

Sileo, once an ID theft victim, lectures on topic

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John Sileo sure looked guilty.

There was his name, listed many times next to fraudulent transactions on the bank statements of clients.

Clients were angry, alleging that someone at Sileo Computer had embezzled their money, and the 38-year-old family business was in trouble.

"I thought I was going to jail," Sileo said. "It was all documented right there, and my name was right next to each transaction."



It took two years, but Sileo showed the embezzlement was the work of a business partner who had stolen his identity. The partner later pleaded guilty to a criminal charge and was ordered to pay more than \$331,000 in restitution to the Sileos and their clients.

But the family didn't wait for the legal process. The Sileos paid customers the money that had been stolen from them. But making customers whole financially destroyed Sileo Computer, the business John's parents, Jim and Barbara Sileo, had built over more than 40 years in a red-brick building off Broadway and Alameda Avenue.

The incident also transformed John Sileo into a sought-after national expert about protecting businesses from fraud. The Sileo Group family business is a three-person operation -- John Sileo and his parents -- supporting his national speaking engagements and his 2006 book, "Stolen Lives: Identity Theft Prevention Made Simple."

It's run from the offices above what used to be the Sileo Computer store, but today houses a Starbucks and an antique shop.

"Stolen Lives" outlines strategies Sileo identified to guard against giving away personal or key business information. It's an approach he's developed in two years of speaking engagements and what he calls "think like a spy" -- being constantly alert for deception from would-be identity thieves.

"These days, information is currency, and there's nothing more valuable than your identity," Sileo said.

He began writing the book as a cathartic way of helping others avoid the same problem, he said. He needed to write it so he again could focus on being a father to his two daughters and being present as a husband.

"Eighteen months into this, I realized I'd been consumed for so long," he said.

Embezzlement is a major problem for small businesses, said Craig Butterworth, spokesman for the Glen Allen Va.-based National White Collar Crime Center. "Theft by employees accounts for between 30 percent and 50 percent of all failed businesses," he said.

Sileo has spoken dozens of times before industry groups, conventions and corporate events. He's a featured speaker at a national convention for the American Association of Orthodontists May 20 in Denver.

Shannon McGowan, event coordinator for the Philadelphia-based Lincoln Financial Group, hired Sileo to speak at three seminars for its 7,000 financial advisors this year. The Lincoln Financial Group's advisors own their practices, so Sileo's tale and his engaging delivery made his message about protecting their business really stand out, she said.

"He has a personal story to tell that's really quite frightening for a small business owner," McGowan said.

Sileo Computers branched out in 2001 into the emerging field of hosting software used by client businesses.

The family considered the new focus a success by 2003. Then, a client came to Jim Sileo with a bank statement that showed a lengthy list of modest-sized transactions taking money from the client's business and putting it into accounts under John Sileo's name.

Sileo discovered the theft was an inside job during a conference call with his dad and their business partner.

Bewildered by the partner's spreadsheet showing transactions he'd never seen before, John Sileo looked at the internal creation date of the computer file. Sileo said the Excel spreadsheet had been created that day, not 16 months before as the partner had claimed.

Unraveling that lie started the process of recovering the family's good name.

They were able to show that the business partner stole John Sileo's identity (this was the second time that happened to him; the first time, the perpetrator never was caught).

John Sileo recounts this history only briefly in his speeches, and the family wouldn't identify the former business partner. Business and court records, though, identify him as Douglas Alan Weisbart. He was charged with three felony theft counts. He pleaded guilty, served 30 days in jail and remains on probation until 2011, according to court records.

Court-ordered restitution, in effect, was to pay the Sileos back what they had paid to clients victimized in the scam.

The Sileos' transformation to thinking like spies wasn't easy. The stress led to illnesses, and Jim Sileo rues how embezzlement changed his world view.

"I'd always gotten by trusting first, and it had always worked pretty well," Jim Sileo said.

But now, he and his wife have more free time to travel than when they were running their store.

Best of all, Barbara Sileo said, is that they like the speaking business a lot, and their son is happier than ever with his work.

"It's sort of like the whole universe is right," she said. "We held steady through it all, and we were rewarded with a better life than we had before."

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