

UNITED STATES DISTRICT COURT

for the

Northern District of Ohio

United States of America )

v. )

Sade Philpott )

Case No.

1:15 MJ 3084

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of July 2014 through March 2015 in the county of Cuyahoga in the Northern District of Ohio, the defendant(s) violated:

Code Section

Offense Description

18 USC 1344
18 USC 1349

Bank Fraud
Conspiracy to Commit Bank Fraud

This criminal complaint is based on these facts:

Please See Attached Affidavit.

2015 APR 10 AM 10:13

Continued on the attached sheet.

Melinda C. Molina signature

Complainant's signature

SA Melinda C. Molina

Printed name and title

Sworn to before me and signed in my presence.

Date: April 10, 2015

Greg White signature

Judge's signature

City and state: Cleveland, Ohio

Magistrate Judge Greg White

Printed name and title

**AFFIDAVIT**

I, Melinda C. Molina, a Special Agent (SA) with the Federal Bureau of Investigation (FBI), Cleveland Division, being duly sworn, depose and state as follows:

1. I have been employed as a Special Agent of the FBI for approximately 16 years, and am currently assigned to the Cleveland Field Office. While employed by the FBI, I have assisted in the investigation of federal criminal violations related to White Collar Crime including, but not limited to, Bank Fraud and Identity Theft. I have gained experience through everyday work related to conducting these types of investigations.

2. As a federal agent, I am authorized to investigate violations of laws of the United States and to execute warrants issued under the authority of the United States.

3. Your affiant submits this affidavit for the arrests of DEVINNE HOLLIE (HOLLIE), [REDACTED] Cleveland, Ohio, date of birth XX/XX/1985, Social Security Account Number XXX-XX-2974 and SADE PHILPOTT (PHILPOTT), [REDACTED], Cleveland, Ohio, or [REDACTED] Cleveland, Ohio, date of birth XX/XX/1986, Social Security Account Number XXX-XX-3189, for violating Title 18, United States Code, Sections 1349 (Conspiracy to Commit Bank Fraud) and 1344 (Bank Fraud).

4. The assertions made herein are based upon information provided by FBI Special Agent Stacey Griggs and Ohio Casino Control Commission (OCCC) Gaming Agent Destanny Couch, as well as information derived by investigation conducted independently by affiant and others, including a review of records and interviews of individuals involved in the scheme described below, and are true and accurate to the best of my knowledge.

**APPLICABLE LAW**

5. Title 18, United States Code, Section 1344, makes it a federal crime to knowingly execute, or attempt to execute, any scheme or artifice to defraud a federally-insured financial institution, or to obtain money, funds, credits, assets, securities or other property owned by, or under the custody or control of, a financial institution by means of false or fraudulent pretenses, representations, or promises.

6. Title 18, United States Code, Section 1349, makes it a federal crime to attempt or conspire to commit the offense of Bank Fraud in violation of Title 18, United States Code, Section 1344.

**FACTS ESTABLISHING PROBABLE CAUSE**

7. As discussed below, investigation has revealed that from in or around July 2014, and continuing through to in or around March 2015, HOLLIE and PHILPOTT, and others yet unknown, created and possessed counterfeit and forged checks, which they deposited into accounts at Huntington National Bank (HNB) and RBS Citizens Bank, NA, dba Charter One Bank (COB). Both HNB and COB are federally-insured financial institutions that have branches and conduct business within the Northern District of Ohio. The bank accounts were opened and controlled by other individuals that HOLLIE, PHILPOTT, and others yet unknown, recruited into the scheme. The checks deposited into the accounts were drawn on the purported accounts of companies or individuals including, but not limited to: Wal-Mart, K-Mart, AutoZone, A&C Automart, and Parma Public Housing, and were made payable to the individuals who controlled the accounts.

