

# From the Office of Florida's Chief Financial Officer



*Alex Sink*

## Cracking Down ON I.D. Fraud Is A Matter of State, National Security

In the first week of this year, detectives with the Department of Financial Services' Division of Insurance Fraud (DIF) arrested 23 Floridians accused of posing a risk to Florida's and the nation's security by fraudulently obtaining Florida commercial driver licenses (CDLs). The investigation, which also uncovered insurance application fraud, is ongoing and authorities believe hundreds of individuals are involved.

Beginning her second year as Florida's chief financial officer and as head of the department and its two law enforcement agencies — DIF and the Bureau of Fire and Arson Investigations — **Alex Sink** said more investigations by the department are uncovering additional crimes such as identity theft and identity fraud. Identity theft and fraud occur when someone gains access to another person's personal information, such as a driver license number, and uses the information to commit fraud. She said the trend indicates not only the pervasiveness of the crime, but also that identity fraud is increasingly committed in conjunction with other crimes, many that could pose a threat to national security. According to the Department of Justice, identity theft and identity fraud are two of the fastest growing crimes in the United States.

"Identity fraud disguises the perpetrator's true identity and, possibly, their motives," said CFO Sink. "As chief financial officer, I understand the harm from identity theft can extend well beyond the financial impact on an individual, and I am committed to this very real and serious threat to the public."

The investigation into the fraudulent CDLs found that between November 2005 and April 2007, civilians who had never been in the military fraudulently obtained a United States Department of Defense waiver form that indicated the holder had been trained by the United States Army to operate heavy vehicles. Some of these individuals, who had never received or completed the required training, used



these fraudulently obtained CDLs to obtain either personal or commercial vehicle insurance.

The investigation was a joint effort by DIF, the U.S. Department of Defense - Defense Criminal Investigative Service (DCIS); U.S. Department of Homeland Security's Immigration and Customs Enforcement (ICE); the Florida Highway Patrol, and the Florida Department of Transportation Motor Carrier Compliance Office.

**Steven Baez**, a sergeant with the Army National Guard stationed at the Homestead Air Reserve Base in Homestead, sold each waiver form, Operator Qualification Record DA FORM 348-E, for as little as \$400 and as much as \$1,300. Baez pleaded guilty in October to one count of conspiracy to cause the production of false identification documents and two counts of bribery of a public official.

That was not DIF's first case involving identity fraud.

In June 2007, DIF detectives arrested 26 individuals on charges of using fraudulent identification to gain employment. The arrests stemmed from a joint investigation by DIF and the Department of Environmental Protection (DEP) that found 115 individuals using one 10-year-old's Social Security number.

In August, a Central Florida man was arrested on several felony charges after DIF detectives caught him selling

fraudulent social security and resident alien cards from his home and a subsequent search warrant found equipment used to make the fraudulent cards. The scheme was uncovered during an unrelated workers' compensation fraud investigation.

"My job as Florida's CFO is to help protect citizens' money and assets," said CFO Sink. "Whenever our work uncovers any evidence of identity theft, this department will take quick action, including bringing in other law enforcement agencies to help us provide the quickest resolution." ■

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*As a statewide elected officer of the Florida Cabinet, Chief Financial Officer Alex Sink oversees the Department of Financial Services, a multi-division state agency responsible for management of state funds and unclaimed property, assisting consumers who request information and help related to financial services, and investigating financial fraud. CFO Sink also serves as the State Fire Marshal.*

### Unlawful Use Of Badges

**817.311, Florida Statutes**

(1)(817).311 SS) from and after May 9, 1949, any person who shall wear or display a badge, button, insignia or other emblem, or shall use the name of or claim to be a member of any benevolent, fraternal, social, humane, or charitable organization, which organization is entitled to the exclusive use of such name and such badge, button, insignia or emblem either in the identical form or in such near resemblance thereto as to be a colorable imitation thereof, unless such person is entitled so to do under the laws, rules and regulation or such organization, shall be guilty of a misdemeanor of the first degree, punishable as provided in S.75.082 or S.775.083.

(2) This section shall be cumulative to any and all laws now in force in the State. Florida Statutes (1987).

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