

Aug. 31, 2007 Vol. 15, # 8

MORE FREE SERVICES

Last month we told you about three products from Experian that are free:

Experian's Bullseye, Experian's Instant Update, and the OFAC (Terrorist List) search.

There are several other products and services we offer with your reports for no added charges. If you are using another service, you might want to check their monthly billing to see if they are adding charges for these products that we offer for free.

If you use our MCL Mortgage program, there are more than ten free products included:

In the credit report:

- OFAC Search
- Summary of trade and public records data
- Derogatory Summary of negative information
- List of creditors
- Consumer Summary from each bureau pulled

Other reports:

- PreQual Analysis
- Credit Score Notice
- Consumer Copy of the Credit Report
- Adverse Trade Summary Report
- 1003 prepopulated with the information from the credit report
- Adverse Action Notice
- Instant View

Free Downloads:

- AgentX Download; allows you to transfer the data to Point and other LOSs.
- ARTA Download; allows you to transfer the credit report to ARTA for free. (ARTA does not charge for importing the data.) This feature allows you import information from our MCL system without being charged a credit report transaction fee by Bankers System's ARTA.

If you are presently pulling 1, 2 or 3 bureaus from our MCL merged and mortgage system, these services and products are included at no extra or added charges.

EMPLOYMENT BACKGROUND CHECKS

We have been receiving many requests for criminal background searches for employment purposes. While this is good, pulling a criminal search without pulling an employment credit report first, may be a waste of money.

An Employment Credit Report will give you

collections, civil judgments, bankruptcies, tax liens, inquiries, trade lines and previous addresses. The previous address are important. The criminal report gives you the jurisdictions searched. If the Employment report gives addresses not searched, then additional searches may be needed.

The presence of public records could indicate, the good chance that you will receive court summons and or wage garnishments.

CONSUMER BANKRUPTCIES RISE 34 PERCENT IN JULY

U.S. consumer bankruptcy filings increased 34.4 percent nationwide in July from the previous year, according to the American Bankruptcy Institute (ABI). Yet according to data from the National Bankruptcy Research Center (NBKRC), overall consumer filings totaled 63,600 in July, nearly a 7.2 percent decrease from the 68,559 filings in June. Chapter 13 filings constituted 39.7 percent of all consumer cases in July, a slight increase over the previous three months. "The dramatic rise in bankruptcy filings so far this year reflects the reality of the stress that heavy debts put on American families," said Samuel J. Gerdano, ABI Executive Director. "The trend line, and concerns about housing markets, could presage even higher rates of filings later this year." ABI is the largest multi-disciplinary, nonpartisan organization dedicated to research and education on matters related to insolvency. ABI was founded in 1982 to provide Congress and the public with unbiased analysis of bankruptcy issues. (CreditandCollectionnews.com, Aug. 6, 2007)

U.S. SEEKS HIGHER BANKRUPTCY FEES

Washington - Businesses hoping to use bankruptcy protection to stay alive could soon face a new hurdle: bigger bills. Companies in Chapter 11 would pay significantly more in quarterly fees to the federal government, in some cases triple what they're paying now, under a budget proposal set to take effect Jan. 1. The U.S. Trustee Program, a Justice Department office that monitors consumer and business bankruptcy cases, has proposed a 30 percent fee increase. It also wants to triple the fees for the biggest companies. Critics of the proposal, which has been approved by the full House of Representatives and by Senate budget leaders, say it will make restructuring more difficult. "We must keep in mind that debtors are in Chapter 11 because they need an opportunity to reorganize. To have them now pay a higher percentage of their income to

the Office of the U.S. Trustee just puts one more burden on them," said Jeffrey Wurst, a bankruptcy attorney with Ruskin Moscou Faltischek in New York. Wurst is a vice president of the Turnaround Management Association, a Chicago-based industry group representing restructuring professionals. He says the new fees will be particularly onerous for small and mid sized companies. (8-13-07, creditandcollectionnews.com)

VIRUSES, SPYWARE, PHISHING COST U.S. CONSUMERS \$7 BILLION OVER TWO YEARS

U.S. consumers lost \$7 billion over the last two years to viruses, spyware, and phishing schemes, according to Consumer Report's latest State of the Net survey.

The survey, based on a national sample of 2,000 U.S. households with Internet access, suggests that consumers face a 25% chance of being victimized online, which represents a slight decline from last year.

Computer virus infections, reported by 38% of respondents, held steady since last year, which Consumer Reports considers to be a positive sign given the increasing sophistication of virus attacks.

Thirty-four percent of respondents' computers succumbed to spyware in the past six months. While this represents a slight decline, according to Consumer Reports, the odds of a spyware infection remain 1 in 3 and the odds of suffering serious damage from spyware are 1 in 11.

Phishing attacks remained flat, duping some 8% of survey respondents at a median cost of \$200 per incident. And 650,000 consumers paid for a product or service advertised through spam in the month before the survey, thereby seeding next year's spam crop.

Perversely, insecurity means money for computer makers: Computer viruses and spyware turn out to be significant drivers of computer sales. According to the study, virus infections drove about 1.8 million households to replace their computers over the past two years. And over the past six months, spyware infestations prompted about 850,000 households to replace their computers.

Insecurity means anxiety for parents. Despite efforts by social networks like Facebook and MySpace to limit their services to those 14 and older, households with minors online said that 13% of children registered on MySpace were



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younger than 14 and 3% were under ten.

