

# Credit Repair Fraud - The Most Hidden Fraud That Ensnares Millions of Consumers

Frank McKenna, Chief Fraud Strategist

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- **30-Year Career in Anti Fraud Management**
- **Worked with Over 250 Banks And Lenders**
- **Author of FrankonFraud**

# Credit Repair Is Booming



\$3

Billion



**BUY YOUR  
DREAM  
HOME WITH  
A CPN!**





**GET YOUR DREAM CAR  
WITH OUR CREDIT  
SWEEPS**





**#1**

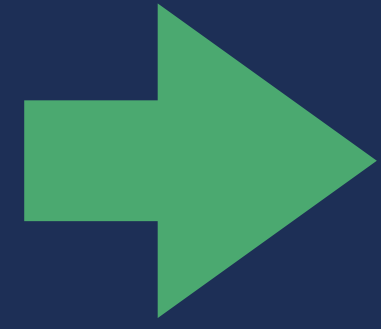
**THEY ARE SELLING  
CPN'S**



# #1 – The CPN Scam - Credit Privacy Number Scam

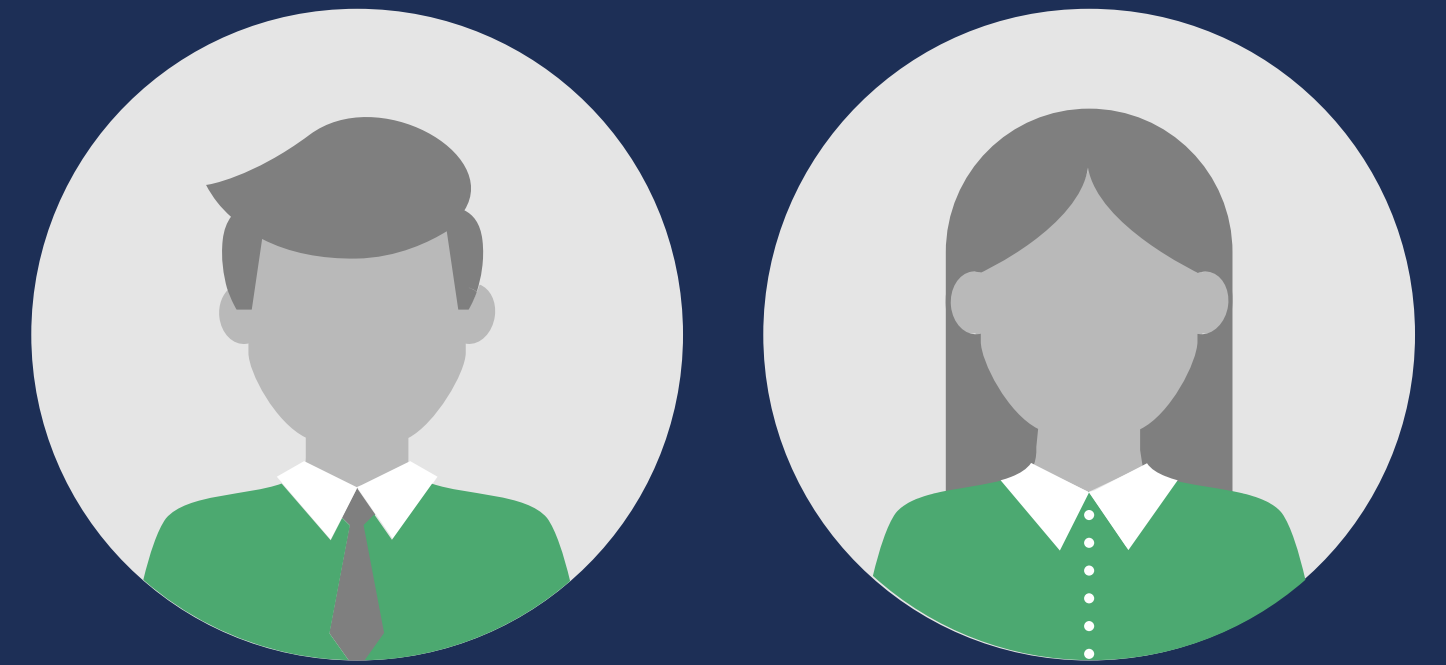
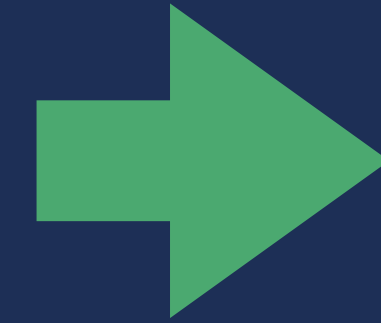
CPN

