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Gang Members Charged in Complex Credit Union Scam Netting Half a Million Dollars

Investigation Finds Gangs Moving Into White Collar Crime

San Diego County District Attorney [Bonnie M. Dumanis](#), along with federal, state and local officials, announced today the break-up of a large bank fraud scheme run by street gang members. "Operation Bank Gig" was an unprecedented multi-agency operation involving the U.S. Secret Service; the San Diego Regional Fraud Task Force; San Diego Police Department Gang Detectives; San Diego District Attorney Investigators; U.S. Postal Inspection Service; Naval Criminal Investigative Service; Navy Federal Credit Union; and the California Attorney General's Office, which is jointly-prosecuting the case.

This is the first time a violent street gang has been targeted for its involvement in complex bank fraud in California. In what is believed to be the largest case of its kind in state history, 60 defendants have been charged with 347 felony counts, including conspiracy; grand theft; money laundering; forgery and burglary.

More than 100 law enforcement officers fanned out across San Diego in the pre-dawn hours of May 12 to take the defendants into custody. The arrest sweep culminated a ten-month investigation. More than a dozen of those arrested are members of San Diego's Lincoln Park street gang. A few of the defendants are active duty military.

"The size, scope and sophistication of this operation show us that criminal street gangs in San Diego are expanding their criminal enterprise into white collar crime," DA Dumanis said. "As gangs move from street corner drug dealing and pimping to complex fraud, it's more important than ever that law enforcement from all levels continue to work together."

"Street thugs, operating like white collar criminals, devised an ingenious scam to bilk the Navy Federal Credit Union out of \$500,000," California Attorney General Edmund G. Brown Jr. said. "They recruited and paid off willing credit union members and manipulated financial rules to feed their criminal enterprise."

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“Because of partnerships like the San Diego Regional Fraud Task Force, sponsored by the U.S. Secret Service, law enforcement can focus its resources on preventing and investigating criminal activity,” said San Diego Field Office Special Agent in Charge Gregory Meyer. “Combining the efforts of local, state, and federal law enforcement allows us to address evolving criminal methods and complex investigations such as this one more effectively.”

The scheme worked by having gang members recruit acquaintances who had existing accounts at Navy Federal Credit Union and offering them a portion of the ill-gotten gains. The recruiters obtained the bank card and personal identification number from the account holder, deposited counterfeit checks into the account, then withdraw the cash before the credit union determined the checks were counterfeit. The account holder was then instructed to report the card stolen when approached by credit union investigators. Most of the transactions took place at the Barona Casino. Point-of-sale ATMs were used, which allow for larger withdrawals.

“This collaborative operation is another great example of the strong impact law enforcement can have in shutting down criminal activity in our county,” San Diego Police Chief Bill Lansdowne said.

Navy Federal Credit Union investigators began noticing suspicious activity in 2005 and reported it to the U.S. Secret Service. San Diego Police gang detectives were brought in to help identify and interview the suspects. The San Diego Regional Fraud Task Force, District Attorney’s Office and Attorney General’s Office became involved due to their experience handling complex fraud.

The Naval Criminal Investigative Service helped with arrest warrants and interviewing suspects. The US Postal Inspection Service helped locate suspects, investigated the counterfeit checks and took part in the arrest sweep. The Barona Tribal Government fully cooperated with the investigation and the surveillance evidence they provided was crucial for the prosecution.

“The Barona Tribal Council and Barona Gaming Commission are proud to have assisted law enforcement agencies, including the District Attorney’s Office, in the successful investigation of this crime against Navy Federal Credit Union,” said Edwin “Thorpe” Romero, Chairman of the Barona Band of Mission Indians. “The fact that we have a highly sophisticated security and surveillance system on our property was instrumental in bringing the investigation to a successful conclusion.”

The total loss is estimated at more than a half-million dollars, which investigators believe was used to help fund illegal gang activities and pay for a lavish street gang lifestyle.

The defendants are scheduled to be arraigned in San Diego Superior Court Dept. 11 on May 14 at 10:00 a.m. and 2:00 p.m. (220 W. Broadway). Some of the defendants could face up to 13 years in prison if convicted of all charges.

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