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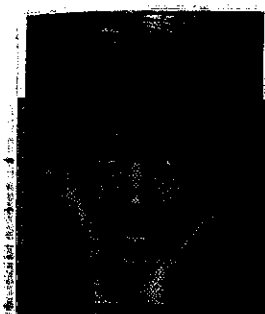
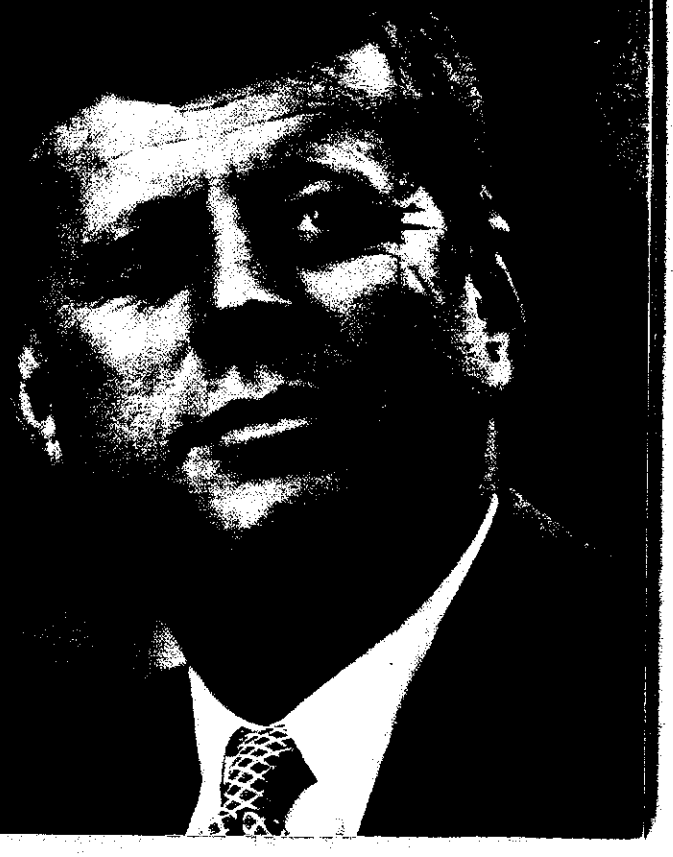


Halle Berry
'I'm on this earth to help other people'

The New Clue to JFK's Murder



DEBT FREE FOR LIFE

PAGE 120

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BONUS READ

Being Bill Gates

Steven Spielberg

How the most brazen identity thief in U.S. history almost got away with it

BY MARK BOAL FROM "PLAYBOY"

ILLUSTRATED BY TERRY MOORA

THE METROPOLITAN DETENTION CENTER in Brooklyn, New York, houses some 2,700 inmates. In March 2001, it added to its population a sad-eyed 32-year-old American convicted felon of Jordanian and Palestinian descent whose given name is Abraham Abdallah but who, at the time of his arrest on fraud charges, was also known as Paul Allen, George Soros, William Gates, Andrew McKelvey, Charles Schwab, Steven Spielberg and Martha Stewart.

Abdallah is an identity thief. Experienced investigators say he is the best identity thief who ever lived. They might just be right. After all, this high school dropout admits that while working as a busboy and kitchen helper at a Brooklyn restaurant, he penetrated security at the world's most sophisticated financial firms—Merrill Lynch, Citibank, Fidelity and Charles Schwab, to name four. That, he says, allowed him to assume the financial identities of more than 200 people on the *Forbes* 400 list, a.k.a. "The Richest People in America." He says he stole more than $260 million of other people's money—including $200 million in one spectacular haul—and was well on his way to his goal of $1 billion. (He pleaded guilty to scheming to steal more than $80 million.) He planned to open his own offshore bank, and might have succeeded had he not tried to buy a $200 computer hard drive with a stolen credit card—a sloppy mistake in an otherwise promising criminal career.

FINANCIAL IDENTITY THEFT has been on the rise since the 1980s, in part because credit card companies began mass-mailing preapproved card applications directly to consumers. Many of these applications wound up in the trash. All an identity thief had to do was recover them and claim the credit cards. From a single card it became possible to create an entire financial profile in someone else's name. In the 1990s, as banks and consumer database companies moved their businesses online, identity theft became even easier to commit. In 2003, thieves struck a reported 10 million people, according to the Federal Trade Commission, but the actual number of victims is thought to be far higher, because the crime typically goes undetected for years. Because this brand of larceny is mostly a virtual crime, and thieves leave little or no physical evidence, identity thieves are rarely caught. Fewer than one in 700 identity thefts are even investigated. But the cost is very real to financial institutions and other businesses, which usually absorb it—$47.6 billion in 2003. "The banks are in a tough position," one FBI agent says.