CREDIT  
PRIVACY  
NUMBER



SSN

JUST A  
STOLEN  
SSN



BELONGING TO  
KIDS UNDER 10



# CREDIT PRIVACY NUMBERS RESULT IN SYNTHETIC IDENTITIES

## Real Me



**Frank McKenna**  
**123 B Street**  
**San Diego Ca 92109**  
**08/18/1967**  
**551-12-3456**



## Synthetic Me



**Frank InStein**  
**123 A Street**  
**El Cajon Ca 92019**  
**08/01/1967**  
**551-12-6543**



WWW.LEGALCPN.COM



1,000,000 CPN's

X \$80

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\$80,000,000

Revenue



# THEY ARE ACTIVELY USING THESE FOR HOMES

House CPN Package  
\$700



HOME RENTAL PACKAGES

SS CARD \$80

Wow! And I fixed her credit!



 MOTHER DAY SALE 

-CPN NUMBER PACKAGE, \$99  
\*CPN Number, Digital CPN card, Boosting Tips, Experian Credit Monitoring Site.

-CPN HOUSING PACKAGE, \$200  
\*CPN Number, Digital CPN card, 4 Authentic Checkstubs, Employment and Rental Verification, Application assistance, Boosting Tips, Experian Credit Monitoring Site.

-CPN AUTO LOAN PACKAGE, \$399  
\*CPN Number, Guaranteed approval for any autoloan under \$75K, 6+ yrs of Tradelines loaded, guaranteed \$15K credit usage



**#2**

**THEY ARE CREDIT  
WASHING**





Credit Washing is the act of disputing a legitimate account or loan as identity theft so you can remove it from your credit report. Credit repair companies will do it for you for a fee of \$300 to \$2,500



# A MASSIVE INCREASE IN CREDIT WASHING

Explosive growth in  
credit washing  
facilitated by “credit  
repair” companies