8. Based upon information provided by OCCG Agent Couch, investigation has revealed that on August 5, 2014, Alvin R. Taylor, III, an account holder recruited by HOLLIE, was detained at the Horseshoe Casino by Agent Couch and OCCG Gaming Agent Robert Workman on

a then-pending warrant from the Lakewood, Ohio, Police Department, and in connection with a credit/debit card scheme. A review of records from the Lakewood, Ohio, Courts website shows that Taylor was wanted in connection with his failure to appear in Lakewood Municipal Court on or about July 7, 2014, for a citation issued for driving while under suspension, in violation of Ohio Revised Code Section 335.072. A review of Taylor's criminal history report revealed that he was previously convicted of an offense of Domestic Violence, in violation of Ohio Revised Code Section 2919.25A, and was sentenced on March 27, 2012, to 60 days of confinement, suspended, and six months probation, under Cuyahoga County Common Pleas Court case number CR-12-559653-A. Prior to questioning, Taylor was given interrogation warnings by investigators, which he acknowledged. Taylor then gave the following summary of the scheme to defraud:

9. Taylor initially stated the money he obtained was from his grandfather and father, but he later stated that HOLLIE recruited him into the scheme to defraud. Taylor advised that he and HOLLIE were friends, and that after Taylor discussed his financial problems with her, she advised she could help Taylor. HOLLIE instructed Taylor to open an account at HNB and further instructed Taylor to contact her when he received his HNB debit card.

10. Taylor believed he received his HNB debit card on Saturday, August 2, 2014, or Monday, August 4, 2014, via US Mail. HOLLIE instructed Taylor to give her the debit card. After Taylor gave HOLLIE his HNB debit card, Taylor later met up with HOLLIE at approximately 4:00 a.m. on Tuesday, August 5, 2014, at which time HOLLIE returned the debit card to Taylor and informed him there was money in his account that Taylor needed to withdraw. HOLLIE told Taylor that she would get in touch with Taylor in the morning. Taylor then stated that, later that morning, he followed HOLLIE to the Horseshoe Casino. Taylor claimed he did not know what he was to do until he received directions from HOLLIE, and did not know he was going

to the Horseshoe Casino until he got there. HOLLIE then directed Taylor to get a rewards card, go to the cashier's cage, and request a \$5,500 withdrawal on Taylor's HNB account. On August 5, 2014, Taylor successfully obtained a cash advance at approximately 7:39 a.m., before HNB opened, for \$5,500 from the casino cage.

11. Information provided by OCCC Agent Workman also revealed that on August 5, 2014, when Taylor was observed withdrawing the above \$5,500 from the casino cage, he was seen accompanied by a female and another male, both of whom Agent Workman stopped. After Agent Workman asked the female for identification she produced an Ohio identification card for DEVINNE P. HOLLIE, and Agent Workman confirmed that HOLLIE was in fact the female with Taylor. HOLLIE claimed that she was Taylor's sister, but, as Taylor noted in his interview with Agent Couch, HOLLIE was in fact a friend and not Taylor's sister. The other male, E.S., claimed to not know Taylor, and stated he met Taylor through HOLLIE that morning. Agent Workman further advised that HOLLIE then left the casino rather than stay with Taylor.

12. Based on information provided by account holder Taylor, in order to make the deposits, he gave his debit card to HOLLIE. Based on the knowledge and experience of the affiant, deposits cannot be made at a bank ATM without the PIN, therefore it is believed Taylor also furnished the PIN to HOLLIE.<sup>1</sup> Further, based upon a review of ATM and casino surveillance images, discussed in greater detail below, and upon my training and experience, your affiant also submits that SADE PHILPOTT, similar to HOLLIE, recruited other account holders into this scheme and conspiracy to defraud. Your affiant further submits, based upon my investigation, experience and training, and upon a review of ATM and casino surveillance discussed below, that other account holders recruited by HOLLIE and PHILPOTT similarly provided their debit cards and PINs to HOLLIE and PHILPOTT in furtherance of the scheme to defraud.

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<sup>1</sup> Taylor was not questioned as to whether he provided HOLLIE his PIN.

13. A review of records provided by HNB and COB shows that, in most instances, the accounts used in this scheme were opened shortly before the deposits of counterfeit/forged checks were made into the respective accounts, and that in most instances, the account holders maintained minimal balances prior to the deposits.

