



# Department of Investigation

## *Press Release*

News from

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### **MASSIVE ID THEFT RING BROKEN**

***--New York State Grand Jury Indicts Members Of Statewide Identity Theft Ring --***

State Attorney General Eliot Spitzer, State Inspector General Roslynn Mauskopf and a team of law enforcement agencies led by New York State Police Superintendent James McMahon, today announced the indictment of the alleged leader and three members of a large identity theft ring. The ring victimized thousands of New Yorkers by obtaining their personal identification information from entities including the New York State Insurance Fund, the Social Security Administration, Empire State College, WNYC radio, Hollywood Video, Worldcom Wireless and American Express.

The personal identifying information included social security numbers, credit card numbers and bank account information, and was used to purchase expensive merchandise and to obtain hundreds of thousands of dollars worth of property, which was then illegally sold.

"Identity theft is one of the nation's fastest growing crimes," Spitzer said. "This case should serve as a reminder to employers, retailers, and individual New Yorkers to carefully protect personal financial information."

The indictment follows a lengthy investigation spearheaded by the New York State Police Special Investigations Unit and the Attorney General's Office. The following law enforcement agencies joined the effort: The New York State Office of the Inspector General, the New York City Department of Investigation, the New York City Police Department, the Mount Vernon Police Department and Pelham Police Department, the United States Postal Inspection Service, the Social Security Administration Inspector General's Office, and the District Attorney's offices of Westchester and Bronx Counties.

The indictment follows most recently the arrest last month of an employee of WNYC radio alleged to have

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stolen donor information from the station.

Charged in the five count indictment were:

**Henry Cutts**, 48, Bronx New York, alleged to be the ringleader of the conspiracy. Cutts was charged with two counts of Grand Larceny in the Second Degree, a class C felony; one count of Grand Larceny in the Third Degree, a class D felony; one count of Conspiracy in the Fourth Degree, a class E felony, and one count of Scheme to Defraud in the First Degree, also a class E felony.

**Libretta Champagne**, 29, Bronx, New York, alleged to be a key member of the conspiracy, who was also charged with two counts of Grand Larceny in the Second Degree, one count of Grand Larceny in the Third Degree, one count of Conspiracy in the Fourth Degree, and one count of Scheme to Defraud in the First Degree, also a class E felony.

**Kenyel Dotts**, 21, Brooklyn, New York, a former employee of WNYC radio station who is alleged to have provided stolen identity information to the group, was charged with Conspiracy in the Fourth Degree and Scheme to Defraud in the First Degree.

**Lincoln James**, 41, Brooklyn, New York, and employed by Audio Town, Fordham Road, Bronx, who is alleged to have participated in a fencing operation that received many of the goods stolen by the group, was also charged with Conspiracy in the Fourth Degree and Scheme to Defraud in the First Degree.

A class "C" felony is punishable by up to 15 years in state prison. The maximum sentence for a class "D" felony is a term of 2 and to 7 years and for an "E" felony, 1 and to 4 years in prison.

The investigation began in 1999 when State Insurance Fund investigators noticed a pattern of complaints from employees across the State who reported that their identities had been stolen. Subsequent investigation revealed that Valerie Shoffner, a clerical employee of the New York State Insurance Fund, had secretly misappropriated the personal identifying information of thousands of state employees and other citizens who dealt with the insurance fund. In July 2001, Shoffner pled guilty in Albany County Court to Grand Larceny and related charges. She is currently serving a 3½ to 10 year sentence for Grand Larceny.

Today's indictment charges that between 1998 and 2002, Cutts and his co-conspirators ran an identity theft racket to steal electronic and other merchandise. At Cutts' direction, numerous individuals, including Kenyel Dotts, Valerie Shoffner and others, stole identity information that they obtained from their positions of employment in government offices and businesses. Other confederates, such as Libretta Champagne, ordered goods and services over the telephone and the internet, providing merchants with stolen credit information. Countless others received a small fee to accept delivery of the stolen property at their residences and other addresses they provided to Cutts. Finally, the property, which included hundreds of computers and more than a thousand cellular telephones, was sold to other participants, including "fences" such as Lincoln James.

The ring operated in New York City, the Capital District, and Westchester County. Identities that were stolen were not limited to New York residents but included citizens across the country. The investigation remains open.

Spitzer noted that a bill recently passed by the state legislature would aid in such prosecutions by establishing identity theft as a separate and distinct crime in New York State, providing penalties that in some cases are higher than the penalties for comparable larcenies, and permitting indictment of those who possess personal identifying information wrongfully taken from individuals, business and other entities, before that information

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is actually used to commit thefts.

"These indictments serve as yet another example of the success that can be achieved by law enforcement when we work together in the spirit of cooperation," said State Police Superintendent James McMahon. "By sharing our resources, law enforcement is accomplishing the common goal of removing criminals and their enterprises from our communities."

"People who provide personal information to state government demand that such information will be maintained securely. The Inspector General's Office is committed to ensuring that confidential information obtained by government is properly protected. State employees and others who steal or otherwise misuse that information will be caught and punished," said Inspector General Roslynn Mauskopf.

Westchester County District Attorney Jeanine Pirro, said: "We are proud to have been an integral part of the multi-agency investigation. The first arrests in Westchester occurred in June and we are continuing to work to assist those individuals victimized by this ring."

"Identity theft is a serious and rapidly growing crime, which can have an adverse, long-term impact upon its victims, exposing them to financial liability and ruined credit," said DOI Commissioner Rose Gill Hearn. "The 4 defendants charged here are accused of participating in a scheme to fraudulently use the names and social security numbers of thousands of unsuspecting individuals to unlawfully buy merchandise worth hundreds of thousands of dollars. Their arrests should send a strong message to would-be identity thieves that they themselves will be tracked down, identified and prosecuted to the fullest extent of the law."

"These criminals tried to get rich by stealing the identities of thousands of New Yorkers. They threatened these victims' credit lines and could have ruined their financial health for years. But they were caught and now they will pay the price," said New York Police Commissioner Raymond W. Kelly. "Let this serves as a reminder to would-be identity thieves: We will catch you and we will bring you to justice."

Cutts, Champagne, Dotts and James are scheduled to be arraigned on August 2, 2002, before Albany County Court Judge Steven Herrick.

The charges are accusations and the defendants are presumed innocent unless proven otherwise by a court of law.

On behalf of the Attorney General's Office, the case is being prosecuted by Assistant Attorney General Nancy Synder of the Criminal Prosecutions Bureau and investigated by Supervising Investigator David Adams and Investigator Leslie Ingino of the Investigations Bureau. Individuals who may have information concerning this identity theft ring are urged to contact

State Police Investigator Thomas Hotaling at (518) 433-2670.