

# BANKING WITH CRIMINAL GANGS



# PRESENTED BY:



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# BIOGRAPHY

- 12 years fire/rescue, Nationally Registered Emergency Medical Technician, Hazardous Materials Operations.
- 6 years as a Correctional Deputy in Maryland
  - Instructor
  - Honor Guard
  - Intake Officer
  - Tactical Neutralization Team
  - Fire Safety Officer
  - Field Training Officer
  - Maximum Security Housing Unit Officer with contractual agreement with the United States Marshals
- 7 years sworn Law Enforcement
  - Instructor (Narcan, Crisis Intervention Team, Taser, CPR/AED/First Aid, Bloodborne Pathogens, General State In-Service)
  - NC Advanced Law Enforcement Certification
  - Field Training Commander
  - Patrol Division: Highest Rank - Corporal
  - Detective – Gang Investigations Unit
  - Certified Gang Specialist (NCGIA)
- Law Enforcement Instructor School – FBI
- 2013 SSAC National Award Recipient

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This presentation does not discriminate against any person based on their sex, race, or religious beliefs. The information contained in this presentation is used as a general guide and it is not the primary source of identification of gangs. This presentation is intended to inform the target audience of basic gang awareness and the criminal nexus that they utilize for financial gain. This information is unclassified. At the conclusion of this presentation you will not be deemed a subject matter expert on the topic.

# LEARNING OBJECTIVES

- Define the term “criminal gang” in accordance with North Carolina General Statute
- Identify the reasons that someone would join a gang
- Identify recruiting techniques and gang structure
- Identify various types of national gangs
- Discuss common gang signs, symbols, dress, and terminology
- Discuss financial funding for criminal gangs

# DEFINITION OF THE TERM: CRIMINAL GANG

## HOUSE BILL 138 AND NC GENERAL STATUTE §14-50.16A

Criminal gang – any ongoing organization, association, or group of three or more persons, whether formal or informal, that (i) has as one of its primary activities the commission of criminal or delinquent acts and (ii) shares a common name, identification, signs, symbols, tattoos, graffiti, attire, or other distinguishing characteristics, including common activities, customs, or behaviors.

# REASONS TO JOIN A GANG



PROTECTION  
POVERTY  
EMOTIONAL NEEDS  
SOCIAL SUPPORT  
ACCEPTANCE  
SENSE OF BELONGING  
APPEARS GLAMOROUS  
LEARNED BEHAVIOR  
PEER PRESSURE



# Traditional Criminal Gangs

Formerly referred to as “Street Gangs”



# RECRUITING

- Recruitment is the most prevalent in a correctional setting for protection.
- Recruiting begins as early as middle school between the ages of 10 and 13. At this age children are more impressionable and have a great need to belong or be a part of something. A gang lifestyle is often something that is witnessed from a family member.
- Members can be beat / jumped or blessed in / grandfathered in (through long time affiliation or “putting in work”, and females can also be “sexed in”.

## NC GENERAL STATUTES

§ 14-50.17. Soliciting; encouraging participation

§ 14-50.18. Soliciting; encouraging participation; minor

§ 14-50.19. Threats to deter from gang withdrawal

# GANG STRUCTURE

Set – a nationally recognized criminal gang

Subset / Subgroup – smaller groups that are broken off from a set that still follow the rules governing the set, however they can also have their own rules that are unique to their subgroup, so long as it is approved by the original set.

**Example:** People Nation is the set. United Blood Nation (U.B.N.) is the subset and 9 Trey Gangsta Blood is a clique.

Gang members have statuses and roles. While the names for these statuses vary widely across gangs, they include:

Original Gangsta (O.G.)

