



Department of Justice

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Western District of North Carolina**

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CHARLOTTE-AREA HIP-HOP GROUP INDICTED ON FRAUD CHARGES

Defendants Flaunted Cash and Goods Funded by \$1.2 Million Bank & Identity Theft Schemes

CHARLOTTE, N.C. – U.S. Attorney R. Andrew Murray announced today that seven members and associates of a Charlotte-area hip-hop group known as the “FreeBandz Gang” or “FBG” have been indicted on federal charges in connection with a \$1.2 million bank and identity theft fraud scheme.

The indictment charges James Murray Willingham, Jr., 23, Damonte Withers, 27, Deandre Howze, 23, Jeffrey Monteith, 22, Quadarius Thomas, 23, Laerek Williams, 25 and Nemiah Davis, 25, all of Charlotte, with multiple counts of conspiracy, bank fraud, wire fraud, and aggravated identity theft. Withers and Thomas are also charged with firearms related offenses.

A federal grand jury returned the 46-count indictment on December 13, 2017. The indictment was unsealed today, following the arraignment of Laerek Williams. Withers, Williams, and Howze were arrested by law enforcement on Friday, December 15, 2017. Willingham, originally indicted for his role in the identity fraud scheme in September, remains in federal custody. Davis is in custody on unrelated state charges in Ohio pending his transfer to the Western District of North Carolina for his initial appearance. Quadarius Thomas and Jeffrey Monteith have not been arrested yet.

U.S. Attorney Murray is joined in making today’s announcement by David M. McGinnis, Inspector in Charge of the Charlotte Division of the U.S. Postal Inspection Service; Matthew C. Quinn, Acting Special Agent in Charge of the U.S. Secret Service, Charlotte Field Office; and Chief Kerr Putney of the Charlotte Mecklenburg Police Department.

According to allegations contained in the indictment, the defendants are members or associates of the Charlotte-area group known as FBG. According to the indictment, FBG members identify themselves through Facebook groups, social media hashtags, tattoos, and clothing that includes FBG iconography. The indictment further alleges that FBG members use social media to raise their profile by posting hip-hop music videos and images on YouTube and

Facebook that depict the members with guns, large quantities of cash, jewelry, and automobiles. The indictment alleges that members of FBG, including the defendants, financed their lavish lifestyles by engaging in fraud.

As alleged in the indictment, from February 2014 through September 2017, Withers, Howze, Monteith, Thomas, Williams, and Davis defrauded financial institutions through a check-cashing scheme involving worthless checks. According to the indictment, the conspirators carried out the scheme by depositing fake or stolen checks into straw bank accounts and then quickly withdrawing the funds before the banks completed the check-clearing process. The indictment alleges that, in some instances, the conspirators paid individuals to open new bank accounts or to let the conspirators use their existing accounts and PIN numbers to carry out the fraud. In other cases, the indictment alleges that members of the conspiracy stole ATM cards and PINs in order to access the bank accounts.

According to the indictment, the worthless checks deposited into the bank accounts either were stolen or had been altered. According to the indictment, within days of the worthless check deposits, Withers, Howze, Monteith, Thomas, Williams, and Davis withdrew as much money as possible from the straw accounts through ATM withdrawals, money order purchases, debit card purchases, and point of sale cash withdrawals, commonly referred to as getting “cash back.” The indictment alleges that by the time the banks had finished the check clearing process and had identified the deposited checks as worthless, the members of the conspiracy had completed the fraudulent activity with the straw accounts. The indictment alleges the conspirators caused losses of more than \$235,000 to the victim financial institutions.

The indictment also alleges that between October 2016 and November 2017, Willingham, Withers, Howze, and other co-conspirators engaged in an identity theft scheme. According to the indictment, the conspirators used the Internet to obtain the personal identifying information (“PII”) of victims, including social security numbers, dates of birth and home addresses. The fraudsters then used the PII to manufacture fake forms of identification (IDs) in the victims’ names, and used the fake IDs to obtain credit, goods, and services in the victims’ names, including automobile loans, cellular telephones, and apartments. In many cases, the mobile devices were resold for profit. The indictment alleges that the conspirators netted more than \$1,000,000 in goods and services in this manner.

The indictment charges Willingham with wire fraud conspiracy, wire fraud, bank fraud, and aggravated identity theft. Withers is charged with conspiracy to commit bank and wire fraud, bank fraud, wire fraud, possession of device-making equipment, possession of a document-making implement, aggravated identity theft, and possession of a firearm by a convicted felon. Howze is charged with conspiracy to commit bank and wire fraud, bank fraud, possession of device-making equipment, and aggravated identity theft. Monteith is charged with bank fraud conspiracy, bank fraud, and aggravated identity theft. Thomas is charged with bank fraud conspiracy, aggravated identity theft, and possession of a firearm by a convicted felon. Williams is charged with conspiracy to commit bank fraud, bank fraud, and aggravated identity theft. Davis is charged with bank fraud conspiracy, bank fraud, and aggravated identity theft.

The conspiracy to commit bank fraud and bank fraud charges each carry a maximum term of 30 years in prison and a \$1,000,000 fine. The wire fraud conspiracy and wire fraud charges each carry a prison term of 20 years and a \$250,000 fine. The possession of device-making and document-making charges each carry a maximum prison term of 15 years and a \$250,000 fine. The aggravated identity theft charge carries mandatory term of two years in prison per count, to be served consecutively to any other term of imprisonment imposed. The firearm possession charge carries a maximum prison term of 10 years and a \$250,000 fine.

The details contained in this indictment are allegations. The defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

In making today's announcement, U.S. Attorney Murray thanked the U.S. Postal Inspection Service in Charlotte, the United States Secret Service's Charlotte Field Office, and the Charlotte Mecklenburg Police Department, and noted that the case is the result of the Charlotte Financial Crimes Task Force (CFCTF). The task force was formed in early 2016 by the U.S. Postal Inspection Service and currently comprises over 25 local, state and federal law enforcement agencies located in the Western District of North Carolina. The goal of the taskforce is to focus on the identification and development of financial fraud investigations in the Charlotte area. Based on crime trends in the area, the task force began to focus its efforts on violent offenders with lengthy criminal histories who are committing fraud.

Assistant United States Attorney Dallas Kaplan, of the U.S. Attorney's Office in Charlotte, is in charge of the prosecution.