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2 sophisticated, unrelated cases of credit card fraud occur within year

JUSTIN STORY jstory@bgdailynews.com 21 hrs ago

Two people with no apparent ties to the community, suspected of buying thousands of dollars in gift cards using stolen credit card information, had their alleged criminal activity come to an end outside Sam's Club on Ken Bale Boulevard – that describes two unrelated investigations that occurred 10 months apart this year in Bowling Green.

The earlier case led to federal criminal charges against Noslen Guerra and Julio Simon, a pair of Cuban nationals from Florida. Court documents link the pair to \$71,000 in illegal purchases in Bowling Green and elsewhere.

Guerra, who was arrested with Simon in February, has pleaded guilty to money laundering, conspiracy to commit wire fraud and three other counts involving illegal credit card transactions and could get as much as 90 years in prison when he is sentenced next month in U.S. District Court.

In the second case, Jazeene Simpson and Ebony Turner, both from Georgia, were arrested Dec. 18 and face charges in state court for receiving goods by fraud and theft of identity. The Bowling Green Police Department, which led the investigation, has contacted the Secret Service for assistance in the case due to the possible theft of \$180,000 in another jurisdiction.

These cases, and available statistics, illustrate that credit card fraud, though relatively infrequent, is a costly crime that leaves legitimate cardholders worried about the vulnerability of their finances.

The two cases investigated by local law enforcement appear to involve suspects opening membership accounts at retailers with illegally obtained credit card information and buying a number of gift cards in an effort to launder the money.

A city police report from the more recent incident states that police believe at least some of the cards found with the women from Georgia contained stolen credit information.

The report does not detail how the information was obtained.

Officer Ronnie Ward, BCPD spokesman, said that some cases of fraud involved “cloned” cards, in which a person’s credit card details are copied onto a bogus card.

“There are Internet sites on the dark Web where you can go and buy a block of card numbers,” said Ward, referring to the part of the Internet in which users can engage in illegal online activity anonymously.

Skimmers are another method through which credit card information is fraudulently obtained. In skimming, credit cards are scanned through a pocket-sized device that copies the information from the magnetic strip so that it can be placed on a counterfeit card.

Ward said a more typical fraud investigation involves less sophisticated activity.

“The more frequent reports we take are someone has taken someone’s wallet or purse and then attempts to use the card at a local business,” Ward said. “That’s more common than something of this magnitude.”

Relative to the total amount of transactions, the amount of losses attributed to credit card fraud is minuscule.

The Nilson Report, a trade publication that covers the card and mobile transaction industries, reported in August that fraud losses for 2014 on all credit, debit and prepaid cards totaled \$16.31 billion last year when overall transactions on cards totaled \$28.844 trillion.

In the U.S., \$7.86 billion of card fraud losses occurred in 2014 on \$6.187 trillion of transactions, meaning that 12.75 cents of every \$100 was fraudulent, according to the Nilson Report.



Card issuers and merchants are absorbing the losses that result from fraud.

Sonja Taylor, vice president of security and fraud for American Bank and Trust, said that banks have to be vigilant to ensure that cardholders aren’t unwittingly giving up their information when they visit an ATM.

“We check our ATMs every single day for skimmers,” Taylor said. “The normal customer will not notice that something’s been attached” to skim a card.

Criminals who obtain credit card information are looking to convert that to cash as quickly as possible, which in many cases leads to gift card purchases at unsuspecting retailers.

“A counterfeit card can be put onto any plastic,” Taylor said. “Even a hotel key can be made into counterfeit plastic if you have the right stuff to do so.”

Many more cards in the past year have been issued with the information encrypted into an implanted microchip rather than a magnetic strip, a move meant to make it more difficult for fraudsters to steal data.

Card users should get in the habit, though, of monitoring their transactions in order to more quickly detect fraud.

“Every time a card is compromised, we have no choice but to protect you and us,” Taylor said.
“Customers really need to look at their account statements and immediately report anything that looks suspicious.”

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