

MINNESOTA FINANCIAL CRIMES TASK FORCE



2013 LEGISLATIVE REPORT

As required by MN §299A.681 Financial Crimes Advisory Board and Task Force



TABLE OF CONTENTS

BACKGROUND OF THE MNFCTF.....	3
MNFCTF BUDGET.....	3
MNFCTF STAFFING.....	3
2013 ACCOMPLISHMENTS.....	4
2013 INVESTIGATIVE STATISTICS.....	5
TYPES OF CASES CHARGED.....	6
MNFCTF 2014 GOALS.....	7
MNFCTF 2013 CASE SUMMARIES.....	7 - 10
MNFCTF 2013 ADVISORY BOARD MEMBERS.....	11
MNFCTF FY 2014 BUDGET.....	12
PUBLICITY REGARDING THE MNFCTF.....	13 - 40

BACKGROUND

In 2000, the Minnesota State Legislature established the Minnesota Financial Crimes Task Force (MNFCTF) as a statewide law enforcement agency. The MNFCTF was created in response to retailers, bankers, other businesses and law enforcement in Minnesota Statutes § 299A.681. The statute provides the MNFCTF with the authority to investigate identity theft and related financial crimes both cross-jurisdictionally and state-wide. In 2009 new legislation changed the nature of the Oversight Council to that of an Advisory Board comprised of 18 members. The responsibilities of the Advisory Board include identifying, developing and recommending protocols and procedures for the statewide investigation of financial crimes. The Advisory Board may also recommend proposals regarding budgetary/funding issues facing the MNFCTF for consideration by the Commissioner of Public Safety.

BUDGET

The MNFCTF continues to receive \$300,000 from the General Fund as it has for the previous four years. A grant from the Office of Justice Programs (OJP) will provide the MNFCTF funding of approximately \$84,000 for FY 2014 leaving the MNFCTF a budget of \$384,000. However, that grant funding expires on June 30, 2014 leaving the MNFCTF with a budget of \$300,000 for FY 2015. The MNFCTF has been able to adapt to budget reductions in the past by: elimination/reductions to its infrastructure costs; reduction of grant funds paid to its local affiliates; and receipt forfeiture funds. However, the lower funding levels for FY 2015 will not allow the MNFCTF to continue its current operations without making significant changes. The board will develop budget recommendations for consideration by the Commissioner of Public Safety.

STAFFING

The MNFCTF has a staff of five municipal agency investigators, two criminal intelligence analysts and a commander. Investigations within the Greater Twin Cities Metropolitan Area are conducted by investigators from the Edina Police Department, the Minneapolis Police Department and the Ramsey County Sheriff's Office. In greater Minnesota, the Duluth Police Department and the Mille Lacs County Sheriff's Office each provide an investigator covering their respective jurisdictions, as well as assisting other departments in their respective geographical regions.

The MNFCTF also has state and federal participants. The Bureau of Criminal Apprehension has dedicated two special agents to the MNFCTF. The United States Secret Service has provided four or more special agents to the last three major MNFCTF investigations. The United States Postal Inspection Service provides one or more Inspectors based on investigative needs. The Internal Revenue Service, Criminal Investigations Division and United States Homeland Security Investigations each provide one agent. Federal investigators are flexible participants in that they must respond to their department's investigative priorities.

2013 ACCOMPLISHMENTS

- The MNFCTF focused its investigative resources on two major investigations of Organized Criminal Enterprises (OCE) committing identity theft, access device fraud and money laundering.
- Members of the MNFCTF Operation Starburst trial team received a Justice Award from the United States Attorney's Office, District of Minnesota.
- Partnered with the St. Paul Police Special Investigations Unit in a major money laundering investigation involving numerous individuals and businesses. As part of this investigation the MNFCTF has established a cooperative alliance with several major retailers to include Best Buy, Target and Wal-Mart.
- Provided presentations/training for law enforcement, the public, retail and banking industry audiences:
 - Minnesota Chapter of Certified Money Laundering Specialists
 - University of Minnesota – Criminal Justice Program
 - Transportation Security Administration – Counterfeit Identifications
 - Arrowhead Chapter, Minnesota Credit Union Network
 - Mall of America, Security Division
 - Minnesota Bureau of Criminal Apprehension Agents In-Service
 - Chase Financial Services
 - Ramsey County Sheriff's Office Patrol Division
 - Blue Earth County Law Enforcement and Prosecutors
- Re-certified MNFCTF personnel as Deputy United States Marshals, sponsored by the Marshals Service and the United States Secret Service.
- Developed a training course on identity theft and financial crimes with the Internal Revenue Service Criminal Investigations Division for law enforcement and prosecutors. The first training class is scheduled for February 2014.

Calendar Year 2013 Statistics

2013 Stats	Qtr 1 (1/1/13 - 3/31/13)	Qtr 2 (4/1/13 - 6/30/13)	Qtr 3 (7/1/13 - 9/30/13)	Qtr 4 (10/1/13 - 12/31/13)	2013 TOTALS
Individuals Charged	20	19	29	18	86
Counts Charged	24	43	33	28	128
Search Warrants	20	24	42	17	103
Arrests	23	23	12	16	74
Federal Indictments		8	1		9
Recovered Firearms			5		5
Recovered Electronic Devices (Computers/ Phones**	22	19	109	32	182

* **Changed Category to include electronic devices used to aid in the commission of a crime.

Number of Individuals Charged By County/Federal Indictment

Charges By County	Qtr 1 (1/1/13 - 3/31/13)	Qtr 2 (4/1/13- 6/30/13)	Qtr 3 (7/1/13 - 9/30/13)	Qtr 4 (10/1/13 - 12/31/13)	2013 TOTALS
Anoka		1			1
Dakota					
Federal Court		8	1		9
Hennepin	17	7	16	11	51
Mille Lacs		1	2		3
Nobles					
Ramsey	3	2	10	7	22
Scott					
St. Louis					
Steele					
Washington					
Wright					
Total	20	19	29	18	86

TYPES OF MNCTF CASES CHARGED

- Identity Theft
- Counterfeit Checks/Check Forgery (Personal, Business, and Government)
- Access Device Fraud
- Mail Theft & Mail Fraud
- Loan & Credit Application Fraud
- Mortgage Fraud
- Possession or Sale of Stolen and/or Counterfeit Identifications
- Possession or Sale of Stolen or Counterfeit Checks
- Possession or Sale of Financial Transaction Cards
- Theft by Swindle
- Black money fraud
- Home Equity Line Of Credit Fraud
- Public Corruption Cases
- Bank fraud
- Conspiracy

MNFCTF 2014 GOALS

1. Develop a new business model based on the MNFCTF's budget for FY 2015.
2. Develop alternative strategies to engage local and out-state law enforcement agencies to participate with the MNFCTF in the investigation of major state-wide financial crimes.
3. Continue the MNFCTF collaboration with the Internal Revenue Service Criminal Investigations Division in the development of an identity theft/financial crimes training curriculum for law enforcement and prosecutors.
4. Continue to engage in major financial investigations of organized criminal enterprises who are committing identity theft and related financial crimes.

MINNESOTA FINANCIAL CRIMES TASK FORCE **2013 CASE SUMMARIES**

The following are selected summaries of task force investigations. These summaries are not a complete list of the task force's investigations during 2013 but rather examples of the types of illegal activities and resulting investigations of the MNFCTF.

- ❖ Worked a joint investigation with the Postal Inspection Service dubbed Operation Homeless. An organized criminal group from the Atlanta, GA area rents cars and drives them to the Midwest, including Minnesota. The group solicits homeless people who have valid MN identifications. The group printed counterfeit checks in the homeless person's name and then drove these people to area banks and attempted to cash the checks. Losses to date exceed a quarter of a million dollars.
- ❖ Assisted the Hibbing, MN Police Department in an embezzlement case. The automobile dealership manager was alleged to have used the company credit card for purchases that were unauthorized and personal in nature. Losses expected to exceed \$125,000.
- ❖ Assisted the Benson, MN Police Department and the Swift County Attorney in an embezzlement investigation. A bookkeeper for a local nursing home was alleged to have been issuing herself duplicate payroll checks, opening a company credit card account to purchase personal assets and then using company checks to pay the charges.
- ❖ Initiated an investigation regarding a disbarred attorney and his partner who are alleged to be impersonating bank employees. They approached homeowners whose residences

are in foreclosure, convinced them to sign payment agreements to avoid/delay foreclosure if the homeowner made the payments to them.

