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Fraud-prevention pitchman becomes ID theft victim

STORY HIGHLIGHTS

- Man reportedly obtained loan using Social Security number of LifeLock spokesman
- Todd Davis regularly gives out Social Security number in ads for ID security company
- Customers file lawsuit, claiming LifeLock did not provide protection as advertised

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SAN JOSE, California (AP) — Todd Davis has dared criminals for two years to try stealing his identity: Ads for his fraud-prevention company, LifeLock, even offer his Social Security number next to his smiling mug.



Todd Davis, CEO of LifeLock, uses his real Social Security number in his company's advertisements.

Now, LifeLock customers in Maryland, New Jersey and West Virginia are suing Davis, claiming his service didn't work as promised and he knew it wouldn't, because the service had failed even him.

Attorney David Paris said he found records of other people applying for or receiving driver's licenses at least 20 times using Davis' Social Security number, though some of the applications may have been rejected because data in them didn't match what the Social Security Administration had on file.

Davis acknowledged in an interview with The Associated Press that his stunt has led to at least 87 instances in which people have tried to steal his identity, and one succeeded: a guy in Texas who duped an online payday loan operation last year into giving him \$500 using Davis' Social Security number.

Paris said the fact Davis' records were compromised at all supports the claim that Tempe, Arizona-based LifeLock doesn't provide the comprehensive protection its advertisements say it does.

"It's further evidence of the ineffectiveness of the services that LifeLock advertises," said Paris, who is lead attorney on the three new lawsuits, the latest of which was filed this month.

Davis learned about the fraud in Texas when the payday-loan outfit called to collect on the loan, he said. He didn't get an alert beforehand because the company didn't go through one of the three major credit bureaus before approving the transaction.

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Davis said it's possible driver's licenses have been issued to other people in his name because of the widespread availability of his personal information — and because of what he described as the flimsy mechanisms in place to report that kind of fraud.

Paris noted that LifeLock charges \$10 a month to set fraud alerts with credit bureaus, even though consumers can do it themselves for free.

But Davis stands by his company and his advertising gimmick, which has appeared in newspapers and on billboards, radio and MTV. He even broadcasts it by bullhorn on walking tours through crowded downtowns.

"There's nothing on my actual credit report about uncollected funds, no outstanding tickets or warrants or anything," he said. "There's nothing to indicate my identity has been successfully compromised other than the one instance. I know I'm taking a slightly higher risk. But I'll take my risk for the tremendous benefit we're bringing to society and to consumers."

The lawsuits, for which Paris is seeking class-action status, highlight the fundamental limits on how much security identity-theft companies can provide.

Companies like LifeLock can help guard against only certain types of financial fraud by helping consumers set up alerts with credit bureaus, which inform them when someone tries to open a new line of credit or boost their credit limit to finance a buying binge, for example.

The services don't guard against many types of identity theft such as use of a stolen Social Security number on a job application or for medical services, or even the instance of an arrestee giving police a stolen Social Security number to shield his own identity.

LifeLock is also being sued in Arizona over its \$1 million service guarantee, which the plaintiffs claim is misleading because it only covers a defect in LifeLock's service, and in California by the Experian credit bureau. Experian accuses LifeLock of deceiving consumers about the breadth of its protection and abusing the system for attaching fraud alerts to credit reports.

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Security experts say complaints about the company reinforce the time-honored wisdom of keeping your Social Security number secret.

"There's been a lot of marketing, a lot of hype about LifeLock," said Paul Stephens, director of policy and advocacy with the Privacy Rights Clearinghouse, a nonprofit consumer advocacy organization. "The question is, 'How much protection does it really buy you?'"

"There is no company that can guarantee they can protect you (completely) against identity theft," Stephens said. "Absolutely nobody can do that." E-mail to a friend | Mixx it | Share

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