Check Your Credit-Card Bills:
$10 Million in Bogus Charges

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The Identity Theft Resource Center® (ITRC) <http://www.idtheftcenter.org> posted the following press release (quoted with permission):

(San Diego, CA – July 1, 2010) The Federal Trade Commission (FTC) just halted an elaborate scheme which resulted in more than $10 Million in bogus charges on consumer credit and debit cards. How could an organized international ring get away without notice by consumers? The Identity Theft Resource Center (ITRC) believes many bills are being paid blindly, without confirming each transaction.

In many households, one person handles paying the bills for the family, while two or more people may be using the same credit or debit card account. It’s easy for a small charge to fall through the cracks. Would you question a small $10-20 charge for a purchase from a company you don’t recognize but sounds familiar? These criminals depended upon consumers failing to verify each charge. They purposely kept the charges small, so as to not bring attention to their crime. Over four years, these small amounts added up to hundreds of dollars per credit or debit card, and a $10 million windfall for the ring.

Consumer Tips:

When reviewing monthly statements check off each item as you confirm and verify each transaction. If there is a discrepancy, immediately report it to your credit card company or financial institution.

Check your accounts frequently and question any purchase you do not recognize. Implement a system of tracking purchases that works for your family. For instance, everyone might put the receipts in one basket or drawer to facilitate tracking purchases.

The original FTC press release<http://www.ftc.gov/opa/2010/06/adele.shtm> provides a bit more detail. Apparently “More than a million consumers were hit with one-time charges of $10 or less, and their payments were routed through dummy corporations in the United States to bank accounts in Eastern Europe and Central Asia.” The FTC writes that “Most consumers either didn’t notice the charges on their bills or didn’t seek chargebacks because of the small amounts – charges ranged from 20 cents to $10.”

The following list may help readers examine their own credit-card statements: “The defendants are the 16 sham companies – API Trade LLC, ARA Auto Parts Trading LLC, Bend Transfer Services LLC, B-Texas European LLC, CBTC LLC, CMG Global LLC, Confident Incorporation, HDPL Trade LLC, Hometown Homebuyers LLC, IAS Group LLC, IHC Trade LLC, MZ Services LLC, New World Enterprizes LLC, Parts Imports LLC, SMI Imports LLC, SVT Services LLC – and one or more persons who are unknown to the agency at this time.”

In my next column, I’ll look at some useful features that you can ask your bank or credit-card
company about to safeguard your credit and your identity.

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The Identity Theft Resource Center® (ITRC)<http://www.idtheftcenter.org> is a non-profit organization established to support victims of identity theft in resolving their cases, and to broaden public education and awareness in the understanding of identity theft. Victims may contact the ITRC at 888-400-5530.


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