of documents six years prior to the offense. He was sentenced to a two month prison sentence.

Criminal History Category II

APPENDIX F: ILLUSTRATIVE CASE SUMMARIES

DURATION OF OFFENSE CONDUCT

Case No. 359894: 218 months

The defendant's conduct dates back to 1979 when he was originally arrested in the state of Florida for drug possession. From the time of that original arrest, he began acquiring numerous fraudulent documents under as many as 10 apparently fictitious aliases. He initially secured driver's licenses and then acquired social security numbers, passports (both U.S. and other countries), voter identification cards, credit cards, bank accounts, leases, and utility services using his many aliases. The defendant was re-arrested a number of times and jumped bond or failed to appear in court for a number of different proceedings under his different aliases.

The defendant was convicted by a jury one day after he left court (during his trial) for false statements, passport fraud, and social security fraud related to the fraudulent documents used over the 18-year period. He was re-arrested two months later driving a rental car, wearing a disguise, and carrying \$20,000 cash.

The PSR suggests that the defendant was associated with gambling and drugs (having been convicted once of trafficking in Florida) and at one time owned a profitable power boat business (he was a successful competitive racer) that was seized, but he was not charged with offenses related to this conduct.

The defendant was sentenced under the fraud guideline at §2F1.1. He received enhancements for more-than-minimal planning and violation of a judicial order, and was given the minimum floor of a base offense of 12. Because his offense involved foreign bank accounts there were no institutional or individual victims. (All of the aliases were fictitious, not actual individuals, and the defendant apparently paid all of his bills, so there was no "loss to any financial institutions"). The PSR pointed out that the defendant had approximately a million dollars in bank accounts and had enjoyed a lavish lifestyle while using so many aliases. These factors, in combination with the defendant's constant history of bail jumping and failure to appear in court resulted in an upward departure of 6 to a level 18. In combination with the defendant's criminal history (earned under numerous aliases), Category VI, the defendant was sentenced to 71 months.