14. As part of this ongoing investigation, HNB and COB provided surveillance images of HOLLIE, PHILPOTT and others yet unknown making the below deposits of counterfeit checks at HNB and COB bank branches throughout the Greater Cleveland, Ohio, area. This information was reviewed and verified by Special Agent Griggs, who then created and corroborated the charts shown below by comparing the surveillance images of individuals depositing checks, along with surveillance images of individuals withdrawing money from the Horseshoe Casino, with known photographs of HOLLIE, PHILPOTT and others yet unknown, and the below account-holders. HOLLIE, PHILPOTT and others yet unknown made the deposits of counterfeit checks after regular banking business hours.

15. A summary of the deposits of counterfeit checks made by HOLLIE, PHILPOTT and others yet unknown, as verified by a review of surveillance photographs supplied by HNB, compared with known photo identifications of HOLLIE and PHILPOTT [provided by Ohio Law Enforcement Gateway (“OHLEG”) and the Ohio Bureau of Motor Vehicles (“BMV”)], into HNB accounts held by other individuals is detailed below:

<b>ACCOUNT HOLDER</b>	<b>DATE DEPOSITED</b>	<b>DEPOSITED BY</b>	<b>AMOUNT DEPOSITED</b>
M.C.	7/25/2014	DEVINNE HOLLIE	\$5,280.00
K.G.	7/25/2014	SADE PHILPOTT	\$5,280.00
A.Mc.	7/25/2014	SADE PHILPOTT	\$5,280.00
S.M.	7/25/2014	DEVINNE HOLLIE	\$5,280.00
A.E.	7/28/2014	DEVINNE HOLLIE	\$6,240.00

ACCOUNT HOLDER	DATE DEPOSITED	DEPOSITED BY	AMOUNT DEPOSITED
T.J.	7/28/2014	DEVINNE HOLLIE	\$6,240.00
T.T.	7/28/2014	DEVINNE HOLLIE	\$6,240.00
E.W.	7/28/2014	SADE PHILPOTT, UNIDENTIFIED FEMALE	\$5,280.00
J.G.	7/30/2014	DEVINNE HOLLIE	\$6,720.00 <sup>2</sup>
L.D.	8/1/2014	DEVINNE HOLLIE	\$6,240.00
D.S.	8/4/2014	SADE PHILPOTT, UNIDENTIFIED FEMALE	\$6,240.00
J.T.	8/4/2014	SADE PHILPOTT, UNIDENTIFIED FEMALE	\$5,760.00
ALVIN TAYLOR, III	8/4/2014	DEVINNE HOLLIE	\$6,240.00
J.G.	8/7/2014	DEVINNE HOLLIE	\$6,240.00 <sup>3</sup>
C.M.M.	2/27/2015	DEVINNE HOLLIE	\$6,670.00

16. A summary of the deposits of counterfeit checks made by HOLLIE as verified by a review of surveillance photographs supplied by COB, compared with known photo identifications of HOLLIE [provided by BMV], into COB accounts held by other individuals is detailed below:

ACCOUNT HOLDER	DATE DEPOSITED	DEPOSITED BY	AMOUNT DEPOSITED
A.E.	12/12/2014	DEVINNE HOLLIE	\$3,430.00 <sup>4</sup>
D.S.C.	12/15/2014	DEVINNE HOLLIE	\$3,430.00 <sup>5</sup>
B.S.M.	12/22/2014	DEVINNE HOLLIE	\$3,920.00

<sup>2</sup> There were no successful withdrawals of these funds from the casino.

<sup>3</sup> There were no successful withdrawals of these funds from the casino.

<sup>4</sup> There were no successful withdrawals of these funds from the casino.

<sup>5</sup> There were no successful withdrawals of these funds from the casino.

17. Based upon Taylor's description of his interaction with HOLLIE, a review of the surveillance images from HNB, COB and Horseshoe Casino, and my training and experience, it is believed that after the deposits of counterfeit/forged checks were made, HOLLIE, PHILPOTT and others yet unknown, contacted account holders and arranged to meet them at the Horseshoe Casino, where each account holder made, or attempted to make, cash withdrawals at the Horseshoe Casino from their respective HNB or COB bank account. In some instances, the account holder needed to obtain a "Total Rewards" player's card to make withdrawals. A review of bank records for the account holders revealed that in addition to withdrawing funds from the Horseshoe Casino, funds derived from the counterfeit/forged checks were used and attempted to be used to make ATM withdrawals and other purchases from businesses including, but not limited to, gas stations and restaurants.