- ❖ Assisted the Ramsey County Attorney in the investigation of a licensed daycare provider who was allegedly falsifying children's attendance records and parent's employment records in order to collect federal program funding.
- ❖ Two men pled guilty in federal court for their roles in a multi-million dollar identity theft ring. They admitted to recruiting individuals to conduct fraudulent transactions at financial institutions and retail outlets. The defendants admitted to providing the recruits with fraudulent identification documents and counterfeit checks.
- ❖ An individual pled guilty in federal court to fraudulently obtaining money from banks by depositing checks drawn on the accounts of others that he knew were stolen or not backed by sufficient funds. He also admitted that he had others act at his direction to conduct the same types of transaction. The subject admitted his actions may have included losses totaling as much as \$400,000.
- ❖ Assisted in the execution of search warrants involving an organized criminal enterprise that was burglarizing drugstores for prescription drugs and stealing automated teller machines. The investigation was a joint effort by the MNFCTF, FBI, Internal Revenue Service, United States Secret Service, Hennepin County Sheriff's Office, Centennial Lakes and Hastings Police Departments.
- ❖ Four individuals were sentenced in federal court for their role in a multi-state identity theft ring. The sentences ranged from three to six years. This was part of an investigation that has seen over thirty individuals plead guilty or found guilty at trial.
- ❖ The Mille Lacs County Sheriff's Office task force investigator conducted an investigation of theft from a vulnerable adult. Preliminary evidence suggested the suspect wrote checks from the victim's business checking account without permission. The total loss was in excess of \$700,000 which was diverted into the suspect's own accounts.
- ❖ Worked with St. Paul Police Department Special Investigations Unit and the United States Marshals Service on suspected money laundering operation. The suspects operated several businesses that did not appear to have legitimate business operations and were depositing hundreds of thousands of dollars into their business bank accounts.
- ❖ Executed twenty-nine search warrants in the Twin Cities metropolitan area as part of Operation Avalanche. The targets included six residences, numerous vehicles and individuals. Items recovered included five firearms, credit card embossers, blank check stock, hundreds of stolen identities and 104 computers, iPads, iPhones, etc. The operation involved nearly 100 Law Enforcement personnel from approximately 20 local, state and federal agencies.
- ❖ Assisted Prairie Island Police Department in the investigation of an organized group that is passing counterfeit checks at Treasure Island Casino and elsewhere. Eight individuals have been identified to date. The investigation is ongoing.

- ❖ A federal grand jury indictment was returned against one individual for mortgage fraud. This investigation is a secondary investigation to the previously mentioned Operation Starburst.
- ❖ Fourteen individuals were sentenced to federal prison for their participation in a large, multi-state identity theft ring dubbed Operation Masquerade.
- ❖ Four individuals were charged with identity theft in Ramsey County. The four used and/or sold identifying information stolen from the Minnesota Department of Labor and Industry. One member of the group is a former employee at the Department.
- ❖ In a continuing investigation and with the assistance of Cabelas, store security arrested two Florida men for identity theft and credit card fraud. The two are believed to be part of an organized criminal enterprise out of Florida. This group sends 2-4 person crews across the country purchasing high-end optics from Cabelas and similar retail outlets with stolen identities. The MNFCTF arrested two individuals in the fall of 2012 involving the same scheme.
- ❖ Assisted Roseville Police Department in the investigation of an individual that recruited others to open bank accounts with stolen identities (provided by suspect), deposit worthless checks and then withdraw funds before the financial institution could close the account. Losses exceeded \$100,000 to date.
- ❖ Investigated theft from a vulnerable adult and subsequently the victim's estate by a relative. The suspect filed affidavits alleging that the estate had no assets. Another relative was able to document missing assets totaling more than \$140,000.
- ❖ Investigated an organized criminal enterprise stealing mail to obtain personal identities. Those identities are then used to produce counterfeit checks or obtain credit cards. Numerous businesses have been victimized as well as area casinos
- ❖ Investigating a scheme in which legitimate checks are stolen from the mail and then "washed". The suspects essentially erase the payee name on the check and write in their own names and then negotiate the check. Six suspects have been identified as well as the source of the checks. Cases adopted from Red Wing, Inver Grove Heights, Woodbury, Cottage Grove and Shakopee Police Departments.
- ❖ Investigating an identity theft/check forgery ring in which women are recruited and provided stolen identities and forged checks. The women purchase high-end electronics with the checks and then return the electronics for cash.
- ❖ Investigated cases from Wells Fargo and US Bank in which homeless individuals are recruited to cash counterfeit payroll checks. Criminal complaints submitted to the Hennepin County Attorney.
- ❖ Two individuals were convicted in federal court on multiple charges of conspiracy, theft of prescription narcotics, burglary and ATM theft. Six other defendants previously pled guilty.
- ❖ Served search warrants on an individual suspected of possessing and using stolen personal identifications to obtain credit cards. This resulted in the recovery of stolen

identities of over 300 people primarily located in the states of Florida, Georgia and Texas.

- ❖ Charged an individual in Hennepin County with possession of twelve stolen identities. The suspect had recently been released from federal prison where he was serving time for identity theft.
- ❖ Investigated an individual for embezzlement from his employer. The search warrants recovered evidence indicating suspect was charging numerous items using the employer's credit card. The items were shipped to his personal residence and then the items were sold on EBay. Investigators recovered Social Security documents indicating the suspect was receiving benefits for which he was ineligible.

MN FINANCIAL CRIMES ADVISORY BOARD MEMBERS

December, 2013

1. **Dept. of Public Safety:** Ramona Dohman, Commissioner , 651-215-1527, Ramona.Dohman@state.mn.us
a) Alternate, Wade Setter, wade.setter@state.mn.us,
2. **Attorney General's Office:** Jeffrey Bilcik, Assistant Attorney General, 651-297-5909,
Jeffrey.Bilcik@state.mn.us
Police Representatives:
3. Jeff Long, Chief of Police, Edina, MN, 952-826-0467, jlong@ci.edina.mn.us
4. 2nd Police Chief Representative - Vacant
5. Brent Lindgren, Sheriff, Mille Lacs County Sheriff, 320-983-8250 brent.lindgren@co.mille-lacs.mn.us
6. John Kirkwood, Chief Deputy, Ramsey County Sheriff's, 651-266-9367,
john.kirkwood@co.ramsey.mn.us (Board Chair)
7. **United States Attorney's Office:** Tim Rank, Assistant U.S. Attorney, (651) 664-5613
timothy.rank@usdoj.gov
8. **County Attorneys Association:** Emery Adoradio, Asst. County Attorney, Hennepin County Attorney's
Office, 612-348-7947, emery.adoradio@co.hennepin.mn.us
9. **Representative on behalf of Board of Public Defense:** Pat Kittridge, Chief Public Defender, 651-757-
1662, patrick.kittridge@pubdef.state.mn.us
10. **Federal Law Enforcement:** Virginia Lalley, Supervisory Inspector, US Postal Inspection Service,
vmlalley@uspis.gov
11. **Representative on behalf Retail Merchants Industry:** Mike Clancy, Senior Group Manager-Corp.
Security – Target, 612-696-3797, michael.clancy@target.com
12. **Banking Industry:** Danelle Yakich, VP Financial Crimes, Wells Fargo Bank, 612-667-8731,
Danelle.M.Yakich@wellsfargo.com
13. **Representative on behalf of senior citizens:** Amy McDonough, AARP, amcdonough@aarp.org
14. **MN Financial Crimes Task Force :**Patrick Henry, Commander, 651-793-7042 ,
Patrick.M.Henry@state.mn.us
Two Additional Members Selected by the Board:
15. Kelly R. Jackson, SAIC, IRS, Criminal Investigation Division, 651-312-8022, Kelly.Jackson@ci.irs.gov
16. Louis Stephens, SAIC United States Secret Service, 612-348-1800, louis.stephens@uss.s.gov
17. **Minnesota State Senate*:** Sen. Barb Goodman, sen.barb.goodman@senate.mn
18. **Minnesota House of Representatives*:** Rep. John Lesch, 651-296-4224, rep.john.lesch@house.mn

*non-voting members

FINANCIAL CRIMES TASK FORCE BUDGET 7/1/2013 - 6/30/2014

7/1/13-12/31/13	1/1/13-6/30/14			TOTAL Year
-----------------	----------------	--	--	------------

REVENUE
SFY 14

Legislative Funding	\$150,000	\$150,000			\$300,000
Grant from OJP**	\$41,833	\$41,833			\$83,666
TOTAL REVENUE	\$191,833	\$191,833			\$383,666

EXPENSES

Qwest					
Floyd Security	\$350	\$350			\$700
Metro copiers	\$1,300	\$1,300			\$2,600
Sprint/Nextel	\$600	\$600			\$1,200
Storage	\$600	\$600			\$1,200
Commander vehicle costs	\$750	\$750			\$1,500
Indirect Costs for state grant	\$4,183	\$4,183			\$8,367
Commander Contingency (training, equipment repair, broadband fees, case-related travel, etc)	\$2,500	\$2,500			\$5,000
TOTAL Non-Personnel	\$10,283	\$10,283	\$0	\$0	\$20,567

Commander	\$40,000	\$40,000			\$80,000
Analysts (2)	\$60,000	\$60,000			\$120,000
Edina PD	\$21,250	\$21,250			\$42,500
Minneapolis PD	\$21,250	\$21,250			\$42,500
Duluth PD	\$14,875	\$14,875			\$29,750
Mille Lacs County Sheriff	\$14,875	\$14,875			\$29,750
TF Overtime Fund		\$15,000			\$15,000
TOTAL Personnel	\$172,250	\$187,250			\$359,500
TOTAL EXPENSES	\$182,533	\$197,533			\$380,067
Surplus/(deficit)	\$9,300	-\$5,700			\$3,599



United States Department of Justice
United States Attorney's Office
District of Minnesota

News Release

B. Todd Jones,
United States Attorney

Jeanne F. Cooney
Director of Community Relations
(612) 664-5611
email: jeanne.cooney@usdoj.gov

FOR IMMEDIATE RELEASE
Thursday, February 14, 2013
<http://www.justice.gov/usao/mn>
Twitter @ [DMNnews](#)
<http://www.facebook.com/usaomn>

Two Minnesota men plead guilty for their roles in large, multi-state identity theft ring

MINNEAPOLIS—Earlier today in federal court in St. Paul, a Minnesota man pleaded guilty for his role in a large, multi-state identity theft ring. Jerome Davis, Jr., age 44, pleaded guilty to one count of conspiracy to commit bank fraud and one count of aggravated identity theft. Davis, who was indicted along with four others on November 14, 2012, entered his plea before United States District Court Judge Paul A. Magnuson.