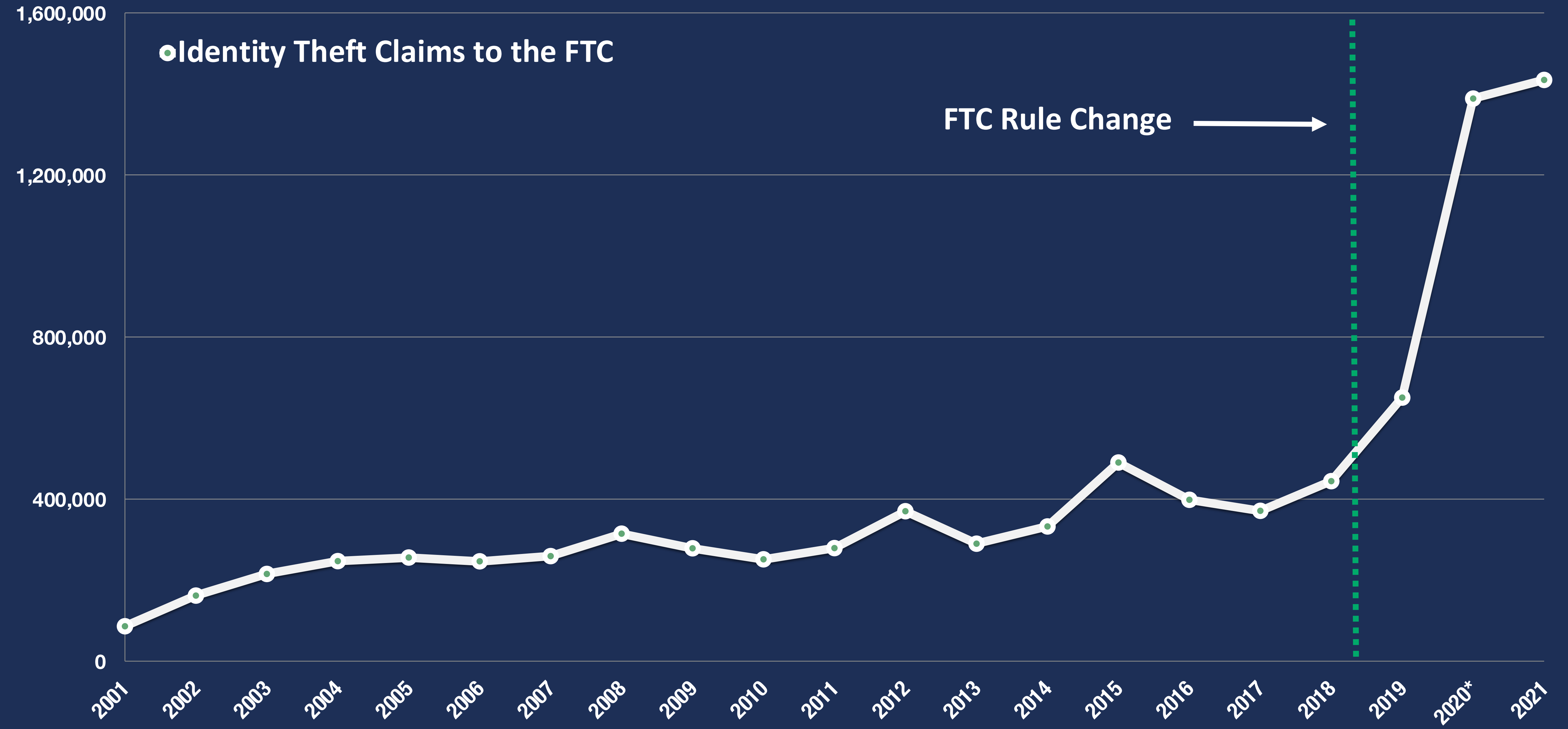


500%

INCREASE  
SINCE 2018



# FTC AFFIDAVIT CHANGES PROMPTED THE SHIFT





# Most Identity Theft Claims Are False

98%

of identity theft  
claims are  
unsubstantiated.



# She Filed 133 False Police Reports To Get Customers Into Homes and Cars



**Roekeicha Brisby**  
March 3 · 🌐

**Congratulations** to my client Aaron on his new home & vehicle.

He was able to purchase his new home as an self employed ENTREPRENEUR 🙌

We started with credit repair , then I helped him build his credit up with a few credit builders to get him approved for High LIMITED credit cards. 🏠

The Rest is History 🏠🏠🏠

If your ready to be a home buyer in 2022

Comment 🏠🏠🏠



6:52 PM



 27

15 Comments 3 Shares



IMAGE PROVIDED BY:  
**HARRIS COUNTY CONSTABLE, PRECINCT 4**  
**CONSTABLE MARK HERMAN**





**Roekeicha Brisby**  
Date of Birth: 2/9/1993



**#3**

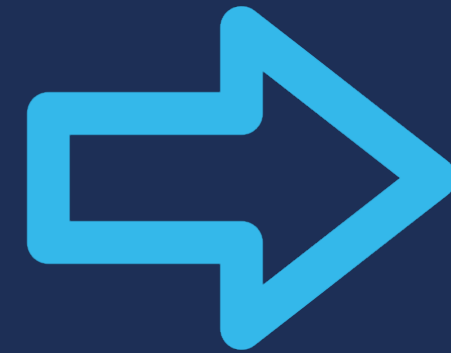
**THEY'RE SELLING  
FAKE TRADELINES**



# HOW FAKE TRADELINE SCHEMES WORK



A legitimate data  
furnisher  
like a finance company  
goes out of business



A credit repair company  
buys or takes over the  
defunct company and  
reports fake tradelines



