

ECI Conference USPIS Fraud Crime Trends Deputy Chief Greg Campbell

November 2, 2011



Current Trends

- **Operation Birds of Prey**
- **Check Theft from business hold outs**
- **Mail Theft / Fishing**
- **Operation Homeless**
- **Operation Jolt**



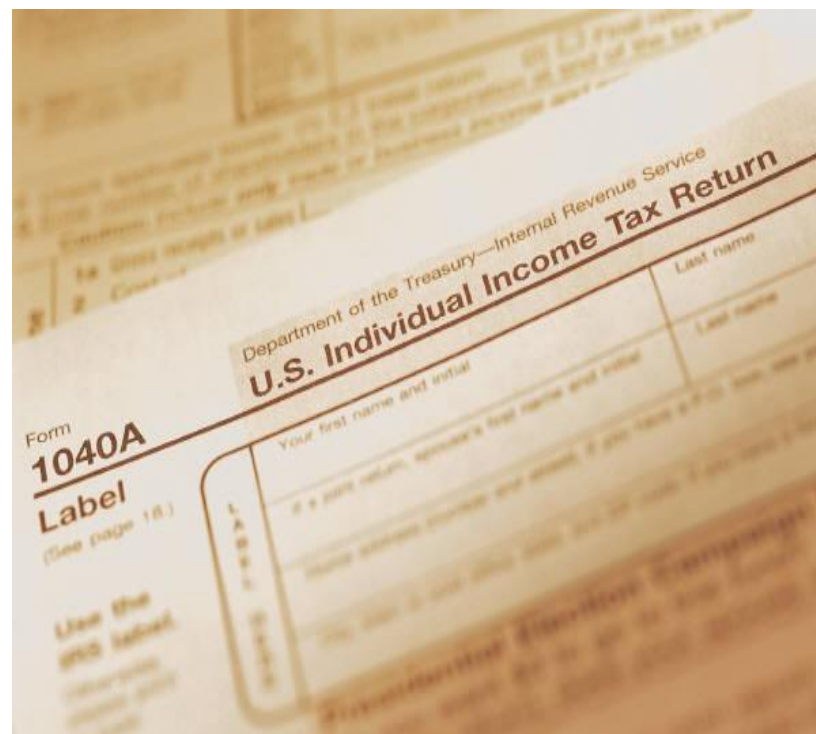
Operation Birds of Prey

- **Fraudulent tax returns filed using stolen identities**
- **Social Security numbers stolen from Puerto Rico citizens**
- **Tax refund checks mailed to addresses in eight states**



Operation Birds of Prey

- Refunds range from \$4,000 - \$6,000
- EFO Divisions plus Chicago and Detroit investigating
- Tax Year 2011 losses exceed \$200 million



Operation Birds of Prey

- Mailed refunds stolen from apartment panel boxes
- Fraudulent changes of address submitted
- USPS employees recruited to assist in scheme



Operation Birds of Prey



Operation Birds of Prey

- **Fraudulent tax returns filed electronically and loaded onto Green Dot cards**
- **Able to load 4 tax returns onto each Green Dot card**



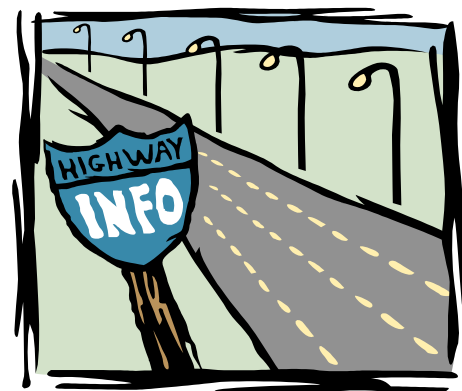
Operation Birds of Prey

- Goal is to defraud government
- Also use counterfeit postage to file returns
- Letter Carriers robbed for collection keys



Operation Birds of Prey - USPIS Response

- I-95 Corridor Working Group re-established March, 2011 to combat this fraud
- Goal to identify, disrupt and dismantle groups responsible
- More than 100 suspects identified
- More than 50 arrests to date



Business Hold Out Theft

- Companies contract with banks to process their payments
- Banks given a unique zip code (Business Hold Out)
- Several PO Box numbers within the zip code
- Companies assigned a specific PO Box number



Business Hold Out Theft

- **Couriers pick up mail within zip code for banks**
- **Couriers drop off at processing facility for banks**
- **Banks credit business' account**



Business Hold Out Theft

- Checks stolen after sortation to PO Box
- Individuals recruited to open business bank accounts
- Stolen checks deposited into new account
- Funds withdrawn from account
- Ring leaders most often West African
- Checks often negotiated in another state