In his plea agreement, Davis admitted that from 2010 through 2011, he was part of a conspiracy to commit bank fraud. For his part, Davis recruited individuals to conduct fraudulent transactions at financial institutions and retail establishments. He provided the recruited individuals with fraudulent identification documents and counterfeit checks that Davis received from another member of the conspiracy. Davis also drove individuals to retail stores where they conducted the fraudulent transactions.

According to the indictment to which Davis pled guilty, members of the conspiracy obtained victims' personal information from various sources, including mail theft, vehicle break-ins, burglaries and from individuals who stole the information from their places of employment. The victim information was then used to create false identification documents,

such as driver's licenses and identification cards, along with counterfeit checks. The counterfeit checks were used to purchase expensive items and gift cards at retail stores. The items were later returned for cash, which was divided among those involved in the criminal activity.

The victim information was also used to open bank accounts and access the existing bank accounts of others. As part of this scheme, co-conspirators deposited counterfeit checks into the accounts of unknowing individuals, only to withdraw funds from those same accounts a short time later. To avoid detection, co-conspirators only accessed each bank account a few times before moving on to their next victim.

For his part, Davis has agreed that he is responsible for approximately \$170,389 in fraudulent transactions.

Yesterday, co-defendant Jemall Ronta Williams, age 38, also pleaded guilty to one count of conspiracy to commit bank fraud and one count of aggravated identity theft. In his plea agreement, Williams admitted that he joined the conspiracy in 2009, and obtained victim information from a co-conspirator who worked at Wells Fargo. Williams also admitted to providing the stolen information to others who used it to create false and fictitious identification documents to pass counterfeit checks. In addition, Williams admitted recruiting individuals to pass counterfeit checks. Williams admitted that he is responsible for approximately \$40,000 in fraudulent transactions.

For their crimes, Davis and Williams each face a maximum potential penalty of 30 years in prison for conspiracy to commit bank fraud and a mandatory minimum consecutive penalty of two years in prison for identity theft. Judge Magnuson will determine their sentences at future hearings, not yet scheduled.

Trial is scheduled for April 1, 2013, for the three others who were indicted with Davis and Williams. In September of 2012 following a jury trial, four men were convicted for their roles in this identity theft ring. Twenty-four other co-conspirators have already entered guilty pleas and are also awaiting sentencing.

These cases resulted from an investigation conducted by the Minnesota Financial Crimes Task Force, the U.S. Postal Inspection Service, and the Internal Revenue Service-Criminal Investigations. They are being prosecuted by Assistant U.S. Attorney Karen B. Schommer.

The Financial Crimes Task Force was established pursuant to state law and is comprised of local, state, and federal law enforcement investigators dedicated to combating the growing problem of cross-jurisdictional financial crimes. The task force, overseen by an advisory board also created under state law, serves the entire District of Minnesota, presenting its cases to county or federal prosecutors, as appropriate.

The task force and the Minnesota U.S. Attorney's Office want to remind people to protect themselves from identity theft. For more information, visit <http://www.stopfraud.gov/protect-identity.html>



**United States Department of Justice
United States Attorney's Office
District of Minnesota**

News Release

**B. Todd Jones,
United States Attorney**

**Jeanne F. Cooney
Director of Community Relations
(612) 664-5611
email: jeanne.cooney@usdoj.gov**

**FOR IMMEDIATE RELEASE
Monday, March 11, 2013
<http://www.justice.gov/usao/mn>
Twitter @ [DMNnews](#)
<http://www.facebook.com/usaomn>**

St. Paul man pleads guilty to bank fraud

MINNEAPOLIS—Earlier today in federal court, a 37-year-old St. Paul man pleaded guilty to fraudulently obtaining funds from several financial institutions. Christopher Terrelle Harness pleaded guilty to one count of bank fraud and one count of aggravated identity theft. Harness, who was indicted on November 20, 2012, entered his plea before United States District Court Judge David S. Doty.

In his plea agreement, Harness admitted that from October 2007 through July 2012, he obtained money from banks by depositing checks, drawn on the accounts of other individuals, that he knew were either stolen or not backed by sufficient funds into fraudulently opened bank accounts in order to deceive the banks into honoring ATM withdrawals from those bank accounts out of the falsely-inflated balances.

Harness also admitted that others, acting at his direction, opened bank accounts at several financial institutions with the intent that those accounts would be used to accommodate the scheme. In addition, Harness admitted that he and others stole checks from other individuals and forged those individuals' signatures on the stolen checks. Harness admittedly deposited the stolen checks into the fraudulently opened bank accounts using ATMs. After the stolen checks

were deposited, cash was withdrawn. In total, the victimized institutions sustained approximate losses of between \$30,000 and \$400,000.

For his crimes, Harness faces a potential maximum penalty of 30 years in prison on the bank fraud count, and a mandatory minimum penalty of two years on the aggravated identity theft count to run consecutive to any penalty on the bank fraud count. Judge Doty will determine his sentence at a future hearing, yet to be scheduled.

This case is the result of an investigation by the U.S. Postal Inspection Service and the Minnesota Financial Crimes Task Force. It is being prosecuted by Assistant U.S. Attorneys Tracy L. Perzel and Manda M. Sertich.

The Financial Crimes Task Force was established pursuant to state law and is comprised of local, state, and federal law enforcement investigators dedicated to combating the growing problem of cross-jurisdictional financial crimes. The task force, overseen by an advisory board also created under state law, serves the entire District of Minnesota, presenting its cases to county or federal prosecutors, as appropriate.

The task force and the Minnesota U.S. Attorney's Office want to remind people to protect themselves from identity theft. For more information, visit <http://www.stopfraud.gov/protect-identity.html>

For more information on how to avoid becoming a victim of identity theft, visit <https://postalinspectors.uspis.gov/investigations/MailFraud/fraudschemes/mailtheft/IdentityTheft.aspx>

###



United States Department of Justice
United States Attorney's Office
District of Minnesota

News Release

B. Todd Jones,
United States Attorney

Jeanne F. Cooney
Director of Community Relations
(612) 664-5611
email: jeanne.cooney@usdoj.gov

FOR IMMEDIATE RELEASE
Thursday, April 18, 2013
<http://www.justice.gov/usao/mn>
Twitter @ DMNnews
<http://www.facebook.com/usaomn>

Jury finds Brooklyn Park man guilty of role in large, multi-state identity theft ring *Approximately 30 Ring Members Now Federally Prosecuted*

MINNEAPOLIS—Earlier today in federal court in St. Paul, a jury found a 41-year-old Brooklyn Park man guilty of participating in a large, multi-state, identity theft ring. Following an eight-day trial, the jury convicted Gordon Lamarr Moore of one count of conspiracy to commit bank fraud and two counts of aggravated identity theft. Moore, who fled during trial, was indicted along with four others on November 14, 2012. He remains a fugitive. If you have any information regarding Moore's whereabouts, contact the United States Marshals Service at (612) 664-5900 or usms.wanted@usdoj.gov.

According to the evidence presented at trial, members of the conspiracy obtained the personal information of other people through mail theft, vehicle break-ins, and burglaries, as well as from co-conspirators who stole the information from their places of employment. That information was then used to create false identification documents, such as driver's licenses and identification cards, along with counterfeit checks. Co-conspirators used the counterfeit checks and fraudulent identification to purchase expensive items and gift cards at retail stores. They later returned the items for cash, which was divided among those involved in the criminal activity. Co-conspirators also deposited counterfeit checks into the bank accounts of unknowing individuals, only to withdraw the funds from those same accounts a short time later. To avoid

detection, co-conspirators only accessed each bank account a few times before moving on to another.

Earlier this month, two co-defendants, Shanell Collette Brewer and Samantha Catrina House, pleaded guilty to participating in the scheme. In February 2013, two others, Jerome Davis, Jr., and Jemall Ronta Williams, also pleaded guilty to the same crime.

The newly convicted defendants face a maximum potential penalty of 30 years in federal prison for conspiracy to commit bank fraud and a mandatory minimum consecutive penalty of two years in prison on each count of identity theft. U.S. District Court Judge Paul A. Magnuson will determine their actual sentences at a future hearing, not yet scheduled.

In a related case, following a jury trial in September 2012, four other men were convicted of crimes connected to this same identity theft ring. They now await sentencing. Twenty-four additional co-conspirators have entered guilty pleas for their participation in the ring. They too await sentencing.

These cases resulted from an investigation conducted by the Minnesota Financial Crimes Task Force, the U.S. Postal Inspection Service, and the Internal Revenue Service-Criminal Investigations. They are being prosecuted by Assistant U.S. Attorneys Karen B. Schommer and Michelle E. Jones.

The Financial Crimes Task Force was established pursuant to state law and is comprised of local, state, and federal law enforcement investigators dedicated to combating the growing problem of cross-jurisdictional financial crimes. The task force, overseen by an advisory board also created under state law, serves the entire District of Minnesota, presenting its cases to county or federal prosecutors, as appropriate.