The inability of social networks to police their sites is mirrored by inability of many adults to police their own Internet connections. Some 33 percent of survey respondents did not use anti-spyware software. Consumer Reports estimates that 3.7 million U.S. broadband households are not using a firewall.

Consumer Reports singled out Trend Micro's \$50 security suite for excelling in every category that it tested and said that, in general, paid security software performed better than free security software. It also praised security products from Check Point and McAfee.

Beyond obvious tips like activating firewalls, shutting computers down when not in use, and exercising caution when downloading software or using public computers, Consumer Reports offered one safety tip that's sure to inflame online passions: Consider a Mac.

"Although Mac owners face the same problems with spam and phishing as Windows users, they have far less to fear from viruses and spyware," said Consumer Reports. "Because Macs are less prevalent than Windows-based machines, online criminals get less of a return on their investment when targeting them."

Of course if that's true, it becomes less so with every Mac bought.

The full survey is scheduled to appear in the September issue of Consumer Reports.(Aug. 6, 2007, By Thomas Claburn, InformationWeek, URL:<http://www.informationweek.com/story/showArticle.jhtml?articleID=201203030>)

GOVERNMENT BUSTS IDENTITY THEFT RING THAT TARGETED FORBES 400 RICHEST

A 24-year-old Russian and four co-conspirators are accused of stealing \$1.5 million by obtaining victims' personal identifying information.

Government authorities arrested and indicted five members of an alleged identity theft ring that was targeting billionaires from Forbes magazine's ranking of the 400 richest Americans.

Manhattan District Attorney Robert M. Morgenthau announced on Thursday that the defendants -- four of whom were arrested Thursday and are in custody in Michigan, Texas, Florida, and Kentucky -- have been

charged with stealing \$1.5 million and attempting to steal another \$10.7 million from their victims' financial accounts. Another defendant, Igor Klopov, was arrested in May and is in custody in New York.

Klopov, a 24-year-old Russian, was the alleged ring leader who mined the Internet to obtain victims' personal identifying information. The DA's office in Manhattan reported that he was arrested in May after he came to New York to claim \$7 million in gold that he thought had been purchased with money stolen from one of his victims.

Forbes.com reported that Texas billionaire Charles J. Wyly Jr. and other wealthy victims were the targets of the identity theft ring. Wyly, 73, and his brother, Sam, headed the world's largest arts and crafts chain, Michaels Stores, before it was sold last year for \$6 billion.

The year-long investigation into the criminal conspiracy broke open when an investigator with the Manhattan District Attorney's Identity Theft Unit went undercover, taking on the online identity of a Klopov accomplice and pursuing an on-line relationship with him.

The DA's office reported that the undercover investigation revealed that Klopov created dossiers of background research on his targeted victims and even hired private investigators to provide him with additional information on his targets. He used on-line job hunting sites, such as Monster.com and CareerBuilder.com, to recruit accomplices. The DA also noted that he provided his co-conspirators with fake identification and documents, background information on the identity theft victims, and even made all their travel arrangements, including reservations at five-star hotels and town car limo services.

Klopov paid for the recruits' travel expenses using stolen credit card numbers.

Investigators reported that it was difficult to nail down Klopov's actual identity for some time because he used a variety of cyberidentities, like "kirill," "trancer," "239855403," "rayescrowchk," "topfinancegroup," and "stayintheshadows." He also only communicated with his co-conspirators via e-mail or instant messaging.

The DA's office reported that in one instance, Klopov allegedly contacted Fidelity Investments on Dec. 15, 2005, and requested that approximately \$1 million worth of stock, which was held in the account of a Silicon Valley couple, be sold. On that same day, a co-

conspirator showed up at the Fidelity Investments office in San Jose, Calif., with a counterfeit power of attorney, ostensibly signed by the couple. On Dec. 20, 2005, \$1,050,000 was wired from the couple's account to an account at Washington Mutual Bank in the name of one of Klopov's co-conspirators. Later that same day, at Klopov's alleged direction, almost \$1 million was transferred by wire to bank accounts in Russia.

The group of five defendants faces a myriad of charges, including conspiracy in the fourth degree, grand larceny in the first degree, attempted grand larceny in the first degree, money laundering in the first degree, attempted money laundering in the first degree, and identity theft in the first degree. Money laundering in the first degree and grand larceny in the first degree are both punishable by up to 25 years in prison. (By Sharon Gaudin, InformationWeek, August 17, 2007)

CREDIT TRAINING

If you are unable to attend our seminars, we can provide training at your business. We would be glad to meet with your credit personnel and review and/or explain any of the products we offer. Also, we now have on line training. We can work with up to five of your employees at one time.

CREDIT SCORES: THE SILENT KILLER

Be sure to go to our web page and click on "Credit Scores: The Silent Killer."

KCB INFO SERVICES HOURS

Monday - Friday 9:00am to 4:30pm

KCB Information Services offers: Consumer credit reports, Business Credit reports, Employment Credit reports, Residential Mortgage Credit Reports, Merged Credit Reports, Criminal background checks, Tenant Screening Reports, Flood Zone Determination, Flood Life of Loan Certification, Identity Authentication and eFunds Debit Reports.

KCB Information Services has served businesses since 1928 and serves Central Illinois for Experian and Equifax.

PREVIOUS NEWSLETTER ARTICLES

We now have an index of articles in past newsletters. Just click on INFORMATION LINKS and then on the NEWSLETTER link and you will see the index pdf file.

*If you can't get people to listen to you,
tell them...
it's confidential.*