

Credit card fraud motivated victim to become fighting force

by Bruce V. Bigelow

Linda Foley is the first to admit that she has changed in the 11 years since she became a victim of identity theft.

"I still do not trust people the way I used to," she said. "My husband will tell you my personality has changed. I am more suspicious, more skeptical. I see the possible criminal aspects more than I used to."

RESCUING IDENTITIES - Jay and Linda Foley are the founders of the Identity Theft Resource Center, a San Diego nonprofit group that has gained national prominence for its victim assistance services. The center is funded by corporate and government grants. CNS Photo by Sean Haffey. Yet the crime that left Foley feeling outraged and violated in 1997 also became the transformative and defining experience of her life.

Foley was working as a freelance writer in San Diego when her boss, the publisher of a women's magazine, racked up thousands of dollars in credit card purchases in her name.

Even though Foley wasn't liable for the fraud, her credit worthiness was ruined and there was no one she could turn to for help. It took her months of anguish to untangle the damage.

"It was so weird, because I was a crime victim, but this didn't match any crime that I knew," Foley recalled.

Her experience led her to found The Identity Theft Resource Center, a nonprofit organization that has gained national prominence for its victim assistance services. The center, which has expanded to nine full-time employees, including Foley's husband, Jay, also has emerged as an authoritative source on one of the fastest-growing crimes of the Information Age.

Foley, 58, said such crime existed long before her encounter. But it was known as false impersonation, fraud or forgery - misdemeanor or felony offenses that covered only parts of identity theft.

Over time, the Foleys have helped define identity theft more precisely.

Today, an identity thief doesn't just steal a credit card and go on a spending spree. These days, the bad guys use someone else's Social Security number and other personal data to open credit card accounts, bank accounts and to even obtain loans - leaving a mountain of unpaid debts in someone else's name. Many victims don't discover what has happened until their loan application is rejected or collection agencies start hounding them.

The sources of such stolen personal information varies.

Foley was exploited by an unscrupulous employer who used personal information gleaned from her employment file to fraudulently obtain a cell phone and credit cards in Foley's name at a different address.

Foley was alerted to the fraud by Citibank, which had issued Foley a legitimate credit card and called to ask about the suspicious change in address. Foley notified police, who served a search warrant on publisher Bari Nessel several weeks later. But it was almost a year before Nessel was charged with 31 criminal counts, and as Foley put it, "I am not a patient person."

Nessel eventually pleaded guilty to one count of felony false personation and three counts of writing bad checks.

Outlaw hackers also may sell data harvested from their electronic breaches of computerized databases that maintain information on consumers or employees.

The number of publicly reported breaches increased more than 40 percent in 2007, to 443 from 315 in 2006, according to a survey the center released in December. Some 127 million personal records were exposed as a result.

"We're seeing a crime that's been around for a long time," Foley said. "But it's gone from a cottage industry to big business. The level of sophistication would surprise a lot of people. Trafficking in data is part of organized crime now, along with drugs, guns and humans."

The job has amounted to a decade-long passion for both Foleys.

"This is the job I don't think I'm ever going to leave, for two reasons" said Jay Foley, 53. "One is that identity theft isn't ever going to go away or die anytime in the near future. And No. 2, people need the help. Without us a lot of people would hit the wall without anyplace else to go."

Linda Foley said she has been most moved by teenagers who cannot rent an apartment, open a bank account or get a job because their parents or foster parents used their Social Security number to commit fraud.

"Here are people who are in essence being exploited by their own parents," she said.

The couple met in Los Angeles, where Linda, a former Miss California Tip Topper, belonged to a group for

men and women of exceptional height. She's just over 6 feet, and Jay is 6 feet 4 inches. They married in 1992.

What sets the Identity Theft Resource Center apart, Linda Foley said, is that it provides information and operates a call center that provides do-it-yourself victim assistance for free.

"A number of organizations, both profit and nonprofit, are now focused on identity theft, but the Foleys are the only ones who are uniquely centered on helping victims," said James Lee, a member of the center's board of directors and a former top executive at ChoicePoint.

ChoicePoint became a major corporate sponsor for the Identity Theft Resource Center in 2005, after a 2004 security breach compromised computerized data that ChoicePoint kept on about 128,000 U.S. citizens.

The company based near Atlanta combines personal data from multiple public and private databases and sells it to the government and private sector, with total 2007 revenue amounting to almost \$982 million.

Lee, who now heads his own consulting firm in Atlanta, said of the Foleys: "It's a shame we need them. But the reality is that we do need them. They keep reminding those of us in the commercial world that at the base level, these are human stories."

Funding for the nonprofit's operations also comes from donations and government grants. In December, for example, the center received a two-year, \$500,000 grant from the U.S. Department of Justice to provide assistance to victims of identity theft and financial fraud.

Linda Foley insisted that credit for the center's accomplishments be shared with Jay, the executive director,

employees and scores of volunteers - most of whom were also victims of identity theft.

"Honestly, it's taken all of us to get here," said Sheila Gordon, who became the center's first paid employee and is now director of victim services. "It's not just a two-man show."

Operating initially under the auspices of San Diego's Privacy Rights Clearinghouse, Linda Foley lobbied for legislation to help victims of identity theft as Jay worked increasingly on outreach to law enforcement agencies.

"We had to get laws passed to require credit card companies to provide victims with a copy of transaction records on fraudulent accounts," Linda Foley said. "We had to get a law passed to require police departments to take a crime report for an identity theft complaint."

The Foleys later operated the center out of a spare bedroom in their home until ChoicePoint's \$1 million, four-year corporate grant in 2005 enabled them to expand and move their operation into an office building.

Linda Foley said she had contacted ChoicePoint in 2004 to get specific information about its security breach for advisories the center was preparing, and she bonded with corporate spokesman Chuck Jones.

Ansley Jones Colby, who oversees ChoicePoint's corporate contributions "to create a safer and more secure community," said "it really fit our mission to partner with them."

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