Customers Credit Score  
Shoots Up Artificially



# THESE TRADELINES ARE USED IN FRAUD SCHEMES

Tradeline	Type of Tradeline
AUTOFI LENDING	High Limit Auto
FLEET COMMERCIAL	High Limit Installment Loan
CORNER FINANCIAL	High Limit Installment Loan
KARLUXX AUTO	High Limit Auto Loan
COOGAN AND FAMILY	High Limit Installment Loan
RIMA FINANCIAL	High Limit Auto Loan
FLOR FINANCIAL	High Limit Auto Loan
ROSS AND GIBSON	Installment Loan
CHOICE1 AUTO	Auto Loan
ACE SUPERIOR	Installment Loan



**#4**

**THEY ARE SELLING  
FAKE EMPLOYERS**



WE’VE IDENTIFIED 11,000 FAKE EMPLOYERS SINCE 2021

EMPLOYER_NAME	# Of Loans	Total Fraud
US STAFF PROFESSIONALS	2,477	\$54 Million
LAP TRANSPORTATION	1580	\$38 Million
DATA FLOW COMPUTER	962	\$24 Million
MJ LOGISTICS	968	\$23 Million
RECOVERY SERVICES MANAGEMENT	920	\$23 Million
SELECTCOM PRODUCTS	799	\$20 Million
MGF SOURCING	780	\$17 Million
FINANCIAL SYNERGY LLC	631	\$14 Million