The task force and the Minnesota U.S. Attorney's Office want to remind people to protect themselves from identity theft. For more information, visit <http://www.stopfraud.gov/protect-identity.html>

For more information on how to avoid becoming a victim of identity theft, visit <https://postalinspectors.uspis.gov/investigations/MailFraud/fraudschemes/mailtheft/IdentityTheft.aspx>. The IRS-Criminal Investigations also urges citizens to review the Taxpayer Guide to Identity Theft, which can be found at <http://www.irs.gov>

For tips on how to prevent mail theft, visit <https://postalinspectors.uspis.gov/investigations/MailFraud/fraudschemes/mailtheft/MailTheft.aspx>

###



United States Department of Justice
United States Attorney's Office
District of Minnesota

News Release

B. Todd Jones,
United States Attorney

Jeanne F. Cooney
Director of Community Relations
(612) 664-5611
email: jeanne.cooney@usdoj.gov

FOR IMMEDIATE RELEASE
Thursday, June 20, 2013
<http://www.justice.gov/usao/mn>
Twitter @ DMNnews
<http://www.facebook.com/usaomn>

8 indicted for stealing money from ATMs and prescription drugs from pharmacies

MINNEAPOLIS—A federal indictment unsealed recently charges eight individuals in connection with a string of burglaries during which money was stolen from ATMs and prescription drugs were stolen from pharmacies. The indictment, which was filed under seal on June 10, 2013, was unsealed on June 18, 2013, following the defendants' initial appearances in federal court. It charges Derek Edward Benedict, age 41, of Hugo; Lyle Robert Carpenter, age 40, of Hastings; Julia Jean Julien, age 35, of St. Cloud; Timothy Michael Kielb, age 45, of Fridley; Cherilyn Ann Mayotte, age 35, currently incarcerated in Superior, Wisconsin; Jason Michael Mussehl, age 42, currently incarcerated at the Stanley Correctional Institution in Stanley, Wisconsin; Jennifer Suzann Stanley, age 37, no known address; and Jonathan Roger Quast, age 28, of Lexington, Minnesota, with one count of conspiracy to commit bank burglary, bank larceny, and interstate transportation of stolen money.

In addition, Benedict, Carpenter, Julien, Kielb, Mayotte, Mussehl, and Quast were charged with one count of conspiracy to steal controlled substances. Carpenter, Kielb, Mussehl, and Stanley were also charged with one count of bank burglary and two counts of bank larceny. Benedict, Carpenter, Julien, Kielb, Mayotte, and Mussehl were also charged with one count of burglary involving controlled substances. Carpenter, Kielb, Mussehl, and Quast were also

charged with one count of credit union burglary, one count of bank burglary, and one count of burglary involving controlled substances. And Benedict, Carpenter, Julien and Mussehl were also charged with one count of interstate transportation of stolen property.

More specifically, the indictment alleges that between October 2009 and February 2013, the defendants conspired with each other and others to enter and attempt to enter buildings that operated in whole or in part as banks or credit unions, because they housed ATM machines. In addition, it alleges that the defendants conspired to transport stolen merchandise and cash between the states of Minnesota and Wisconsin, and Iowa and Minnesota. The indictment also alleges that Benedict, Carpenter, Julien, Kielb, Mayotte, Mussehl, and Quast conspired with each other and others to steal controlled substances from pharmacies.

In addition to those conspiracy charges, the indictment alleges that Benedict, Carpenter, Mussehl, and Stanley stole money from a Bank of America ATM located inside a Robbinsdale Walgreens store on October 24, 2009, and from a Bank of America ATM located inside a Golden Valley Walgreens on November 29, 2009. The indictment further alleges that on July 15, 2012, Benedict, Carpenter, Julien, Kielb, Mayotte, and Mussehl stole various drugs from the Bloomington Drug Store. In addition, Carpenter, Kielb, Mussehl, and Quast allegedly stole money from a credit union ATM located inside the Dakota Convenience store in Prior Lake on August 19, 2012, and money from a U.S. Bank ATM located inside a Circle Pines Walgreens on August 23, 2012. Carpenter, Kielb, Mussehl, and Quast also stole drugs from the Circle Pines Walgreens pharmacy. And on September 9, 2012, Benedict, Carpenter, Julien, and Mussehl allegedly drove from Iowa to Minnesota carrying money stolen from a safe and ATM located inside a Walgreens store in Des Moines, Iowa.

If convicted, the potential maximum penalties are 20 years in prison for conspiracy to commit burglary involving controlled substances, bank burglary, credit union burglary, and burglary involving controlled substances; ten years for bank larceny and the interstate transportation of stolen property; and five years for conspiracy to commit bank burglary, bank larceny, and interstate transportation of stolen property. If convicted, the defendants' sentences will be determined by a federal district court judge.

This case is the result of an multi-agency investigation conducted by the Internal Revenue Service-Criminal Investigation, the Federal Bureau of Investigation, the Hennepin County Sheriff's Office, the U.S. Secret Service, the Centennial Lakes Police Department, and the Prior Lake Police Department, with cooperation from the Minnesota Bureau of Criminal Apprehension and the Minnesota Financial Crimes Task Force. It is being prosecuted by Assistant U.S. Attorney Surya Saxena.

###

An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by a defendant. A defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.



United States Department of Justice
United States Attorney's Office
District of Minnesota

News Release

B. Todd Jones,
United States Attorney

Jeanne F. Cooney
Director of Community Relations
(612) 664-5611
email: jeanne.cooney@usdoj.gov

FOR IMMEDIATE RELEASE
Thursday, June 27, 2013
<http://www.justice.gov/usao/mn>
Twitter @ DMNnews
<http://www.facebook.com/usaomn>

Four individuals sentenced for their roles in large, multi-state identity theft ring

(17 members of theft ring have been sentenced; 15 others await sentencing)

MINNEAPOLIS—Earlier today in federal court in St. Paul, four individuals were sentenced for their roles in a large, multi-state, identity theft ring. United States District Court Judge Paul A. Magnuson sentenced Donyea Terrell Collins, age 27, of Richfield, to 55 months in prison; Derek Charles Estelle, age 25, of Stillwater, to 30 months in prison; and Kelly Jenelle Scott, age 44, no known address, to 46 months in prison. All three had earlier pleaded guilty to one count of conspiracy to commit bank fraud and one count of aggravated identity theft. Judge Magnuson also sentenced Lee Vang, age 32, of St. Paul, to 30 months in prison on one count of conspiracy to commit money laundering and one count of aggravated identity theft. Vang had also previously pled guilty to these charges.

These individuals, along with over 100 others, were involved in a conspiracy from 2006 through December of 2011 to defraud banks, bank customers, and businesses. The co-conspirators used victim information to create counterfeit checks and false identification documents to conduct fraudulent transactions at retail establishments, where expensive merchandise was purchased and returned for cash, and at banks, where the conspirators posed as customers and withdrew money from victims' bank accounts. The members of the

conspiracy conducted these fraudulent transactions throughout Minnesota and in at least 13 other states. Victim information was obtained by members of the conspiracy through multiple sources, including from individuals who stole victim information from their places of employment, from individuals employed at area banks, from those who stole the information from the mail, during vehicle break-ins, and business burglaries, among other sources.

Following sentencing, Patrick Henry, the head of the Minnesota Financial Crimes Task Force, said, "This investigation came together as a result of the partnerships between agencies and the extraordinary efforts of all involved. The Minnesota Financial Crimes Task Force led this investigation, but this is an example of successful collaboration of local, state, and federal criminal justice agencies."

Kelly R. Jackson, Special Agent in Charge of IRS Criminal Investigations, St. Paul Field Office, which also participated in the investigation, said, "Individuals who commit identity fraud of this magnitude deserve to be punished to the fullest extent of the law. These individuals caused immeasurable hardship to innocent victims. IRS Criminal Investigations remains committed to the pursuit of identity theft, and together with our law enforcement partners and the U.S. Attorney's Office, we will hold those who engage in similar behavior fully accountable."

Several other defendants have been sentenced in this case thus far. On June 20, 2013, Patricia Grace Pnewski, age 52, of South St. Paul, was sentenced to time served on one count of conspiracy to commit bank fraud. She pleaded guilty on February 6, 2012. Also on June 20, Cynthia Andrea Maxwell, age 45, of St. Paul, was sentenced to 12 months and one day in prison on one count of conspiracy to commit concealment money laundering. She pleaded guilty on July 12, 2012. Judge Magnuson also sentenced Vinicia Andrell Williamson, age 28, of Minneapolis, to 24 months in prison on one count of conspiracy to commit bank fraud and one count of aggravated identity theft. She pleaded guilty on August 1, 2012.

On June 19, 2013, five co-conspirators were sentenced each on one count of conspiracy to commit bank fraud and one count of aggravated identity theft. Christeena Janell Barker, age 46, no known address, was sentenced to 48 months in prison. She pleaded guilty on January 19, 2012. Brianna Marie Blegen, age 26, of Ham Lake, was sentenced to 24 months in prison. She pleaded guilty on June 6, 2012. Jacqueline Cleveland, age 55, of Bloomington, was sentenced to 26 months in prison. She pleaded guilty on April 11, 2012. Melissa Jean Beaman, age 37, of St. Louis Park, was sentenced to 24 months and one day in prison. She pleaded guilty on January 9, 2012. Robin Dawn Finger, age 44, of St. Paul, was sentenced to 34 months in prison. She pleaded guilty on June 21, 2012.

Also on June 19, Brianna Marie Darwin, age 27, of St. Paul, was sentenced to 24 months in prison on one count of conspiracy to commit money laundering and one count of aggravated identity theft. She pleaded guilty on July 20, 2011.

On June 14, 2013, four co-conspirators were sentenced each on one count of conspiracy to commit bank fraud and one count of aggravated identity theft. Jamie Hubert Branson, age 47, of Minneapolis, was sentenced to 43 months in prison. He pleaded guilty on January 19, 2012.

Ginger Loucina Halliburton, age 46, of St. Paul, was sentenced to 30 months in prison. She pleaded guilty on February 8, 2013. Majorie Marie Neely, age 51, of Red Wing, was sentenced to 43 months in prison. She pleaded guilty on January 10, 2012. Darryl Alan Brant, age 55, of St. Paul, was sentenced to 30 months in prison. He pleaded guilty on January 19, 2012.

