

# Arrests Made In a Sweep Against Thefts Of Identities

By ADAM CLYMER

WASHINGTON, May 2 — Federal authorities announced a nationwide sweep of identity theft arrests today, charging the people with using false credentials to cover up a murder, sell homes belonging to the elderly and exercise 176,000 stock options belonging to an unknowing company executive.

Attorney General John Ashcroft announced the prosecutions, many of them fraud cases, to demonstrate sharply stepped-up federal efforts, and he called on Congress to pass legislation to ensure that identity thieves received longer sentences.

In recent years, sentences imposed on identity thieves who were sent to prison often did not exceed one year. Mr. Ashcroft asked Congress to make sure newly convicted people served at least two years beyond what they would get today.

Mr. Ashcroft called identity theft "one of the fastest growing crimes in the United States," victimizing 500,000 to 700,000 people each year. He said United States attorneys had brought 25 new cases in the "last 24 hours alone."

Justice Department officials acknowledged that the new charges were bunched together today to call public attention to the problem and the new legislation. They also noted that prosecutions had significantly risen each year since the federal legislation was passed in 1998. In the 1999 fiscal year there were 569 cases, then 775 in 2000, 879 in 2001, and through today, in slightly more than seven months of the current fiscal year, 816. At that rate, this year's total would reach about 1,400 cases.

Department officials could not say what typical sentences were now, but according to Justice Department data collected by the Transactional Records Access Clearinghouse of Syracuse University, the median term for those sent to prison in 2001 was 13 months for Secret Service cases and 7 months for F.B.I. cases. About a third of those convicted were not sentenced to prison.

One indictment announced today charged Joseph Kalady of Chicago with suffocating a homeless man, William White. It said Mr. Kalady, who was awaiting trial on charges of counterfeiting birth certificates, Social Security cards and driver's licenses last December, sought to have Mr. White cremated under Mr. Kalady's identity. The indictment said Mr. Kalady chose a homeless man for a victim because he expected no one to look for him.

Mr. Kalady was arrested in Boston a few days later by the Secret Service, a spokesman said. Today he and seven co-defendants — including his brother, sister, niece and doctor — were indicted in Chicago.

Mr. Ashcroft cited other cases, including one in Detroit in which "defendants who located houses owned by elderly citizens assumed their identities in order to sell or refinance fraudulently the properties." There were five defendants in that case, which was handed up Wednesday.

In another Detroit case, an administrator of the Kmart Corporation's stock option plan was accused of stealing the identity of Warren Cooper, a retired executive, and exercising 176,000 options for a gain of \$212,000.

In another case, Mr. Ashcroft said, a hospital employee allegedly stole the identities of 393 hospital patients to obtain credit cards.

In another case mentioned by the attorney general and explained by the department, Christopher Lee Jones of Pembroke, N.C., was indicted on Wednesday in Raleigh after allegedly selling Social Security numbers at auction on eBay. One notice, the government charged, read "100 (one hundred social Security # Numbers Obtain False Credit Cards Identity Theft I Don't Care Bid Starts At a Dollar a Piece USPS Money Orders only all Different."

Along with the additional two years in prison, the proposed legislation would make it a crime to possess identifying information about someone else with intent to commit a felony. Current law bans use, but not possession. Senator Dianne Feinstein, Democrat of California, attended Mr. Ashcroft's news conference and said she would sponsor the legislation. "This is a crime that has not been taken terribly seriously until recently," she said.

Ed Mierzwinski, speaking for the United States Public Interest Research Group, a nonprofit consumer advocacy organization founded by Ralph Nader, said that while tougher penalties were desirable, they were not enough. The federal government should force "creditors and credit bureaus to verify and match identities better, while weaning them from the use of risky and easy to obtain Social Security numbers," Mr. Mierzwinski said.