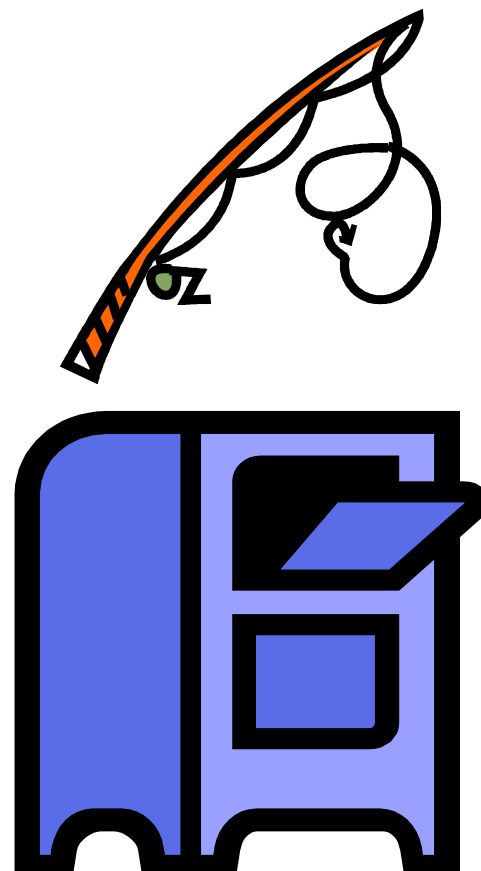
Business Hold Out Theft

- **4 cases open in the Atlanta Division**
- **Suspects different in each case**
- **10 arrests made in these 4 cases**
- **Known losses exceed \$1.7 million**



Fishing

- Problem is widespread:
 - Phoenix
 - Los Angeles
 - San Francisco
 - Seattle
 - Texas
 - New York

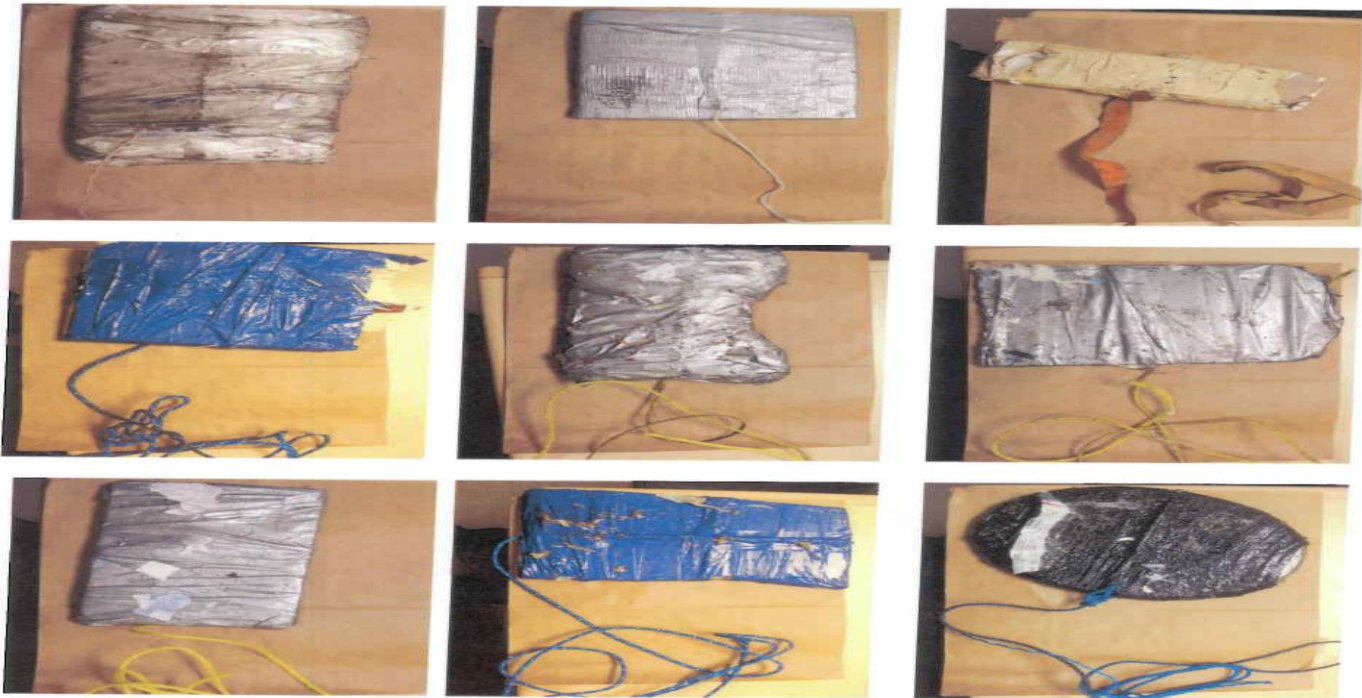


Fishing

- Different types of devices used
- Target blue collection boxes
- Sticky substance used
- Tools also used to pry open boxes
- Look for financial documents - checks / money orders
- Perpetrator either washes check or sells to another for cash or drugs