In a related case, four additional individuals, Jemall Ronta Williams, Jerome Davis, Jr., Tierra Samantha Catrina House, and Shanell Collette Brewer pleaded guilty. Gordon Lamarr Moore was convicted in April 2013 following a jury trial. He remains a fugitive.

These cases resulted from an investigation conducted by the Minnesota Financial Crimes Task Force, the U.S. Postal Inspection Service, and the Internal Revenue Service-Criminal Investigations. They were prosecuted by Assistant U.S. Attorney Karen B. Schommer and Assistant U.S. Attorney Michelle E. Jones.

The Financial Crimes Task Force was established pursuant to state law and is comprised of local, state, and federal law enforcement investigators dedicated to combating the growing problem of cross-jurisdictional financial crimes. The task force, overseen by an advisory board also created under state law, serves the entire District of Minnesota, presenting its cases to county or federal prosecutors, as appropriate.

The task force and the Minnesota U.S. Attorney's Office want to remind people to protect themselves from identity theft. For more information, visit <http://www.stopfraud.gov/protect-identity.html>

For more information on how to avoid becoming a victim of identity theft, visit <https://postalinspectors.uspis.gov/investigations/MailFraud/fraudschemes/mailtheft/IdentityTheft.aspx>. The IRS-Criminal Investigations also urges citizens to review the Taxpayer Guide to Identity Theft, which can be found at <http://www.irs.gov>

For tips on how to prevent mail theft, visit <https://postalinspectors.uspis.gov/investigations/MailFraud/fraudschemes/mailtheft/MailTheft.aspx>

###

with BWCA

KING OF THE AIR

saturday

SEPTEMBER 7, 2013

StarTribune

WINNER OF TWO 2013 PULITZER PRIZES

« EACH PERSON NEEDS TO WEIGH THE OPTIONS. »

Scott Kreefer, Blue Cross and Blue Shield of Minnesota

im jobs report uld slow end Fed's stimulus

are of those working, looking
ork at lowest level since 1978.

THERINE RAMPELL • New York Times

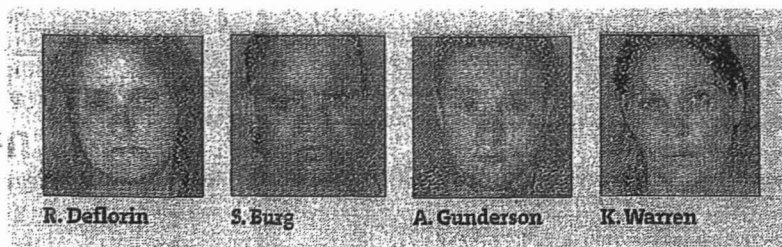
spite a disappointing jobs report
y that raised fresh questions about
ation's economic strength, analysts
ey still believe the Federal Reserve
tart pulling back on its stimulus pro-
in a few weeks.

ie Labor Department's snapshot
e job market in August — which
ed the economy added an estimated
00 jobs — had several discouraging
ls. Perhaps the most striking was a
ge in the share of Americans who
ither working or looking for work,
h fell to its lowest level since 1978.

f you had a more optimistic view of
conomy, which I think the Fed does,
should give you some pause," said
ua Shapiro, chief U.S. economist at
t. "It's been a real struggle here in the
r market."

t the same time, earlier estimates of
rowth in July and June were revised

continues on A6 ▶



Hundreds of stolen identities lead to charges against four

• 355 different identities found at former state employee's St. Paul home.

By CHAO XIONG • chao.xiong@startribune.com

Roxanne K. Deflorin worked for a
decade as an administrative clerk at the
Minnesota Department of Labor and
Industry, where she had access to work-
ers' compensation files that contained
sensitive information.

It was there, authorities believe, that
Deflorin accessed private data on her
work computer that contributed to a
large-scale theft from several sources
of identities and Social Security num-
bers. The victims included "hundreds of
hardworking employees and retirees,"
Ramsey County Attorney John Choi
said in a written statement.

Authorities believe Deflorin traded

that information for drugs.

Deflorin and three other women have
been charged in Ramsey County District
Court in connection with the alleged
theft of between 350 and 500 identities.

According to the complaint: Deflorin
obtained identities and Social Security
numbers from the Minnesota Depart-
ment of Labor and Industry (DLI)
where she worked from October 1994
to September 2004, and from going
through trash.

In August 2012, authorities found 355
different identities at her home in the
700 block of Thomas Avenue in St. Paul,
including 269 members of the Public

Theft continues on A6 ▶

strike to p

• He'll address nation
setting stage for inter

By PHILIP RUCKER and W
Washington Post

ST. PETERSBURG — Pre
on Friday acknowledged
public's deep reservation
military engagement in t
but argued that the Unit
moral responsibility to r
Syria's use of chemical w

Acknowledging th
"heavy lift" in persuad
to authorize a military
Obama made a direct
ple's consciences. Th
setting the stage for an i
lobbying in Washington
resolution — drew par
War II, which the Uni
reluctant to enter,
and to its efforts N
to help end geno- ti
cide in Kosovo in h
the 1990s, which v
was unpopular at ti
the time but which
Obama said was the rig

"I was elected to enc
them," he said. "I've sp
years doing everything
our reliance on milit
means of meeting ou
obligations and protec
can people. But what I a

Syria continues on A7 ▶

STARTRIBUNE.COM
FOR BREAKING NEWS

NEWS TIPS
Call 612-673-4414

COMMENTS
Call 612-673-4000

SUBSCRIBE TO THE PAPER
Call 612-673-4343 • startribune.com/subscribe

The defendants were prosecuted by Assistant U.S. Attorney Karen B. Schommer and Assistant U.S. Attorney Michelle E. Jones.

The Financial Crimes Task Force was established pursuant to state law and is comprised of local, state, and federal law enforcement investigators dedicated to combating the growing problem of cross-jurisdictional financial crimes. The task force, overseen by an advisory board also created under state law, serves the entire District of Minnesota, presenting its cases to county or federal prosecutors, as appropriate.

The task force and the Minnesota U.S. Attorney's Office want to remind people to protect themselves from identity theft. For more information, visit <http://www.stopfraud.gov/protect-identity.html>

For more information on how to avoid becoming a victim of identity theft, visit <https://postalinspectors.uspis.gov/investigations/MailFraud/fraudschemes/mailtheft/IdentityTheft.aspx> . The IRS-Criminal Investigations also urges citizens to review the Taxpayer Guide to Identity Theft, which can be found at <http://www.irs.gov>

For tips on how to prevent mail theft, visit <https://postalinspectors.uspis.gov/investigations/MailFraud/fraudschemes/mailtheft/MailTheft.aspx>

###

conducted these fraudulent transactions in Minnesota and at least 13 other states. Victim information was obtained by members of the conspiracy through multiple sources, including from individuals who stole information from their places of employment, from people employed at area banks, from those who stole information from mail, during vehicle break-ins, and through business burglaries, among other sources.

In his plea agreement, Davis admitted that from 2010 through 2011, he, too, was part of the conspiracy. For his part, Davis recruited individuals to conduct fraudulent transactions at financial institutions and retail establishments. He provided those individuals with false identification documents and counterfeit checks that he had received from other members of the conspiracy. Davis also drove individuals to retail stores, where the co-conspirators conducted fraudulent transactions in excess of \$140,000.

In his plea agreement, Williams admitted that he joined the conspiracy in 2009, and from that time forward, he obtained victim information from a co-conspirator who worked at Wells Fargo. Williams also admitted providing that information to others, who then used it to create false and fictitious identification documents and counterfeit checks. In addition, Williams admitted recruiting individuals to pass those counterfeit checks at banks and retail establishments. Williams was responsible for approximately \$40,000 in fraudulent transactions.

In her plea agreement, House admitted that between July and November 2008, while employed as a bank teller at the St. Paul Postal Employees Credit Union ("PCU"), she provided co-conspirators with customer information, including names, dates of birth, Social Security numbers, account numbers, and account information. The co-conspirators used that information to create false identification documents, which were then used by other co-conspirators to conduct fraudulent transactions using counterfeit checks. House admitted responsibility for approximately \$22,000 in fraudulent transactions involving money stolen from the accounts of others.

In her plea agreement, Brewer admitted that in 2009, while employed at Sonus, a Plymouth-based business, she provided co-conspirators with customer information, including names, addresses, and bank account numbers. The co-conspirators used that information to create counterfeit checks and false identification documents, which were then used by other co-conspirators to conduct fraudulent transactions at various businesses. Brewer admitted responsibility for at least \$18,000 in attempted fraudulent transactions and purchases through the use of counterfeit checks.

To date, 28 other members of the conspiracy have been sentenced. The remaining co-conspirator, Gordon Lamarr Moore, awaits sentencing, which has not yet been scheduled. Moore was convicted in April 2013, following a jury trial. During the trial, Moore fled from the jurisdiction. On July 8, 2013, he was arrested in at a hotel in Milwaukee, Wisconsin. Moore then attempted to flee again but was apprehended without incident.

These prosecutions resulted from an investigation conducted by the Minnesota Financial Crimes Task Force, the U.S. Postal Inspection Service, and the IRS-Criminal Investigations.



