

## Electronic Recovery and Access to Data (ERAD); Interview with T. Jack Williams, ERAD CEO and Founder

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**T. Jack Williams**  
**ERAD CEO and Founder**

March, 29 2017

Each time I speak with T. Jack Williams, one of the true visionaries in payments, I learn more about his company ERAD-Group, and the use of payment cards by criminals globally. Cartels, Sex Traffickers, Terrorists and Identity Theft criminals are using payment cards more and more to launder and move money, or fund stolen tax returns. I had a chance to interview T. Jack recently about how he works with law enforcement agencies to battle the use of payment cards by criminals around the world.

I asked Jack how big of a problem ID theft is today and he said, "It is estimated that about 16 million United States residents have their identities used fraudulently each year. In 2016, the values of these financial losses on prepaid cards are estimated to be upwards of \$52 billion. Approximately 8% of all adults in the US have their identities misused, with each use resulting in approximately \$3,500 in losses by financial institutions issuing the cards. This alarming statistic demonstrates identity theft involving payment cards is clearly one of the most frequent, costly, and pervasive crimes in the United States that affect many in their daily lives."

Jack went on to say that, "The sophistication level of professional identity thieves involved in organized crime continues to grow along with the methods they develop. The use of cloned credit and debit cards, as well as fraudulent tax returns that hurt those that can least afford it is an epidemic. Criminals only need equipment that is easily available on the Internet to clone a person's payment card. Magnetic stripe data can be skimmed at a restaurant, gas station, or from the Internet, all in a few minutes. Once the criminal has the magnetic stripe data, this information can be encoded to any form of plastic card. These include any plastic card such as hotel room keys, or driver's licenses with magnetic stripes, making detection by law enforcement almost impossible."

Jack added, "Once the duplicated card is created, criminals often go to major retailers to buy on average \$3,500.00 of gift cards. The criminals then take these gift cards and resell them to corporate or individual buyers at about 70% of the face value. These buyers then resell the gift cards to the final buyers for about 85% of the face value, and the process begins all over. Criminals like this type of crime, as it is easy and if convicted, the time in prison is much less than trafficking drugs or humans."

There is one company with a solution for law enforcement agencies engaged in this fight, Electronic Recovery and Access to Data (ERAD). ERAD works with law enforcement jurisdictions nationally to provide a platform that allows an officer to determine if a card secured during a stop or search warrant is a clone, all in seconds. Once law enforcement determines that a card is a cloned, either a credit or debit card, ERAD can notify the issuer that they have a fraudulent cloned card on the streets, and should take counter measures to suspend the card. If it is a prepaid card, ERAD can determine the value and freeze that value for seven days. That provides law enforcement time to appear before a judge and secure a seizure warrant to seize the funds, just as they do with cash found during a stop or search warrant.

Without ERAD, law enforcement officers would be unable to determine the true identity of a card found, and the financial institution issuers would continue to lose billions of dollars each year. By ERAD fighting identity theft with law enforcement, and having enlightened issuers will make this crime much less appealing to criminals in the years ahead.

A. Lyle Elias  
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