Big Homie

Gangsta (G)

Young Gangsta

Associate or Baby Gangsta

Wannabe

# TYPES OF GANGS

## PEOPLE NATION

UNITED BLOOD NATION

LATIN KINGS

NORTENOS

SURENOS

## FOLK NATION

CRIPS

GANGSTER DISCIPLES

## ETHNIC GROUPS

VATOS LOCOS

YAKUZA

## EXTREMISTS

WHITE ARYAN NATION

ARYAN BROTHERHOOD

KLU KLUX KLAN (KKK)

SOVERN CITIZENS

## OUTLAW MOTORCYCLE GANGS

HELLS ANGELS

PAGANS

MONGOLS

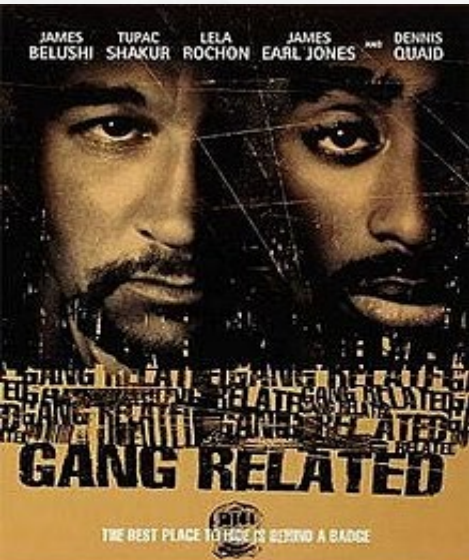
OUTLAWS

WARLOCKS

BANDIDOS

IRON HORSEMEN

# GLORIFIED GANG ACTIVITY



# GANG DRESS AND COLORS

## Colors/Gang Flags



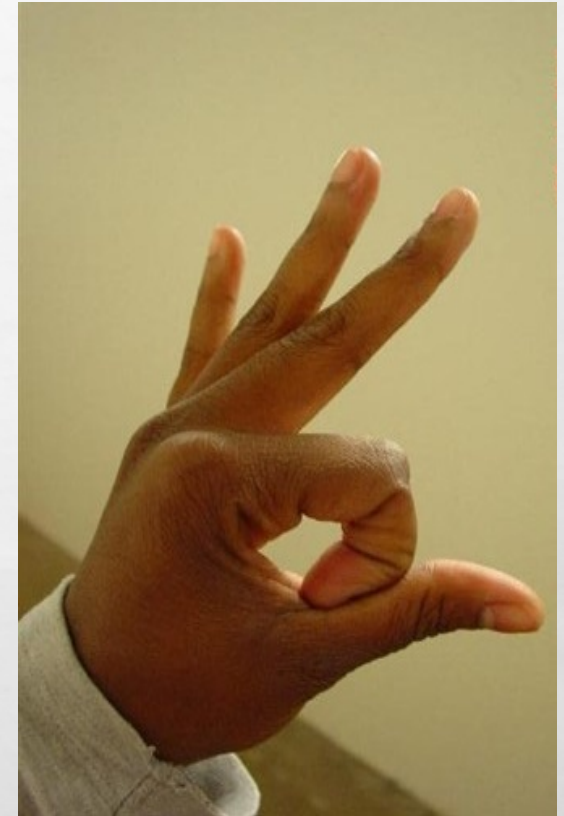
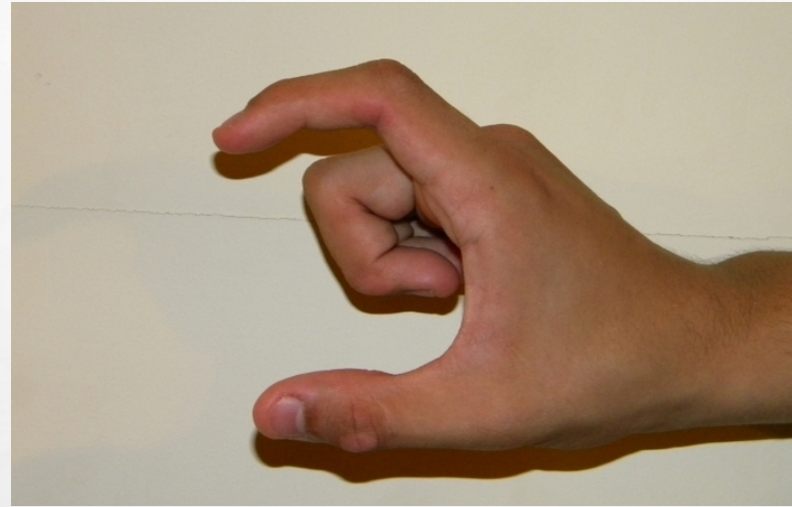
## Sports Apparel



## Local Gang Clothing Lines



# HAND SIGNS



# TATTOOS





# GRAFFITI



# MARA SALVATRUCHA

- MS-13 (Mara Salvatrucha translated to Salvadoran Street Posse).
- They originated in Los Angeles, Ca, but they have organized leadership in El Salvador.
- 30,000 members worldwide and 8,000 to 10,000 members in the U.S.
- In 2012 the U.S. Department of Justice designated MS-13 as a transnational criminal organization. They are the first and only criminal gang with this designation.