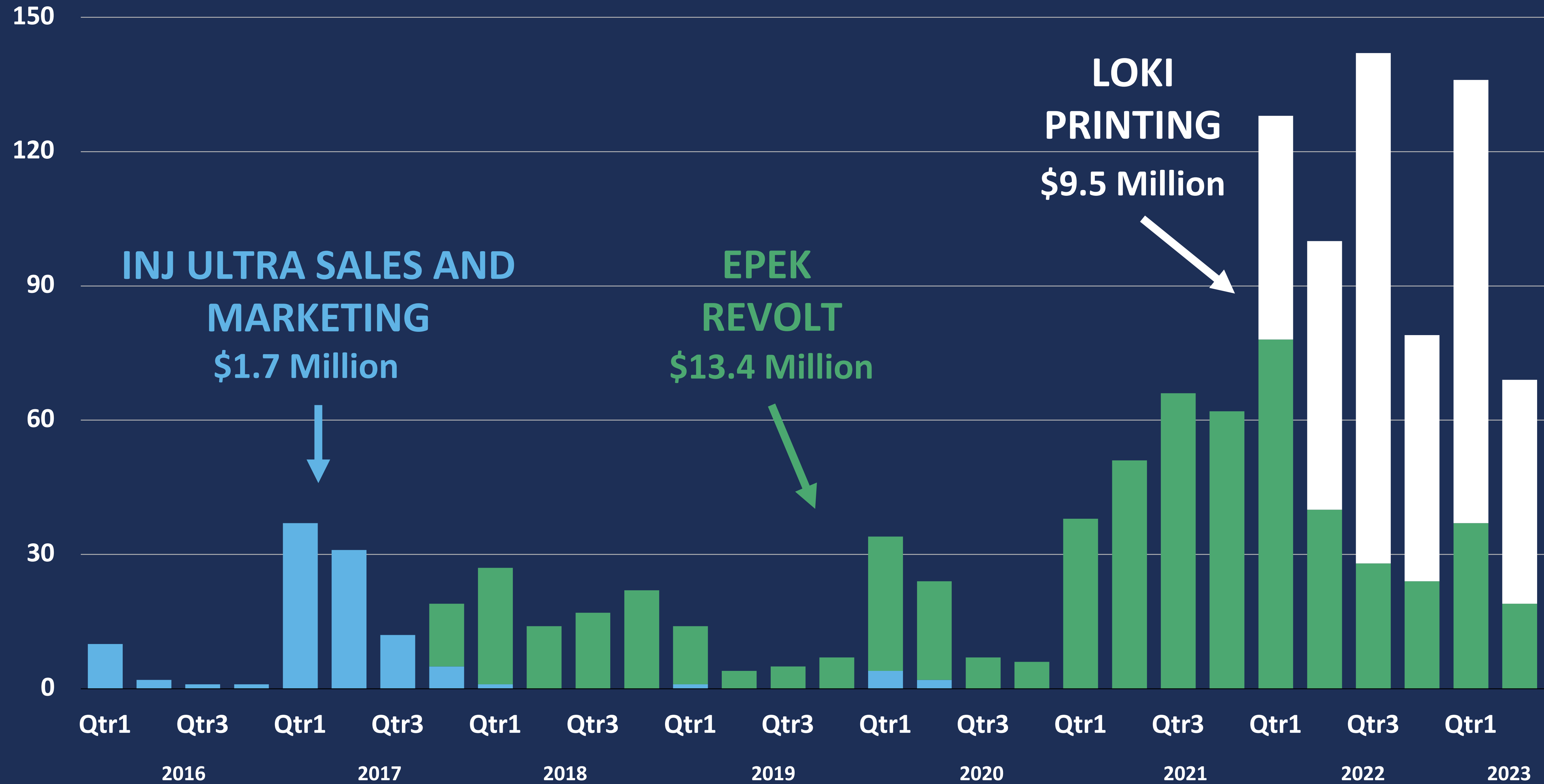


# IN BETWEEN TWO CAFE'S IS A BOOMING CREDIT REPAIR BUSINESS





# THE SHAPESHIFTER CREDIT REPAIR COMPANY SHIFTS THEIR APPROACH





**#5**

**ZOMBIE DEBT  
REASSIGNMENT SCAM**

## NEW FRAUD SCHEMES LIKE ZOMBIE DEBT REASSIGNMENT



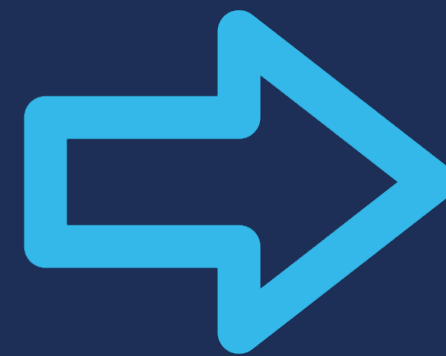
**Zombie debt** is bad debt that has fallen off consumers' credit reports and is beyond the statute of limitations for collection. It's usually tradelines that are over 3 years old.



# How It Works



**Charged Off Debt is  
purchased in Online  
Market Places to  
Zombie Brokers**



**Brokers sell that bad  
debt as “Primary  
Tradelines” for \$250  
to \$1000**



**Their clients (often  
using CPN’s) are  
given an artificial  
boost in credit  
scores**



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\$1,500.00

\$43k Auto Primary

Single Debt

Sherman Terry

Posted

11 May 2023

Views

323



SEND MESSAGE



Description



Location Map



Report



Favourite



Share

This is a \$43k Auto Loan that will be posted to any SSN or CPN. The account will have 3+ years of positive pay history. It will be freshly closed account so it will not count against your DTI ratio. It will post to all 3 Credit Bureaus within 30 days. All work guaranteed!!! These primaries will significantly increase your credit score as well as help you get a high-end auto loan. WE ALSO OWN DEALERSHIPS AND DO AUTO CONVERSIONS AS WELL IF INTERESTED IN CASHING OUT YOUR AUTO LOANS!