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PHOTOS, PAGE 160: (BACKGROUND, ABRAHAM ABDALLAH, MARTHA STEWART AND GEORGE SOROS) © AP/WIDE WORLD PHOTOS; (STEVEN SPIELBERG) © ARNALDO MAGNANI/GETTY IMAGES; (BILL GATES) © DANIEL JANIN/AFP/GETTY IMAGES

"They're torn between customer service and security. They want to make it easy for customers to access information, to see their accounts online. But that also makes it easy for criminals."

No one has taken better advantage of this situation than Abraham Abdallah. During a criminal career that started when he was 16 with simple credit card fraud and evolved to include complex wire-transfer schemes and overseas money transfers, he trained himself to become a master thief, a "pioneer," in the words of one FBI agent who tracked him. Among fraud investigators, Abdallah's career is often used as a case study. By the time he was 30, he had an extensive criminal record. Over the years, the basic crime never changed; he simply kept raising the stakes, culminating in his six-month spree against the *Forbes* 400. He is, he says, addicted to stealing identities.

Over the years, the basic crime never changed; Abdallah just kept raising the stakes. He is, he says, addicted to stealing identities.

PART 1: A NEW BEGINNING

IN THE FALL OF 1999, Abdallah was a free man. By then, he'd been arrested 25 times and spent a good chunk of his life in jail. He decided he would never go back. "I hate myself for what I've done to myself and my family," he'd written to the judge supervising one of his cases. He returned to his parents' town house in Brooklyn and moved into his old room. He found a job busing tables and doing kitchen work at a Middle Eastern restaurant a few blocks away. The job satisfied the condition of his parole that he remain gainfully employed, but he disliked the monotony, and he hated being 31 years old, living at home and earning what he says was no more than $300 a month. What he really wanted was to be a Wall Street executive. He had nurtured this dream since he was eight years old, when he started reading *The Wall Street Journal* and tracking his favorite stocks the way most kids follow sports teams. In optimistic moments, he planned to get married and

have children of his own if, in keeping with his family's tradition of arranged marriages, his father could find him a suitable bride.

HE DEVELOPED A PLAN to buy foreclosed rental properties in Brooklyn. His older brother, he says, was to act as his partner; Abraham would keep his own role quiet. But his parole officer put an end to his plan, citing the young man's criminal history. Abdallah began "feeling stressed-out and depressed," and decided to do what he did best. Only this time he planned to give his ambitions free rein: "I could do $100 million, $200 million for the same time, for the same information, the same procedures as I would $1.6 million." Why not think big?

In September 2000 Abdallah received his copy of the *Forbes* 400 richest Americans issue. He decided to start with the richest of them all: Bill Gates.

By now, he had arrived at a sophisticated system for cracking someone's identity. He broke down a person's financial persona into components, gradually acquiring each piece. The most important was the Social Security number, which, since its introduction in 1936 as a way for the government to track retirement accounts, has become a de facto identity number. With a Social Security number and a little bravado, Abdallah could easily obtain everything else—bank records, passwords, mother's maiden name, place of birth, date of birth, address and phone number.

Here's an example of how he worked: Posing as an executive with Sprint, he called a Texas private investigator he'd found online. Sprint was looking for someone to conduct background checks, he said: "All I need from you, if you're interested, is a copy of your rates and a copy of your PI license." The investigator faxed all his information, and Abdallah used it to open an account with an online database firm catering to private investigators that gave him "unlimited Social Security numbers and addresses for $300 a month."

Going through the *Forbes* list, he obtained the credit reports of his victims, a task he says he accomplished by duping the three major credit agencies, Equifax, Experian and TransUnion. First, using his computer, Abdallah could make replicas of bank stationery. Impersonating a member of a bank's human resources department, he would then write to the credit bureaus. He used the Social Security numbers he'd obtained to request credit reports. Whenever he handled a document, he wore gloves to avoid leaving fingerprints. He never signed the letters himself. Instead, he took his paperwork