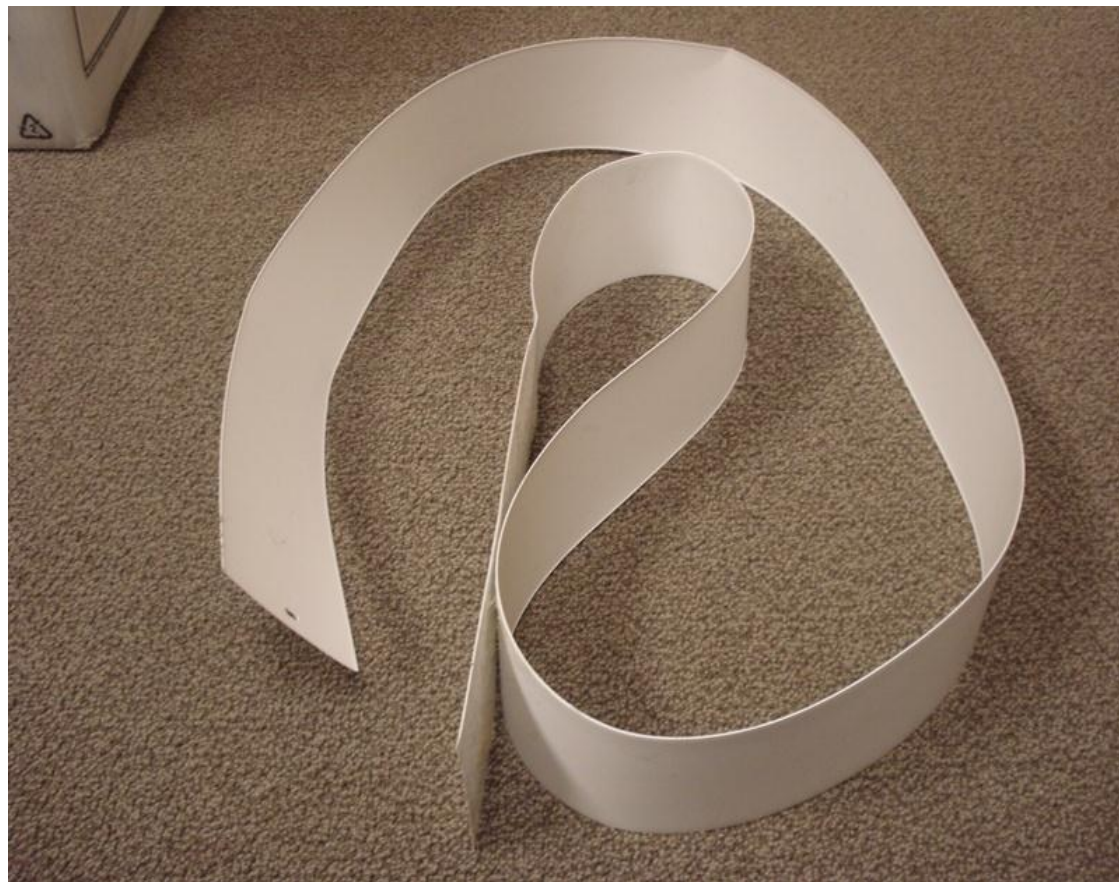


Fishing Devices



Fishing Devices

- **Vertical Blind**
- **Sticky substance used on the end**



Fishing Caught on Tape



Fisher Caught and Arrested



Fishing Prevention Device



Operation Homeless

- **Mail stolen from business parks**
- **Counterfeit checks created**
- **“Street People” recruited to cash checks**
 - **Homeless**
 - **Day Laborers**
 - **Prostitutes**



Operation Homeless

- **Ring Leaders from Atlanta, GA and Charlotte, NC areas**
- **Travel up and down I-95**
- **Commonalities of group:**
 - **Use rental cars**
 - **Make checks out for \$5,000 or less**
 - **Carry weapons to intimidate street people**
 - **Many have criminal records related to drug charges**



Operation Homeless

- **I-95 Corridor Working Group**
- **Eastern Field Offices plus Chicago and Detroit**
- **Sharing intelligence to combat this scheme**
- **Phone database established to share information**



Operation Homeless - Scope

- 18 open cases in nine Divisions
- Loss amount exceeds \$7 million
- At least 360 suspects identified
- 83 arrests have been made
- Investigations ongoing



Operation Homeless - Prevention

- **Operation Check Fraud**
 - **Campaign initiated by USPIIS and VA Attorney General**
 - **Educate potential recruits**
 - **Distributed posters to 17 social service agencies in NC and VA**
 - **Homeless shelters**
 - **Soup kitchens**



Operation Jolt

- **Multi-agency effort to combat Jamaican Lottery scam**
- **Victims mailed notification they have won lottery**
- **Advised they must pay fees on winnings**



Operation Jolt

- **Focus: Identify, disrupt and dismantle Jamaican based telemarketing fraud operations**
- **Many victims are US senior citizens.**



Operation Jolt - Scope

- **Victims sent ≈\$100M to Jamaican fraudsters in 2010**
- **2011 losses estimated at \$300M**
- **Proceeds primarily used to fund weapons smuggling**
- **36,000 complaints received from victims**
- **86,000 victims identified through other means**
- **Fighting over victim lead lists has lead to violence**



Operation JOLT - Prevention

- **Intelligence-based investigations**
- **Education - US Citizens (via AARP, etc)**
- **Enforcement - 2011 focus to dismantle 11 identified fraud networks**



Questions and Comments

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