# MS-13 (CONTINUED)

Early MS-13 members were reportedly devil worshipers. They used Satanic nicknames, tattoos, and other cult images such as the devil horns hand sign known as “la garra”, which translated means “Satan’s Claws”.



# CRIMINAL MOTIVE



Narcotics Sales

Weapons Offenses

Murder

Assault

Theft

Property Crime

Extortion

Robbery

# TURNING TO FINANCIAL CRIMES

North Carolina Gang Investigator's Association (NCGIA) regional task force meetings have revealed that criminal gangs have shifted their focus from weapons and narcotics sales as a primary source of income to financial crimes due to increased organized crime task forces like R.I.C.O., O.C.D.E.T.F., and undercover law enforcement operations.

**Less risk...more reward!!!**



**83 Blood gang members indicted in massive roundup  
Charlotte, NC**

*Photo and article from the Charlotte Observer*

# TYPES OF FINANCIAL CRIMES

## Fraud Affidavits

Criminal gang members, associates, and girlfriends/wives of gang members will file transaction disputes as a means to defraud banks and credit unions. They have also been identified opening a credit card only to max the card out and have their significant other file an identity theft affidavit.

Form <b>14039</b> (April 2017)	Department of the Treasury - Internal Revenue Service <b>Identity Theft Affidavit</b>	OMB Number 1545-2139
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Complete this form if you need the IRS to mark an account to identify questionable activity.

**Section A - Check the following boxes in this section that apply to the specific situation you are reporting** *(Required for all filers)*

1. I am submitting this Form 14039 for myself

2. This Form 14039 is submitted in response to a 'Notice' or 'Letter' received from the IRS

- Please provide 'Notice' or 'Letter' number(s) on the **line to the right** \_\_\_\_\_
- Please check box 1 in **Section B** and see special mailing and faxing instructions on reverse side of this form.

3. I am submitting this Form 14039 on behalf of my 'dependent child or dependent relative'

- Please complete **Section E** on reverse side of this form.
- Caution:** If filing this on behalf of your 'dependent child or dependent relative', filing this form will protect his or her tax account but it will **not** prevent the victim in **Section C** below from being claimed as a dependent by another person.

4. I am submitting this Form 14039 on behalf of another person *(other than my dependent child or dependent relative)*

- Please complete **Section E** on reverse side of this form.