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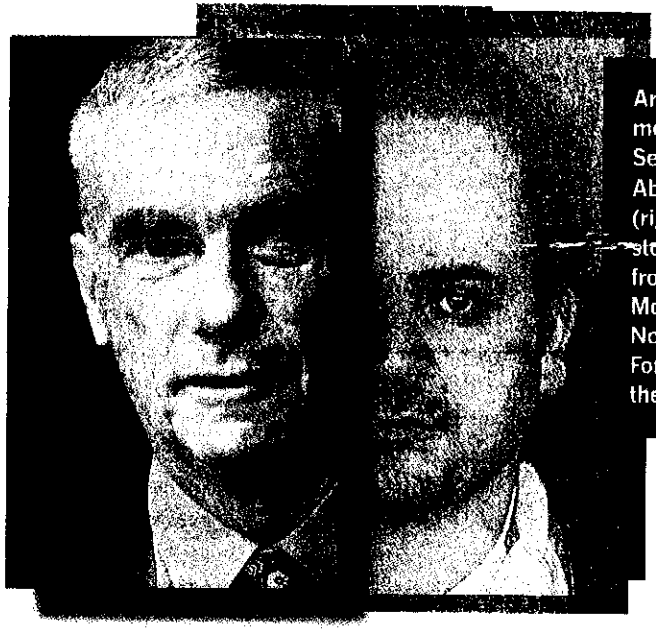

Armed with little more than a Social Security number, Abraham Abdallah (right) says he stole $200 million from Andrew McKelvey (left, No. 124 on the Forbes list) over the telephone.

to a local basketball court and paid kids there from $20 to $50 to do the job.

By October 2000, Abdallah was ready to go further. He says he called Merrill Lynch on his cell phone and introduced himself as George Soros, the billionaire hedge-fund manager. The man who answered the phone didn't believe what he was hearing. "Are you *the* George Soros?" he asked. Abdallah didn't pause. Though his reply was crucial—for he had already stirred the Merrill representative's suspicions, meaning a miscue could send the call to the fraud department—he was now winging it.

"No, that's my father. I'm his son," he said. It was safer, he guessed, to confirm suspicions than to fight them. He reeled off Soros's Social Security number and birth date. The Merrill rep pulled up four accounts. Each had a zero balance, Abdallah recalls. But with a cooperative representative on the line, and with Soros's personal information in hand, he tried his luck: "Under his name, I decided to open a separate account and deposit a counterfeit check for $10 million. I had a 50-50 shot that it would go through."

The unusual activity on Soros's account triggered a bank review. When Abdallah's forged check arrived, it was scrutinized. The account numbers were accurate, the signature correct, but the coloring of the watermark was determined to be slightly off. The check didn't clear, and the NYPD was alerted.

PART 2: OPERATION CEO

AT THE NYPD's Computer Investigation and Technology Unit, Det. Michael Fabozzi was a rising star. He'd made a canny career choice in 1995 by moving into the Special Investigations Division. Back then, identity theft was a law enforcement backwater. Fabozzi's decision to join the unit seemed quixotic, but the young cop, who had worked briefly in finance before joining the police force, considered banking fraud more challenging than homicide or narcotics cases. Eventually, his work became very challenging indeed.

A few days after Fabozzi, 39, was assigned to look into the Soros check, he got a report from a bank investigator that the identity of Goldman Sachs chairman Hank Paulson had been stolen. The thief had posed as Paulson in a series of phone calls and e-mails to bank employees, then tried to move $1.5 million out of Paulson's personal account. Fabozzi also heard that Paul Allen—or someone pretending to be the Microsoft billionaire—had transferred $10 million into an overseas account without the usual permissions. By month's end, after canvassing New York's major banks and brokerage houses, Fabozzi had found more victims. He went to his boss and stated

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what had, by then, become obvious: "Someone is targeting business celebrities."

His only clue was an anonymous e-mail address used to open several illegal accounts. Tracing the e-mail address back to an IP address, a computer's unique Internet identifier, Fabozzi found that it originated at the Brooklyn Public Library. With little formal education, Abdallah still knew enough to route his computer traffic through the library's computers from a wireless laptop.

By November 2000, agents from the Secret Service and U.S. Postal Service had joined Operation CEO, as it was now called. Fabozzi grew obsessed, waking in the middle of the night and thinking, This guy really knows how the system works. He's doing it exactly the way I would if I ever turned bad.

Abdallah started a new con shortly after the Soros setback. His opportunity came in the form of a rebate check from Canon for a printer he had purchased months earlier. This was not a coincidence. One thing he did to ensure a steady supply of raw material for forging checks was to purchase items that offered rebates. He wanted the corporate account number listed on the rebate check's face. By calling the bank, he was able to determine

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that his modest rebate check was linked to a corporate account stocked with as much as $50 million. He then produced a second check with the original check's account code, changing the amount payable to $6.5 million.