United States Department of Justice
United States Attorney's Office
District of Minnesota

News Release

John R. Marti,
Acting United States Attorney

Jeanne F. Cooney
Director of Community Relations
(612) 664-5611
email: jeanne.cooney@usdoj.gov

FOR IMMEDIATE RELEASE
Thursday, September 5, 2013
<http://www.justice.gov/usao/mn>
Twitter @DMNnews
<http://www.facebook.com/usaomn>

Four individuals sentenced for their roles in a large, multi-state identity theft ring *(28 other members of the theft ring have been sentenced)*

MINNEAPOLIS—Yesterday in federal court in St. Paul, four individuals were sentenced for their roles in a large, multi-state, identity theft ring. United States District Judge Paul A. Magnuson sentenced Jerome Davis, Jr., Jemall Ronta Williams, Tierra Samantha Catrina House, and Shanell Collette Brewer each on one count of conspiracy to commit bank fraud and one count of aggravated identity theft.

Davis, age 44, no known address, was sentenced to 50 months of imprisonment, Williams, age 38, no known address, was sentenced to 36 months of imprisonment, House, age 23, of St. Paul, was sentenced to 32 months of imprisonment, and Brewer, age 34, of Minneapolis, was sentenced to 27 months of imprisonment.

These individuals, along with more than 100 others, were involved in a conspiracy, from 2006 through December of 2011, to defraud banks, bank customers, and businesses. The co-conspirators used victim information to create counterfeit checks and false identification documents to conduct fraudulent transactions at retail establishments, where expensive merchandise was purchased and returned for cash. At banks, the conspirators posed as customers and withdrew money from victims' bank accounts. The members of the conspiracy

[identity.html](#)

For more information on how to avoid becoming a victim of identity theft, visit <https://postalinspectors.uspis.gov/investigations/MailFraud/fraudschemes/mailtheft/IdentityTheft.aspx>. The IRS-Criminal Investigations also urges citizens to review the Taxpayer Guide to Identity Theft, which can be found at <http://www.irs.gov>

For tips on how to prevent mail theft, visit <https://postalinspectors.uspis.gov/investigations/MailFraud/fraudschemes/mailtheft/MailTheft.aspx>

###

These individuals, along with over 100 others, were involved in a conspiracy from 2006 through December of 2011 to defraud banks, bank customers, and businesses. The co-conspirators used victim information to create counterfeit checks and false identification documents to conduct fraudulent transactions at retail establishments where expensive merchandise was purchased and returned for cash. At banks, the conspirators posed as customers and withdrew money from victims' bank accounts. The members of the conspiracy conducted these fraudulent transactions throughout Minnesota and in at least 13 other states. Victim information was obtained by members of the conspiracy through multiple sources, including from individuals who stole victim information from their places of employment, from individuals employed at area banks, from those who stole the information from the mail, during vehicle break-ins, and business burglaries, among other sources.

Following sentencing, Patrick Henry, the head of the Minnesota Financial Crimes Task Force, said, "The Minnesota Financial Crimes Task Force led this investigation, but the effort was a success because of the extraordinary collaboration by all of the agencies involved."

Kelly R. Jackson, Special Agent in Charge of Internal Revenue Service-Criminal Investigations, St. Paul Field Office, which also participated in the investigation, said, "Investigating identity theft is a priority for IRS-Criminal Investigations. Today's sentences of Desmon Burks and Russell Royals should serve as a strong deterrent to those who are considering similar conduct. Law enforcement and the U.S. Attorney's Office are serious about investigating identity theft crimes and holding those accountable who commit these types of crimes."

In a related case, five individuals were charged with conspiracy to commit bank fraud, bank fraud and aggravated identity theft. Jemall Ronta Williams, Jerome Davis, Jr., Tierra Samantha Catrina House, and Shanell Collette Brewer each pleaded guilty to one count of conspiracy to commit bank fraud and one count of aggravated identity theft. Gordon Lamarr Moore was convicted in April 2013 following a jury trial. During the trial, Moore fled and became a fugitive. On July 8, 2013, he was arrested in at a hotel in Milwaukee, Wisconsin. Moore attempted to again flee, but was ultimately apprehended without incident.

These cases resulted from an investigation conducted by the Minnesota Financial Crimes Task Force, the U.S. Postal Inspection Service, and the IRS-Criminal Investigations. They were prosecuted by Assistant U.S. Attorney Karen B. Schommer and Assistant U.S. Attorney Michelle E. Jones.

The Financial Crimes Task Force was established pursuant to state law and is comprised of local, state, and federal law enforcement investigators dedicated to combating the growing problem of cross-jurisdictional financial crimes. The task force, overseen by an advisory board also created under state law, serves the entire District of Minnesota, presenting its cases to county or federal prosecutors, as appropriate.

The task force and the Minnesota U.S. Attorney's Office want to remind people to protect themselves from identity theft. For more information, visit <http://www.stopfraud.gov/protect->



United States Department of Justice
United States Attorney's Office
District of Minnesota

News Release

B. Todd Jones,
United States Attorney

Jeanne F. Cooney
Director of Community Relations
(612) 664-5611
email: jeanne.cooney@usdoj.gov

FOR IMMEDIATE RELEASE
Wednesday, August 14, 2013
<http://www.justice.gov/usao/mn>
Twitter @ DMNnews
<http://www.facebook.com/usaomn>

Four individuals sentenced for their roles in large, multi-state identity theft ring *(27 members of theft ring have been sentenced; 5 others await sentencing)*

MINNEAPOLIS—Earlier today in federal court in St. Paul, two individuals were sentenced for their roles in a large, multi-state, identity theft ring. United States District Judge Paul A. Magnuson sentenced Russell Raymond Royals, age 61, of Cottage Grove, to 120 months in prison; and Desmon Desmond Burks, age 38, of St. Paul, to 252 months in prison. Royals previously pled guilty to one count of conspiracy to commit bank fraud and one count of aggravated identity theft. Burks was convicted on September 6, 2012, following a jury trial, of one count of conspiracy to commit bank fraud, two counts of aiding and abetting bank fraud, and two counts of aggravated identity theft.

Two related defendants were sentenced last month for their roles in this conspiracy. On July 23, 2013, Norman Scott Allen, age 44, of Minneapolis, was sentenced to 80 months in prison on one count of conspiracy to commit bank fraud and one count of bank fraud. On July 22, 2013, Frederick Adrienne Hamilton, age 57, also of Minneapolis, was sentenced to 57 months in prison on one count of conspiracy to commit bank fraud and two counts of bank fraud. Both men were convicted on September 6, 2012 following a jury trial. Twenty-three other defendants have been sentenced in this case thus far, while five more await sentencing.

The Financial Crimes Task Force was established pursuant to state law and is comprised of local, state, and federal law enforcement investigators dedicated to combating the growing problem of cross-jurisdictional financial crimes. The task force, overseen by an advisory board also created under state law, serves the entire District of Minnesota, presenting its cases to county or federal prosecutors, as appropriate.

The task force and the Minnesota U.S. Attorney's Office want to remind people to protect themselves from identity theft. For more information, visit <http://www.stopfraud.gov/protect-identity.html>

For more information on how to avoid becoming a victim of identity theft, visit <https://postalinspectors.uspis.gov/investigations/MailFraud/fraudschemes/mailtheft/IdentityTheft.aspx>

###



**United States Department of Justice
United States Attorney's Office
District of Minnesota**

News Release

**B. Todd Jones,
United States Attorney**

**Jeanne F. Cooney
Director of Community Relations
(612) 664-5611
email: jeanne.cooney@usdoj.gov**

FOR IMMEDIATE RELEASE
Friday, August 9, 2013
<http://www.justice.gov/usao/mn>
Twitter @ DMNnews
<http://www.facebook.com/usaomn>

St. Paul man sentenced for bank fraud

MINNEAPOLIS—Yesterday in federal court, a 37-year-old St. Paul man was sentenced for fraudulently obtaining funds from several financial institutions. On August 8, 2013, United States District Judge David S. Doty sentenced Christopher Terrelle Harness to 81 months in prison on one count of bank fraud and one count of aggravated identity theft. Harness was indicted on November 20, 2012, and pleaded guilty on March 11, 2013.

In his plea agreement, Harness admitted that from October 2007 through July 2012, he fraudulently obtained money from banks. Specifically, he and others, at his direction, opened accounts into which they deposited checks they knew were stolen or not backed by sufficient funds. Then, they made ATM withdrawals from the falsely inflated balances. In total, the victimized financial institutions sustained losses of between \$30,000 and \$400,000 because of this crime.

This case was the result of an investigation by the U.S. Postal Inspection Service and the Minnesota Financial Crimes Task Force. It was prosecuted by Assistant U.S. Attorneys Tracy L. Perzel and Manda M. Sertich.

used to pay existing mortgages, financially benefiting Mshihiri and his un-named co-conspirators. In other situations, proceeds were purportedly paid as kickbacks to the straw buyers. Every property purchased through the scheme has gone into foreclosure, resulting in substantial losses to the victim lenders.

If convicted, Mshihiri faces a potential maximum penalty of 30 years on each count. Any sentence would be determined by a federal district court judge. This case is the result of an investigation by the Minnesota Financial Crimes Task Force, the Internal Revenue Service-Criminal Investigations, the United States Secret Service and the U.S. Department of Housing and Urban Development-Office of Inspector General. It is being prosecuted by Assistant U.S. Attorney Lola Velazquez-Aguilu.

The Financial Crimes Task Force was established pursuant to state law and is comprised of local, state, and federal law enforcement investigators dedicated to combating the growing problem of cross-jurisdictional financial crimes. The task force, overseen by an advisory board also created under state law, serves the entire District of Minnesota, presenting its cases to county or federal prosecutors, as appropriate.

The U.S. Attorney's Office wants to remind people to protect themselves from mortgage fraud. For more information, visit <http://www.stopfraud.gov/protect-mortgage.html>.

###

An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by a defendant. A defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.



