

FRAUD^{RED} — Breaking Fraud Alerts from Identity Theft 911

Russian Bank Chief Jailed for Identity Theft Racket

Evening Standard

LONDON, ENGLAND -- The many faces of Anton Dolgov, former head of Moscow City Bank, which collapsed in 1994 with debts of £61 million. A disgraced Russian bank chief, who helped run one of the most successful gangs of identity thieves, was jailed for six years today. The sophisticated international operation saw tens of thousands of British, American and Spanish account holders defrauded out of millions of pounds. Police believe the internet-based enterprise, founded on strict business lines and boasting exhaustive records, lasted a decade.

[Full Story \(Evening Standard\)](#)

Our Analysis:

This is the archetypal international identity theft ring of the public's most sensationalistic imagination. With a cast of sophisticated crooks from the former Soviet Union, using online trading sites, shady banks, front operations, mail drops, and an intricate array of deceptive, secretive practices, this story provides a glimpse at the unsavory side of globalism. This case illustrates how our international financial system is really more like a patchwork of discrete and/or decentralized systems. Complex and seemingly unfathomable at best, the system presents ambitious, entrepreneurial criminals with a cornucopia of hugely lucrative opportunities.

This story suggests that the core of such elaborate operations, really the enabler of them, is the grand scale on which our personal financial information is distributed. For example, after you fill out a credit card application the company sends it through a large internal department, which then oftentimes outsources storage of the information to some other country. Soon your information is halfway around the world and you have zero control. And to some degree, neither does the original company to which you applied for credit.

It's difficult, at least in the short-term, to extract lessons on how to modify best practices from a case of such scale and complexity. Officials in banking and law enforcement, many of them experts on identity theft, will have their hands full sifting through the facts of this multi-tentacled criminal operation. For the layman, even to read this relatively involved article is to understand mostly just how much one does not understand about what goes on behind the scenes and how things "really work." It's like looking into a window of the back office only to see vague outlines of windows into more deeply recessed, shadowy rooms.

If anything, though, such a case serves to underscore the urgent need for a paradigm shift in the way companies do business in general, and specifically how they handle personal data. However, the clock is ticking. Law enforcement officials aren't the only ones learning lessons when such large-scale operations are uncovered. Criminals, too, may be taking cues from this and ramping up to bigger operations that may have far more serious ramifications for globalism as a whole, beyond any mere scheme. ■

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