He made out the check to his newly minted identity, a fictitious IBM executive. He concocted a work history for this person. He took a photo from *Sports Illustrated* and used it to doctor a passport. He applied for and got a credit card in the fake person's name. With it, he opened an account at a Bahamian bank. After first transferring $100 from the bogus IBM employee's credit card to the Bahamian account, he sent the bank the forged $6.5 million check. He waited for the check to clear, constantly checking the Canon account to see if its balance had changed. Eventually, he lost patience and called the bank: "They told me, 'We did receive the check and actually the check cleared, but when we called [IBM], they said they don't know you.' "

HE WAS UNDETERRED. The challenge, he says, was to get one of his big fake checks to clear. Soon, he settled on a new mark.

After reviewing hundreds of accounts from names on the *Forbes* list, he decided to steal the financial soul of Andrew McKelvey, CEO of the company that owns job-listings website Monster.com. At the time, McKelvey was worth an estimated $2.1 billion. Abdallah began by calling McKelvey's brokerage firm, Merrill Lynch. The interaction was captured by an automatic recorder.

"This is John Smith with customer service. How can I help you?"

"Good evening, John. I'm having problems going online."

"What is your account number?"

Abdallah reads an incorrect account number into the phone.

"You did something wrong. That can't be the number," the Merrill rep says, and then asks, "What's your name?"

"Andrew McKelvey."

"What's your Social Security number?"

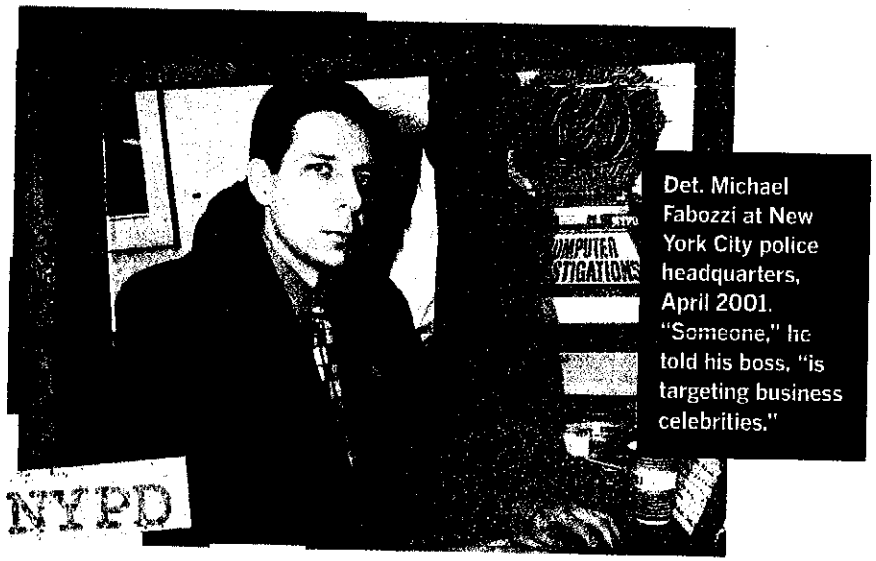
Abdallah provides the correct number.

"Were you trying to reach Merrill Lynch Online, sir?"

"I'm trying to access my account."

"Okay, bear with me one moment. Do you have another account number? That would help me."

Abdallah repeats the wrong number he gave the first time.



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Det. Michael Fabozzi at New York City police headquarters, April 2001. "Someone," he told his boss, "is targeting business celebrities."

"Did you by any chance close any of your accounts, sir?"

"No."

"Okay. Do you have an account with money in it?"

"Yeah, over a hundred," Abdallah says, being intentionally vague.

"Hold on for a second, please. Okay, is there a name on the account?"

"Andrew McKelvey."

"Is it in care of anyone?"

"Monster.com."

"I can't find the account you gave me. There are a lot of accounts with money in them, but they're business accounts. Do you have a log-in number?"

"No. How do I get access to the accounts?"

"I need to verify your personal information. What is your Social Security number?"

Abdallah answers, as if reciting from memory.

"Date of birth?"

He answers.

"Address?"

He answers.

"The account number is 55XXXXXXX."

"Do I need the log-in ID?"

"That is the log-in ID. Do you have a password?"

"No, I don't."

"The computers are very slow. Please hold on."

"I know the feeling."

"Okay. Here is the password: 34XXXX. Is there anything else I can help you with today, sir?"

"No, thanks."

"Thank you for calling Merrill Lynch, and have a nice evening, sir."

A few minutes after hanging up, Abdallah calls Merrill Lynch back. His objective: to find out how much money McKelvey has available.

Abdallah couldn't bring himself to leave behind the thrill of getting over on the system. "I wanted to stop," he says. "But I couldn't."