**United States Department of Justice
United States Attorney's Office
District of Minnesota**

News Release

**B. Todd Jones,
United States Attorney**

**Jeanne F. Cooney
Director of Community Relations
(612) 664-5611
email: jeanne.cooney@usdoj.gov**

FOR IMMEDIATE RELEASE
Wednesday, August 7, 2013
<http://www.justice.gov/usao/mn>
Twitter @DMNnews
<http://www.facebook.com/usaomn>

Maple Plain man indicted for defrauding mortgage loan lenders

MINNEAPOLIS—A federal indictment unsealed late yesterday charges a 38-year-old Maple Plain man with conspiring to defraud mortgage loan lenders. The indictment, which was filed on July 16, 2013, specifically charges Alpha Rashidi Mshihiri with one count of conspiracy to commit bank fraud, three counts of bank fraud, two counts of wire fraud, one count of mail fraud, and one count of money laundering conspiracy. The indictment was unsealed following the Mshihiri's initial appearance in federal court.

The indictment alleges that from June 2006 through January 2009, Mshihiri conspired with others to defraud and obtain money from mortgage lenders by means of false and fraudulent representations. Mshihiri operated Pristine Home Loans and allegedly recruited straw buyers to purchase residential real estate properties. The straw buyers submitted fraudulent loan applications to the mortgage lenders and, in some instances, used the stolen identity others in their applications.

In support of the false loan applications, Mshihiri purportedly created false documents, such as false W-2s and fraudulent paystubs and driver's licenses, which the straw buyers then submitted to the mortgage lenders. In some instances, the proceeds of the loans were allegedly

an advisory board also created under state law, serves the entire District of Minnesota, presenting its cases to county or federal prosecutors, as appropriate.

The task force and the Minnesota U.S. Attorney's Office want to remind people to protect themselves from identity theft. For more information, visit <http://www.stopfraud.gov/protect-identity.html>

For more information on how to avoid becoming a victim of identity theft, visit <https://postalinspectors.uspis.gov/investigations/MailFraud/fraudschemes/mailtheft/IdentityTheft.aspx> . The IRS-Criminal Investigations also urges citizens to review the Taxpayer Guide to Identity Theft, which can be found at <http://www.irs.gov>

For tips on how to prevent mail theft, visit <https://postalinspectors.uspis.gov/investigations/MailFraud/fraudschemes/mailtheft/MailTheft.aspx>

###

of aggravated identity theft. Seventeen other defendants have been sentenced in this case thus far, while nine more await sentencing.

These individuals, along with over 100 others, were involved in a conspiracy from 2006 through December of 2011 to defraud banks, bank customers, and businesses. The co-conspirators used victim information to create counterfeit checks and false identification documents to conduct fraudulent transactions at retail establishments where expensive merchandise was purchased and returned for cash. At banks, the conspirators posed as customers and withdrew money from victims' bank accounts. The members of the conspiracy conducted these fraudulent transactions throughout Minnesota and in at least 13 other states. Victim information was obtained by members of the conspiracy through multiple sources, including from individuals who stole victim information from their places of employment, from individuals employed at area banks, from those who stole the information from the mail, during vehicle break-ins, and business burglaries, among other sources.

Following sentencing, Patrick Henry, the head of the Minnesota Financial Crimes Task Force, said, "This investigation came together as a result of the partnerships between agencies and the extraordinary efforts of all involved. The Minnesota Financial Crimes Task Force led this investigation, but this is an example of successful collaboration of local, state, and federal criminal justice agencies."

Kelly R. Jackson, Special Agent in Charge of IRS Criminal Investigations, St. Paul Field Office, which also participated in the investigation, said, "Individuals who commit identity fraud of this magnitude deserve to be punished to the fullest extent of the law. These individuals caused immeasurable hardship to innocent victims. IRS Criminal Investigations remains committed to the pursuit of identity theft, and together with our law enforcement partners and the U.S. Attorney's Office, we will hold those who engage in similar behavior fully accountable."

In a related case, five individuals were charged with conspiracy to commit bank fraud, bank fraud and aggravated identity theft. Jemall Ronta Williams, Jerome Davis, Jr., Tierra Samantha Catrina House, and Shanell Collette Brewer each pleaded guilty to one count of conspiracy to commit bank fraud and one count of aggravated identity theft. Gordon Lamarr Moore was convicted in April 2013 following a jury trial. During the trial, Moore fled and became a fugitive. On July 8, 2013, he was arrested in at a hotel in Milwaukee, Wisconsin. Moore attempted to again flee, but was ultimately apprehended without incident.

These cases resulted from an investigation conducted by the Minnesota Financial Crimes Task Force, the U.S. Postal Inspection Service, and the Internal Revenue Service-Criminal Investigations. They were prosecuted by Assistant U.S. Attorney Karen B. Schommer and Assistant U.S. Attorney Michelle E. Jones.

The Financial Crimes Task Force was established pursuant to state law and is comprised of local, state, and federal law enforcement investigators dedicated to combating the growing problem of cross-jurisdictional financial crimes. The task force, overseen by



United States Department of Justice
United States Attorney's Office
District of Minnesota

News Release

B. Todd Jones,
United States Attorney

Jeanne F. Cooney
Director of Community Relations
(612) 664-5611
email: jeanne.cooney@usdoj.gov

FOR IMMEDIATE RELEASE
Thursday, July 18, 2013
<http://www.justice.gov/usao/mn>
Twitter @DMNnews
<http://www.facebook.com/usaomn>

Six individuals sentenced for their roles in large, multi-state identity theft ring

(23 members of the theft ring have been sentenced; 9 others await sentencing)

MINNEAPOLIS—Earlier today in federal court in St. Paul, two individuals were sentenced for their roles in a large, multi-state, identity theft ring. United States District Court Judge Paul A. Magnuson sentenced Joel Delano Powell III, age 20, of Minneapolis, to 42 months in prison; and Trey Jeremiah Powell, age 20, of Brooklyn Park, to 57 months in prison. Both had earlier pleaded guilty to one count of conspiracy to commit bank fraud and one count of aggravated identity theft.

Earlier this week, Joel Delano Powell, Jr., age 47, of St. Louis Park, was sentenced to 300 months in prison. Powell, Jr. was convicted following a jury trial in August and September 2012 of one count of conspiracy to commit bank fraud, seven counts of aiding and abetting bank fraud, and five counts of aggravated identity theft.

On Wednesday, Judge Magnuson sentenced Elston Edwards Sharps, age 47, of Minneapolis, to 32 months in prison; Kevin Terrell Martin, age 46, of St. Paul, to 124 months in prison; and Steven Lavell Maxwell, age 44, also of Minneapolis, to 140 months in prison. All three had earlier pleaded guilty to one count of conspiracy to commit bank fraud and one count

