

Is Your Waiter a Thief?

Crooks with portable bank-card readers are getting away with \$60 million a year. Your credit or debit card could be 'skimmed' at a store, a restaurant, even an ATM.

By [U.S. News & World Report](#)

Brad Lipman's dinner out with his family turned out to be much more expensive than he expected, at least temporarily.

When he paid for the meal last summer with his debit card, someone in the restaurant -- he still doesn't know who -- swiped it through a portable card reader, which copied the account information. Within a few weeks, thousands of dollars had been stolen from his bank account.

Lipman, who lives in Thousand Oaks, Calif., is one of thousands of people affected by "skimming," criminals stealing credit card information when cards are used at ATMs, restaurants or other retail locations. Skimmers siphon about \$60 million a year from bank accounts, according to the Electronic Funds Transfer Association.

"We're seeing more of it," says Todd Davis, the chief executive of the security company LifeLock in Tempe, Ariz. One common technique, he says, is placing a skimming device over the card slot of an ATM. The skimmer looks like a piece of plastic to guide cards into the slot, but it picks up bank information as the card slides through.

More ATM use means more incidents

People can purchase skimming machines, which are also called portable magnetic credit card readers, through online sites such as eBay for around \$200. The devices, which are about the size of a small stapler and contain a slot for card swiping, electronically read cards' magnetic strips and store the data. The data are then transferred to a computer and used to make copycat cards, which can make purchases.

The devices are also used for legal purposes, such as registering conference attendees or making sales at small retail stores. An eBay spokeswoman said that the company allows the sale of the devices because they are legal, but that sellers are prohibited from marketing the devices for fraudulent use under the company's policy against encouraging illegal activity.