A new Merrill Lynch representative asks how she can help him.

"Yeah, I wanna find out my account balances."

"What is your account number, sir?"

Abdallah provides the correct number he has just obtained.

"Just one moment, sir. Could you please verify your name, Social Security number and address?"

Abdallah provides the information.

"I can tell you on that account, as of the close of business yesterday, you have $53,370.86. It will not be updated until the morning."

Guessing that McKelvey has much more money stashed in another account, perhaps under the Monster.com name, Abdallah asks, "Do you have access to my other accounts? I don't know the account numbers offhand."

"I'll take a look, sir. What kind of account would I be looking for?"

"A corporate account."

"I need you to verify your Social Security number."

He does.

"So you just want the two corporate accounts that I see here?"

"Yes."

"Which one did you want? The one that is managed by a financial

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management firm? The one that might have a great deal of money in it?"

"Yeah, that one."

"The one with $270 million?"

"Yeah."

"Okay. The balance on that account is $277,133,233."

Soon, Abdallah says he had linked the account to another he'd opened with Merrill in McKelvey's name—and moved $200 million in stock from one to the other. (Merrill Lynch denies this.) As it turned out, he never withdrew the money for his personal use.

ANDREW MCKELVEY AND MERRILL LYNCH weren't the only ones Abdallah says he was stealing from. In the winter of 2001, Abdallah had so many bank account applications pending around the world that he was constantly busy—moving cash, hiding cash, withdrawing cash. "I was getting tired of the whole thing," he says. To maintain appearances, he continued to chop vegetables daily in the restaurant basement. Inside he was feverish. By now, the cycle of excitement and guilt had become so destabilizing that he considered having himself "committed in the hospital." But in the end, he couldn't bring himself to quit, to leave behind the thrill of getting over on the system: "I couldn't stop. I wanted to stop, but I couldn't."

Meanwhile, there was a final step to becoming a success in his grand scheme. In prison, Abdallah says he'd met a Swiss banker serving time for laundering drug cash. He'd asked the banker for tips on hiding stolen money. "Charter your own bank," the man told him. The theory, as Abdallah explains it: "If you control the charter, you control everything. If you have your own bank and you deposit a check in your account, that bank has the last record. Once that bank closes, everything dies with it." A bank, he says, could be chartered in Africa for $20,000. He began to prepare the paperwork.

Meanwhile, he had compiled hundreds of credit card numbers from the *Forbes* list. After determining which he could safely use, he'd bought a $25,000 credit card press. By using an actual card in his own reader rather than entering an account number, Abdallah could save one-half percent on the fee that banks levy on vendors who use mobile readers. The idea of paying the extra fee, even on stolen money, drove him to distraction. Unfortunately for him, it also drove him into the arms of Michael Fabozzi.

IN EARLY MARCH 2001, after six months of near misses, an alert came into the NYPD. Abdallah had ordered a new hard drive on one of the credit card accounts the police were tracking as part of their investigation. Fabozzi's squad intercepted the package. Other detectives posing as UPS workers delivered it to its destination, a Brooklyn garage. A mechanic there signed for the parcel, and Fabozzi had him arrested on the spot. The detective persuaded the mechanic to call the next person up the chain. Fabozzi and five other plainclothes detectives huddled in the back of the garage and waited.

Abdallah was chatting amiably on a cell phone and shuffling toward the garage when he looked up and saw the men. He spun around and scuttled to his car. Using the keyless remote control, he unlocked the door, hopped in and started the ignition.

As the cops shouted and drew their guns, Fabozzi sprinted to the side of the car. He jumped up and dived headfirst into the sun roof. He put Abdallah in a headlock and started to squeeze.

"Where you going?" he shouted. "You going somewhere?"

"Okay, okay. You got me."

In the front seat of the car, police found a copy of the *Forbes* issue devoted to the 400 list. Fabozzi knew that Operation CEO had its man.

ANOTHER MYSTERY SOLVED

My grandson Tanner recently visited a fire station on a kindergarten field trip. While reviewing safety tips, the fire chief asked, "What do you do if your clothes are on fire?"

Tanner replied, "Wear something else."

SHARON RASLEY

I wanted to buy a CD player, but was completely perplexed by one model's promotional sign. So I called the salesclerk over and asked, "What does 'hybrid pulse D/A converter' mean?"

"That means," he answered, "that this machine will read the digital information that is encoded on CDs and convert it into an audio signal—that is, into music."

"In other words," I said, "this CD player plays CDs."

"Exactly."

Submitted by SHINE RAJU