



\$5 Million

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TAMPA - Reinaldo Martin thought the first letter was just strange. "Congratulations," an out-of-state bank wrote as a prelude to thanking him for opening a corporate account for his small business, Tampa Avionics.

Odd, Martin thought. He didn't know the bank and had never applied for the account. He kept sifting through the mail, stacked up from a rare weekend off from running his airplane repair business. There were similar letters from several more banks.

He then listened to messages on his company's voice mail. There was a furious message from someone complaining that Tampa Avionics was charging their credit card, even though Martin had never heard of the person before. Then another angry message, and another. There were too many to call back.

Within days, Martin came to a terrifying realization: Someone was impersonating him and Tampa Avionics. The person apparently was using his company's name to steal money from people across the country. Lots of money.

A horrible feeling came over him. "What am I going to do?" Martin thought. "How can I stop this? Will this ever stop?"

He called his wife to break the bad news. That was in May.

Since then, with stunning speed, Martin estimates the fake "Reinaldo Martin" has opened more than 20 bank accounts nationwide, billed several thousand stolen credit card numbers and raked in an estimated \$5 million - maybe more.

The incident is a twist on the kind of personal identity theft that millions of Americans have fallen prey to in recent years. In this case, though, the stolen identity was that of a company.

FBI officials say they can't comment on their investigation into the case, but they are worried about such brazen and efficient cases of business impersonation. The chief concern: Highly efficient criminals are branching out from stealing the identities of individuals and starting to target small businesses.

"As a small business, you don't have the legal department to back you up on this if it happens," said Kevin Klim, a special agent in the Tampa office of the FBI. "What we could see is more small businesses going out of business because of this."

The reason: Business owners could simply drown in paperwork and lost customers, he said.

John Joyce, special agent in charge of the U.S. Secret Service office in Tampa, said, "You have to wonder who the next victim is going to be. This was handled so slickly. Whoever did it won't say, 'OK, let's go back to our real jobs.' They're going to look for another company to target and do this to them."

Trying To Cope While investigators try to track down who is behind the incident, Martin is trying to pull his life and company out of a tailspin.

A quiet and easygoing man, Martin recently sat in a converted garage used as an office, rubbing his hands together, rough from years of working with aircraft parts.

"This has destroyed my life," he said.

He has stopped counting the complaint letters demanding money back. He said he never took their money in the first place.

Martin worries about his own bank accounts, life insurance and retirement funds.

Although most banks have cooperated by shutting down the fraudulent accounts, some have been resistant. "They say, 'How do we know you're not the crook?'" Martin said. "All I can do is tell them, 'This is me.'"

Meanwhile, Martin said, banks are starting to back off loaning his company money. "They're no longer sure who is the real 'Reinaldo Martin' or 'Tampa Avionics.'"

Martin finds it odd that someone selected his company and his name to use as a front. He's not a celebrity by any stretch, but he's not unknown in Florida.

He is a member of Hermanos Al Rescate, or Brothers to the Rescue, a group that has flown rescue missions between Florida and Cuba to spot exiles paddling rafts toward the United States. On Martin's office wall is a photo of him with former Secretary of State Madeleine Albright.

In addition, Tampa Avionics has won its own share of recognition with a smattering of local business awards.

Looking For Clues

Determining how Martin's and his company's identities were stolen and used hasn't been easy. There is an FBI investigation, but the agent can't tell Martin much about the findings.

After contacting several banks to shut down fraudulent accounts, Martin has a rough idea how things got started.

First, someone obtained his Social Security number, his driver's license number, the federal tax ID number of Tampa Avionics and the certificate of incorporation from the Florida Department of State. With that information, the thief contacted out-of-state banks by telephone to open merchant accounts.

The thief then faxed the banks a photocopy of a fake driver's license complete with Martin's real license number. To appear legitimate, he or she also launched a Web site at www.tampa-avionics.com. The company claimed to sell model airplanes and pilot action figures.

Martin said he has never had a company Web site. He speculated that the one started under the company's name - which has been shut down - may have been set up to collect credit card numbers from people placing orders.

With the open bank accounts, the thief charged stolen credit card numbers \$50 to \$150 and quickly withdrew the money as cash, Martin said banks told him. When credit card holders noticed the charges, their complaints ended up directed to Martin at Tampa Avionics.

The scheme might sound sophisticated, but it's relatively easy to stage, said Naomi Lefkowitz, a lawyer specializing in identity theft at the Federal Trade Commission.

``It could absolutely be an international crime ring. But it could just as well be someone who was a counterfeiter who got caught and learned how to do this in jail," she said. ID theft classes are popular in prisons, she said.

Lingering vulnerabilities in the U.S. financial system are contributing to the growth in business identify theft, the FBI's Klim said.

For example, some smaller banks allow customers to apply for and receive merchant accounts by submitting all their information over the Internet, telephone or fax. This allows criminals to manage accounts without appearing on videotape or having identities confirmed.

The USA Patriot Act toughened regulations for banks and other financial institutions, but many smaller banks have not caught up, Klim said, and are probably targeted by corporate ID theft criminals.

Also, more business records are stored online, giving criminals plenty of material to exploit. In Florida, for example, the articles of incorporation for most companies show a company officer's signature and can be accessed over the Internet - and thus used as templates for forgers to fake.

No one federal agency seems to track such business impersonations, making it hard to determine how much the crime might be growing, Klim said. Business impersonations haven't caught the same attention as personal ID theft, which is tracked by the Federal Trade Commission.

Another vulnerability: Most ID scams seem to originate abroad, in Eastern Europe, where Klim noted the United States must ask permission to conduct investigations, then ask for extradition of anyone arrested.

Making an arrest for ID theft isn't always easy, but authorities sometimes make a big bust.

In October, federal authorities made one of the highest-profile busts, arresting 28 people from eight states and six foreign countries and charging them with identity theft, computer fraud, credit card fraud and conspiracy. The suspects traded at least 1.7 million stolen credit card numbers, officials charged. Financial losses topped \$4.3 million.

The investigation continues, the Secret Service said.

Back To Business

Back at Tampa-Avionics, Martin said he's spending so much time repairing his company's name that it's cutting into his company's sales.

There's a brown metal cabinet in his office, full of radios he hasn't had time to install in customers' aircraft. Some nights he spends tracking down fake accounts until 10, when he hoped to be off work.

An architect's plans for a new hangar in Zephyrhills sit on his desk, but banks are skittish about loaning Tampa Avionics money for construction, instead waiting to see whether the company's problem will work out.

``You always hear about something like this," Martin said. ``But to happen to me - wow."