New Jersey Case Demonstrates Increased Sentences for ID Theft Needed

June 1, 2012 - On Wednesday, a federal judge in Newark, NJ sentenced one of 53 con artists involved in an ID theft ring to 2.5 years in federal prison. She also ordered the defendant to pay $3.4 million is restitution. That all sounds great until you take a closer look at the damage done by this ring which was dubbed a "crime superstore" by the FBI agent in charge of the investigation.

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This ring of crooks preyed predominantly on Korean immigrants to the United States. I would steal the Social Security Numbers of immigrants who were living in Guam, American Samoa and Saipan. Those SSN's would then be used to take out credit cards, open checking accounts and to make purchases on credit.

The thieves involves were very sophisticated. Before using these stolen identities, they would first establish small lines of credit and massage the credit scores for each number to somewhere between 700 and 800. Scores like these would give them access to larger lines of credit. They also had a company that they setup to manufacture false documents that were used to produce income and employment documentation that was used in conjunction with the loans they applied for.

In the end, the thieves were able to bilk banks out of millions of dollars and they ruined the credit of countless numbers of people.

While a $3.4 million fine for restitution may sound like a lot, I have little faith that this money will ever be paid. All 53 of the people involved in this crime wave already know how to create a false identity. And they know how to gain access to other people's money.

The person who was sentenced on Wednesday, Ho K. "Edmund", managed to live high on the hog for several years without getting caught. His take from the fraud ring was reportedly $2.5 million. Two and a half years in jail is probably a small price to pay for the type of lifestyle this crime wave allowed him to live. In fact, it could just be looked at as a cost of doing business.

Victims in this crimes like this are unlikely to see a penny of restitution. If the criminal is sophisticated, there is a good possibility that as soon as he's out of prison, he'll simple slip away using another stolen identity; something that could be prevented with tougher sentencing laws. In fact, a simple modification to the law that required ankle bracelet monitoring of all criminals until restitution was paid in full would go a long way towards solving this issue.

byJim Malmberg
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