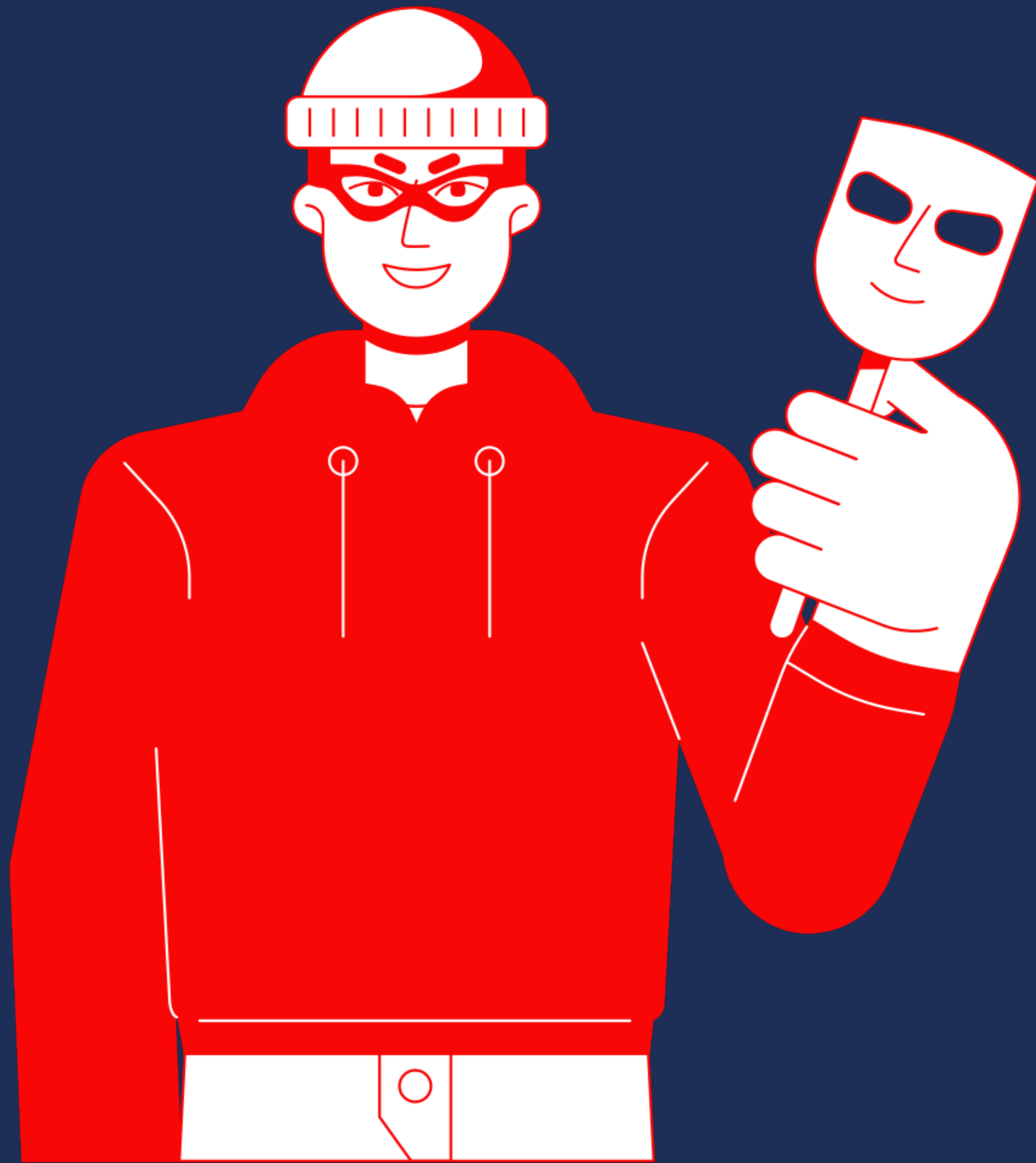




# Common Red Flags To Look For



# Spotting Someone Using A Synthetic Identity or CPN



- Credit doesn't look right
- Thin files for no reason
- First Time Homebuyer
- Lots of Red Flags



# TransUnion Credit Report

2 Baldwin Place, Chester PA 19022

## Bureau Inquiry

**Name** Smith, John  
**Address** 123 Main Street  
**City, State** Houston, TX 78145

**SSN** 524-35-\*\*\*\*  
**DOB** 08/13/1965

## Bureau Return Summary

Smith, John  
3288 Scott St  
Chicago, Illinois, 60612

**SSN** 524-35-\*\*\*\*  
**DOB** 08/13/1965  
**File Created** 02/01/2020

Total Trades	1	Historically 30+	0	Account Balance	NA
Current Trades	1	Historically 60+	0	Monthly Payment	\$0
Unrated Trades	0	Historically 90+	0	Amt Past Due	\$0
Negative Trades	0	Inq Last 6 Mos	14	Collections	\$0
High Credit	\$1,200	Public Records	0	Real Estate Balance	\$0