18. Horseshoe Casino surveillance footage of HOLLIE, PHILPOTT and others yet unknown was obtained from Agent Couch. While surveillance footage was not available for all withdrawal transactions, the footage showed HOLLIE, PHILPOTT and others yet unknown at various dates and times at the Horseshoe Casino, interacting with the account holders during the time of the withdrawal transaction.

19. A review of bank records and information from the Horseshoe Casino shows that most withdrawals were made prior to the start of the next business day, thus allowing HOLLIE, PHILPOTT and others yet unknown to take advantage of the float time between the after-hours deposit and later discovery of the counterfeit checks. Your affiant submits, based upon her training, experience and familiarity with this investigation, that there is probable cause to believe that the proceeds of the scheme were then shared among HOLLIE, PHILPOTT, others yet unknown, and the account holders.



20. On March 12, 2015, Agent Couch informed the affiant of another transaction involving HOLLIE. On March 6, 2015, an investigator at HNB informed Agent Couch that on February 27, 2015, multiple counterfeit checks, totaling \$6,670, were deposited via ATM into an HNB account controlled by C.M.M. The counterfeit checks were drawn off of the purported account of Parma Public Housing. Subsequently, a withdrawal of \$5,796 was made at the Horseshoe Casino on February 28, 2015, at approximately 7:15 a.m.

21. The affiant reviewed the surveillance photographs provided by HNB for the February 27, 2015, transaction and compared them with known photo identification of HOLLIE [provided by BMV]. The affiant verified that HOLLIE made the deposit on February 27, 2015, at approximately 9:17 p.m. Further, the affiant reviewed surveillance photographs provided by Agent Couch, from the Horseshoe Casino, and compared them with known photo identifications of HOLLIE and C.M.M. [provided by OHLEG]. The affiant verified that both C.M.M. and HOLLIE were present at the Horseshoe Casino during the withdrawal.

22. Per Agent Couch, HOLLIE was banned from the Horseshoe Casino on August 5, 2014, because of her role in the transaction with Taylor, described above. After review of surveillance footage obtained from Agent Couch on March 12, 2015, the affiant confirmed that HOLLIE used another individual's, S. H.'s, driver's license on February 28, 2015, to gain entry to the Horseshoe Casino. C.M.M. successfully obtained \$5,600<sup>6</sup> in cash from the cage at the Horseshoe Casino.

23. A review of the records provided by HNB determined that HOLLIE and PHILPOTT caused over \$88,000 in fraudulent/counterfeit checks to be deposited into various accounts held by other individuals. Further review of HNB records shows that over \$75,000 in

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<sup>6</sup> While C.M.M. obtained \$5,600 in cash from the Horseshoe Casino cage, the casino charged approximately \$196 in fees to HNB, which the bank cannot recover and resulted in a greater loss to HNB.

funds derived from the counterfeit/forged checks was withdrawn or used to make purchases, of which over \$68,000 was successfully withdrawn at the Horseshoe Casino.

24. A review of the records provided by COB determined that HOLLIE and others yet unknown caused over \$13,000 in fraudulent/counterfeit checks to be deposited into various accounts held by other individuals. Further review of COB records shows that over \$5,000 in funds derived from the counterfeit/forged checks was withdrawn or used to make purchases, of which over \$3,000 was successfully withdrawn from the Horseshoe Casino.

25. The total loss to both HNB and COB to date is over \$80,000.

### CONCLUSION

Based on the aforementioned factual information, your affiant respectfully submits that there is probable cause to believe that DEVINNE HOLLIE and SADE PHILPOTT, committed the offenses of Conspiracy to Commit Bank Fraud in violation of Title 18, United States Code, Section 1349, and Bank Fraud, in violation of Title 18, United States Code, Section 1344.



Melinda C. Molina  
Special Agent  
Federal Bureau of Investigation

Sworn and subscribed before me this 10<sup>th</sup> day of April, 2015.



GREGORY A. WHITE  
UNITED STATES MAGISTRATE JUDGE