RCMP



ROYAL CANADIAN MOUNTED POLICE

SERVING THE POLICE COMMUNITY SINCE 1939

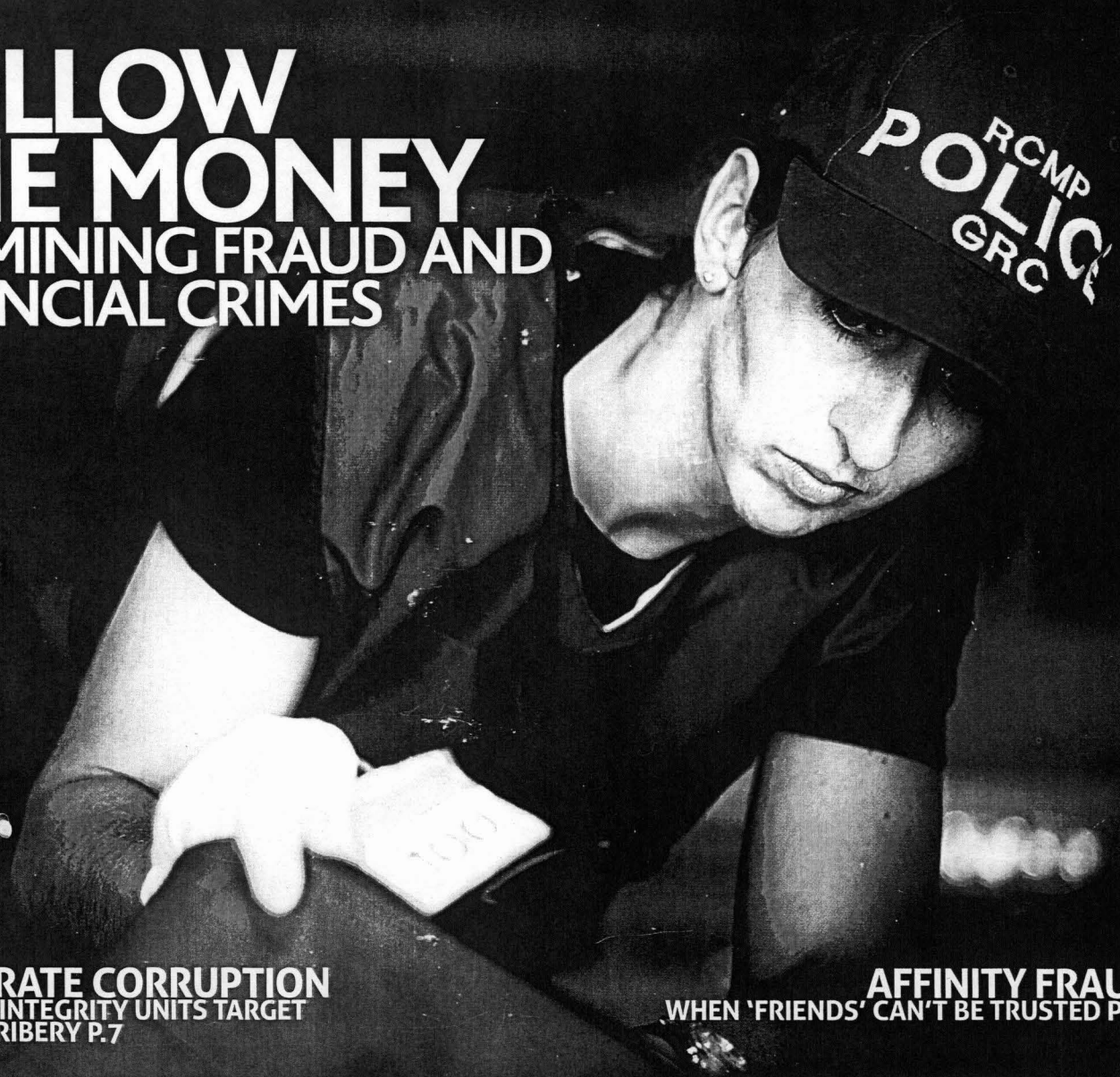
GAZETTE

NEW TECHNOLOGY
PALM PRINTS
DATABASE HELPS
CONNECT CASES P. 34

VOL. 75, NO. 3, 2013

FOLLOW THE MONEY

EXAMINING FRAUD AND
FINANCIAL CRIMES



CORPORATE CORRUPTION
FINANCIAL INTEGRITY UNITS TARGET
FOREIGN BRIBERY P.7

FINANCIAL INTELLIGENCE
INTEGRATED UNIT SUPPORTS INVESTIGATIONS P.11

AFFINITY FRAUD
WHEN 'FRIENDS' CAN'T BE TRUSTED P.22

FATIGUE AND SHIFT WORK
SMALL CHANGES CAN IMPROVE SAFETY P.26

RCMP-GRC.GC.CA



Royal Canadian Mounted Police
Gendarmerie royale du Canada

Canada



CO-OPERATION BEYOND THE TYPICAL TASK FORCE UNCOVERS MASSIVE IDENTITY THEFT RING

By Supt. Wade Setter, Minnesota Bureau of Criminal Apprehension

In August 2012, Julian Okeayaninneh, 44, of California, and Olugbenga Temidago Adeniran, 36, of New York, were each sentenced to more than two decades in federal prison for their roles in one of the largest known cases of identity theft in U.S. history. And now, the investigation that uncovered the crime is changing the way law enforcement agencies view collaboration among local, state and federal agencies.

The investigation started in 2009 when two members of the Minnesota Bureau of Criminal Apprehension's Financial Crimes Task Force compared notes on two identity theft cases they were working separately. Similarities between the two cases led the task force to launch an investigation into whether these two cases were components of a larger, organized criminal enterprise.

What they and other task force members eventually found was a sophisticated system of identity theft, bank fraud, counterfeit cheque manufacturing, credit card fraud and money laundering involving more than 200 participants in 11 states, and more than 8,700 victims across the globe.

The fraud was carried out by a broad, deep, multi-tiered network of criminals.

Organizers recruited bank insiders to provide banking and customer identification information to other conspirators who produced massive amounts of counterfeit identification materials including licences, credit cards and access cards. These materials were then used by additional conspirators to draw from existing accounts or open fraudulent accounts.

They created additional documents — fake passports, driver's licences, hundreds of credit cards bearing different names, blank cheque stock and more — and used them to commit further crimes. Monetary proceeds from the illegal activities were laundered through financial institutions via bulk cash shipments.

The first arrests in the case, in 2009, included lower level players and bank employees, many of whom pleaded guilty or reached proffer agreements to provide

information about the conspiracy, its structure and its reach. Then, in the fall of 2010, the arrest of a foot soldier led to information about a certain California storage locker that proved to be the most significant break in the case.

Task force investigators located and searched the storage locker in December 2010 and found thousands of stolen identity documents, including the following:

- 8,700 victims' identities, IDs and bank account information
- \$18 million face value of commercial cheques
- 140 passport photos
- 30 IDs with kingpin's photo
- 90 drivers licences in the names of others
- Credit card reader and re-encoder
- 500 credit cards in the names of others

This discovery revealed for the first time the full scope of the victimization. Previously, investigators knew there were many suspects in a well-organized operation, but didn't know just how many victims existed.

As investigators carried out their raid on the locker, they caught another break. The kingpin of the network, Julian Okeayaninneh, showed up at the facility and, unaware that investigators were there, went to his locker.

He provided a false name and denied the locker was his, but investigators matched security camera images taken when he arrived that day to the photo on the storage locker rental paperwork he filled out in March 2006. Evidence obtained during the raid revealed that the scheme had been playing out since that time. Okeayaninneh was taken into custody.

GAINING CO-OPERATION

In 2011, the U.S. Attorney's Office, the U.S. Inspector General, the U.S. Department of the Treasury's Office of Comptroller of the Currency and the Federal Deposit Insurance Corporation were brought in to

convince large financial institutions of the value of their co-operation.

The financial institutions, understandably concerned about erosion of public trust in their institutions, were initially reluctant to co-operate, and those discussions stretched more than a year.

In the end, all employee-suspects were allowed to continue working until they could be caught in the act — and in most cases beyond that time, until the full extent of the scheme was revealed. Investigators also developed confidential informants within the banks who pointed investigators to specific employees.

"Developing these informants was particularly challenging because investigators at this point did not know which employees in those institutions were committing the crimes," said Minnesota Financial Crimes Task Force Commander Patrick Henry.

One reason investigators needed the financial institutions' co-operation was so that, after suspects in the banks were identified, investigators could set up accounts that would allow them to collect evidence by following audit trails. This prospect was not only expensive, but extraordinarily delicate, as it required banks to knowingly allow fraud to continue.

In addition, bank investigators provided outside investigators access to information that would ordinarily be difficult to obtain with a subpoena. While the process was successful, it wasn't easy. Investigators needed to be cognizant that banks couldn't operate as agents of law enforcement, and investigators could not disclose investigative data to the banks.

Task force investigators had to develop a way to securely deliver private data (names of 8,700 victims) to bank investigators to establish whether the banks held real or fraudulent accounts. This required creating a technology solution that would merge data from the many disparate record-management systems belonging to investigators, banks and credit card companies. The data was also adapted to be checked against the Federal Trade



Commission's list of identity theft victims.

IDENTIFYING THE VICTIMS

Investigators worked with financial institutions, the U.S. Federal Trade Commission and other law enforcement agencies to identify where real and fraudulent accounts existed under known victims' names.

They also worked to identify persons who hadn't realized they'd been victimized or hadn't reported it. In those cases, investigators tracked down victims individually. This required co-ordination among local, state and federal agencies, and agencies in states and jurisdictions where both the crimes were committed and where victims were identified (for purposes of obtaining reports).

Investigators also worked with local agencies and other contacts nationwide to subpoena witnesses and victims to appear in court and testify in Minnesota.

DEVELOPING THE TOOLS

Managing an investigation with so many people, so many locations and so many targets proved extraordinarily challenging. Investigators created a tiered chart of suspects (more than 200) that focused the investigation and helped with allocation of resources. It also provided a road map as the complex structure of this criminal organization was revealed.

Investigators also invented a system for tracking more than 300 pieces of evidence that had to be sortable by individual victim, by suspect and group of suspects, and by associated bank or banks.

In addition, investigators developed ways to share criminal justice data between multiple local, state and federal criminal justice agencies, every one of which provided a unique set of data-compatibility issues.

Investigators shared case information with law enforcement agencies, financial institutions and merchants through the Minnesota Crime Alert Network. Investigators used the state's fusion center — the Minnesota Joint Analysis Center — to gather information from state and federal authorities about other ongoing investigations and intelligence relevant to this case. These tools and this targeted-audience approach are unique to Minnesota.



A security camera captured this image of Julian Okeayaninneh as he arrived at the storage facility the day he was taken into custody.

BRINGING THE OPERATION TO LIGHT

From the beginning, investigators mined massive amounts of social media and other open-source data to gain information about their suspects and planned or executed criminal activity. The criminals had posted still and video images of themselves and co-conspirators with money and other items obtained via this enterprise.

Investigators also gained information about criminal associates who participated via social networking connections and posts. They worked quickly to identify suspects, shore up their cases and increase their chances of successful prosecution.

"We knew suspects had real and false passports, significant financial support and network connections all over the world — in other words, fleeing would be relatively easy," Henry said.

In March 2011, 12 defendants including the network kingpin, some of his top managers and bank insiders were indicted on a total of 126 counts that included bank fraud conspiracy, bank fraud, aggravated identity theft, money laundering and more.

Nearly two dozen others arrested in 2011 and early 2012 pleaded guilty to various charges. All but two suspects brought to trial were convicted in February 2012.

The leader of the organization, Julian Okeayaninneh, was sentenced to 28 years in federal prison — the longest sentence ever imposed for this type of crime.

This investigation required collaboration with non-criminal justice partners as well as criminal justice partners at the local, state and federal levels. Investigators utilized information from proffers and informants, investigative tools from private business and criminal justice agencies at all levels, and intelligence drawn from multiple criminal justice sources.

Investigators relied on expertise and technology at every level of law enforcement. They developed multiple systems to share data with disparate records management systems and developed a tiered system to track information on more than 200 suspects.

To date, their efforts have resulted in 31 ring members convicted or pleading guilty in this \$100 million-dollar scheme.

Phase two of the investigation is ongoing. ■

The Minnesota Financial Crimes Task Force investigates financial crimes related to identity theft, with a special emphasis on organized criminal enterprises. The task force is comprised of multi-jurisdictional law enforcement agencies working together to provide investigative expertise and resources.