## Capital One

**Date Opened:** 03/01/2020  
**Responsibility:** Individual  
**Account Type:** Revolving  
**Type:** Credit

**Balance:** \$1,020  
**Last Payment:** 04/01/2020  
**Payment:** \$90  
**High Balance:** \$1,200

**Authorized/Use**

## Identity Scan/Safe Scan Alerts

**SSN Alert :** SSN issued before Date of Birth  
**SSN Alert :** SSN is associated with other Names  
**SSN Alert :** Difference of 1 Digit between Input and SSN on file  
**Address Alert:** Substantial difference in in addresses over last 60 days  
**Inquiries** High number of inquiries on social security number

Borrower is old enough to have thick credit file

FICO Score is unrealistically high

Bureau was created in last year

High credit amount is very low

Lots of recent inquiries for credit

No mortgage tradelines on bureau

Single trade line and it is authorized user

Social Security Has Discrepancies



# SSA89 or ECBSV Works Well – But There Are False Positives

Form **SSA-89** (04-2023)  
Discontinue Prior Editions  
Social Security Administration

OMB No.0960-0760

Authorization for the Social Security Administration (SSA)  
To Release Social Security Number (SSN) Verification

Printed Name:	Date of Birth:	Social Security Number:

Reason for authorizing consent: (Please select one)

☐ To apply for a mortgage

☐ To apply for a loan

☐ To meet a licensing requirement

☐ To open a bank account

☐ To open a retirement account

☐ Other

☐ To apply for a credit card

☐ To apply for a job

With the following company ("the Company"):

Company Name:

Company Address:

The name and address of the Company's Agent (if applicable):

Agent's Name:

Agent's Address:

I authorize the Social Security Administration to verify my name and SSN to the Company and/or the Company's Agent, if

- SSA 89 Will be a name mismatch
- SSN Card likely forged
- Consumer may volunteer information



# Spotting Someone That Is Credit Washing on A New Application

- **Disappearing Tradelines**
- **Missing inquiries**
- **Suspicious gaps in credit**
- **Lots of recent inquiries**



# Fraudulent Claims of Identity Theft To Wash Old Credit



- Faxed letter, not from customer location
- Cookie Cutter Letter
- Excessive Multiple claims on same account
- Payments made for many months



# Sample Cookie Cutter Letter

I recently found that there are several *inaccurate* items on my credit report that don't belong to me. I do not have a record of doing business with these companies.

If these items are not deleted off my credit report immediately, I will be forced to contact a consumer's right's attorney and sue. I have documented all correspondence with your company.

Please remove these *inaccurate* accounts, as you know they are in violation of the Fair Credit Reporting Act.

**10,200 Identity Theft  
Claims were filed with  
this language and all  
of the letters were  
faxed from the  
Philippines.**



All Filed On Behalf Of Consumers That Responded To This Advertisement





# INCREASE

**YOUR SCORE WILL INCREASE  
ACCORDING TO THE POSITIVE  
ACCOUNTS YOU HAVE AFTER WE  
DELETE THE NEGATIVES**

**IF YOU DON'T HAVE ANY POSITIVE ACCOUNTS THEN YOUR SCORE  
WILL RESET TO "0". YOUR CREDIT WILL BE CLEANED. BUT TO MAKE YOUR  
SCORE GO UP AND TO GET APPROVED FOR THINGS  
YOU WILL NEED TO ADD CREDIT BUILDING PRODUCTS / TRADELINES**

**THAT'S HOW PEOPLE GET APPROVED FOR HOUSES,  
CARS & CREDIT CARDS!**

 @ALEXMILLERCREDITREPAIR  877.503.9737



# How To Identify Suspicious Authorized Tradelines



- ECOA Flag = “A” or “C”
- Thin files
- Excessive authorized users
- Mixed with other patterns – CPN and Credit Washing

# How To Identify Fake Tradelines



- Age of trade is earlier than time in file
- Tradeline doesn't fit the borrower profile
- Often used with credit washing.



# When in Doubt – Try a Borrower Call



**Borrowers will often self disclose if they are using a credit repair company to clean credit or use a CPN**

**People Using These Credit Repair Companies Are Good People Doing Bad Things**



**Mother of 3  
Used a CPN  
Needed Car for Work**



# THANK YOU

Contact Me

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