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Orlando-area business uncovers global identity-theft scheme

By Richard Burnett, Orlando Sentinel

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Steven Miguel was puzzled when people across the country started calling his Winter Garden company about the help-wanted ads on the business' website. Miguel wasn't hiring, and the site had no such ads. advertisement

"After we got the first few calls, we didn't think anything of it," said Miguel, a former Walt Disney World project manager who started Design 2 Keys LLC almost two years ago. "We just told them they had made a mistake. But as the calls continued to come in day after day, we knew something was up."

What the firm eventually found was the Internet trail of a global identity-theft scheme that uses stolen corporate information to try to scam hundreds of thousands of job seekers. The complex con uses bogus websites, bulk e-mails, fake job applications and bank fraud to steal people's money and personal data.

Although he can't identify the thieves, Miguel's construction-project management company has taken the unusual step of suing them in court, hoping to draw attention to the problem and repair any damage to his company's reputation.

"This is just sad, very sad," said Stacy Ford, the Winter Park lawyer hired by Design 2 Keys to handle the case. "They are preying on people who are unemployed in tough times and who are desperate for work."

According to the suit, filed in state Circuit Court in Orlando, Design 2 Keys' name was misappropriated by thieves who also stole certain corporate information and used it to build fake websites for coaxing personal data from job applicants.

Design 2 Keys appears to be just one of dozens of businesses, including others in Florida, known to have fallen prey to the corporate-identity thieves, Ford said.

The scheme also has international connections, including Russian mailing addresses, Polish e-mail addresses, a German e-mail company, and some telephone/fax numbers in Washington state, according to Ford, who has tracked the fake domain names, websites and e-mail accounts.

The only valid address found so far, in Moscow, has been linked to a person identified on the fake websites as "Leonid Kotenko," she said. Although that name and others are thought to be aliases, they were included in the lawsuit as defendants.

Design 2 Keys has reported the identity theft to law enforcement, Ford said, but has yet to receive any response.

A spokeswoman for FBI in Washington, D.C., said Friday that the agency, as a matter of policy, does not comment on the complaints it receives. She acknowledged, however, that the FBI has seen a big increase in online job scams during the past two years as the nation's unemployment rate soared.

A spokesman for the Orange County Consumer Fraud Unit — part of the Orange-Osceola State Attorney's Office — said the local complaint has been referred to the cyber-crime unit of the Orange County Sheriff's Office.

Ford said it's not clear why the thieves targeted Design 2 Keys, though they appear to be impersonating Florida companies with the word "Design" at the beginning of their names — possibly culling them from online records kept by the Florida Department of State's Division of Corporations.

Another mystery is how the thieves obtained detailed corporate data about Design 2 Keys, including its federal tax number. The company suspects that mail theft was involved.

Since tackling the case, Ford has gotten web-hosting companies to block the bogus sites, sent cease-and-desist letters to the schemers' known addresses and fax numbers, placed a fraud-alert notice on the company's real website, and warned potential victims of the scam. But that hasn't stopped the scammers, who have just used the names of other firms in their scheme, she said.

Design 2 Keys' suit accuses the anonymous defendants of corporate identity theft, computer-related crime, forgery, racketeering, and other forms of fraud. It seeks unspecified damages and restitution.

Miguel acknowledged the suit faces some big hurdles, given that the defendants' real identities are a mystery. But his purpose in filing it, he said, was to sound an alarm.

"This whole thing has been incredibly frustrating for us and very expensive," Miguel said. "But we felt we had to get the news out there, to make people aware that this kind of thing happened to us and can happen to anybody."

Online job scams have been rampant during the record-long recession that began in late 2007, identity-theft experts say.

Catching the perpetrators, many of whom have ties to organized crime in far-flung locales, has been problematic for U.S. authorities, said Susan Grant, director of consumer protection for the Consumer Federation of America.

"Because the scammers are foreign, it is hard for U.S. law enforcement to really go after them," Grant said. "They don't always have the time, resources and connections needed with law enforcement in the other countries."

Small companies have been increasingly targeted in recent years by these online scam artists because large corporations have improved their fraud defenses, said Peter Cassidy, head of the Anti-Phishing Working Group, a government-industry research organization based on Boston.

"There used to be maybe a dozen big companies that were the most frequent targets, but now there are also hundreds of small companies, banks and credit unions that have been victimized," he said.

Many law-enforcement agencies have investigated the schemes, but few civil lawsuits have targeted them, Cassidy said.

"That is pursuing a whole new type of strategy," he said of Miguel's suit. "It is really like a public service to let people know this crime is being perpetrated, but it would take a lot of determination and energy to pursue this case, especially when the odds are against you."

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