**Section B - Reason For Filing This Form** *(Required)*

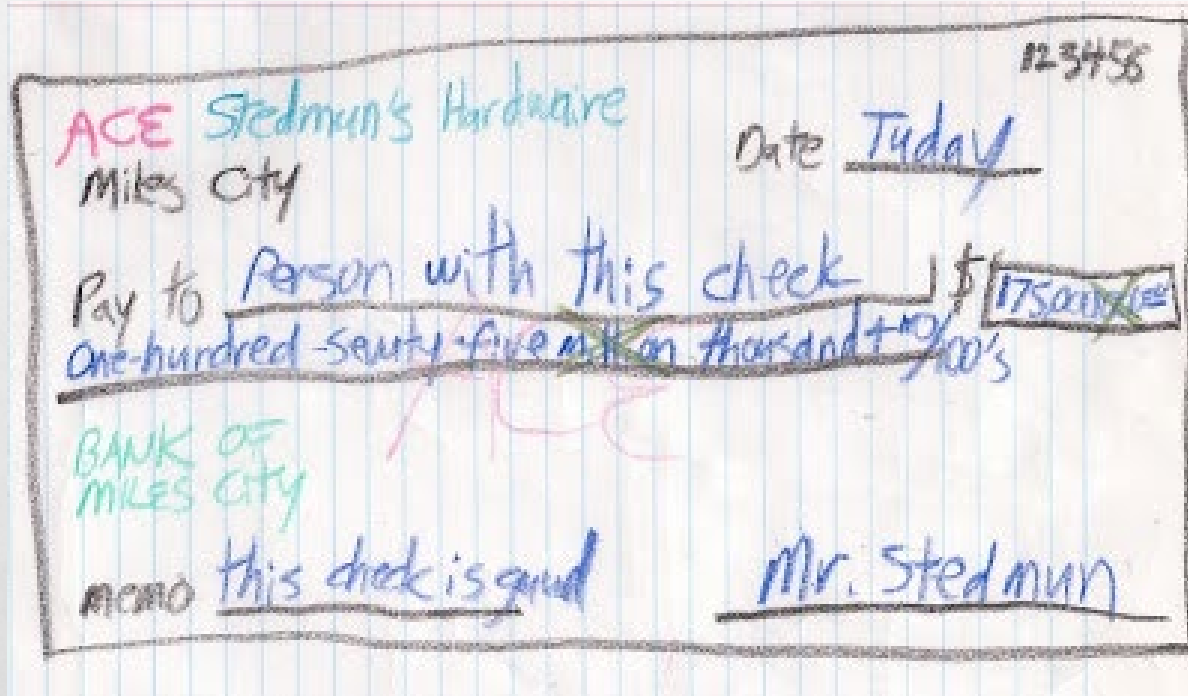
Check only **ONE** of the following boxes that apply to the person listed in **Section C** below.

1. Someone used my information to file taxes

2. I don't know if someone used my information to file taxes, but I'm a victim of identity theft

Please provide an explanation of the identity theft issue, how you became aware of it and provide relevant dates.  
If needed, please attach additional information and/or pages to this form.

# TYPES OF FINANCIAL CRIMES



## Check Fraud

Altered/fictitious checks or the forgery and uttering of stolen checks from home invasions and larcenies.

# TYPES OF FINANCIAL CRIMES

## Identity Theft

Opening accounts with stolen or fictitious identities, manufacturing credit/debit cards, ATM skimmers/shimmers, and applying and defaulting on loans.

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AS A YOUNG CHILD MY  
MOTHER TOLD ME I CAN  
BE ANYONE I WANT TO BE

---

TURNS OUT THIS IS  
CALLED IDENTITY THEFT



# TYPES OF FINANCIAL CRIMES



## Forged / Fake Currency

Movie production currency is primarily used in conjunction with forged bills. The currency is passed at merchants, financial institutions, and it is used to defraud hand to hand purchases of narcotics and merchandise traded using online venues such as Craigslist and Facebook yard sale pages.

# TYPES OF FINANCIAL CRIMES

Known gang member accused of robbing seller through Facebook Marketplace, police say



## Violent Fraud

Strong armed robbery from Craigslist/Facebook sales negotiated from fictitious accounts.



# Outlaw Motorcycle Gangs

1%ers

OMG / OMC



Outlaw Motorcycle Gangs

# OUTLAW MOTORCYCLE GANGS

- COMMONLY REFERRED TO AS A **ONE PERCENTER** OR O.M.G. / O.M.C. (A COMMENT BY THE AMERICAN MOTORCYCLIST ASSOCIATION THAT 99% OF MOTORCYCLISTS WERE LAW-ABIDING CITIZENS, IMPLYING THE LAST ONE PERCENT WERE OUTLAWS)
- STRUCTURED ORGANIZATIONS WITH LEADERSHIP AND RANK
- WILL IDENTIFY THEMSELVES WITH CUTS, JACKETS, PATCHES, AND TATTOOS
- PRIMARY CRIMINAL ACTIVITIES INCLUDE; WEAPONS OFFENSES, ASSAULT, MONEY LAUNDERING, AND NARCOTICS SALES
- THEY HAVE ETHNICITY REQUIREMENTS AS WELL AS MAKE, MODEL, AND STYLE OF MOTORCYCLE RESTRICTIONS TO JOIN

# O.M.G. RANK STRUCTURE

FOUNDER

PRESIDENT

VICE PRESIDENT

SERGEANT AT ARMS

ROAD CAPTAIN

SECRETARY

TREASURER

ENFORCER

CHAPLAIN

MEMBER

PROSPECT

HANG AROUND



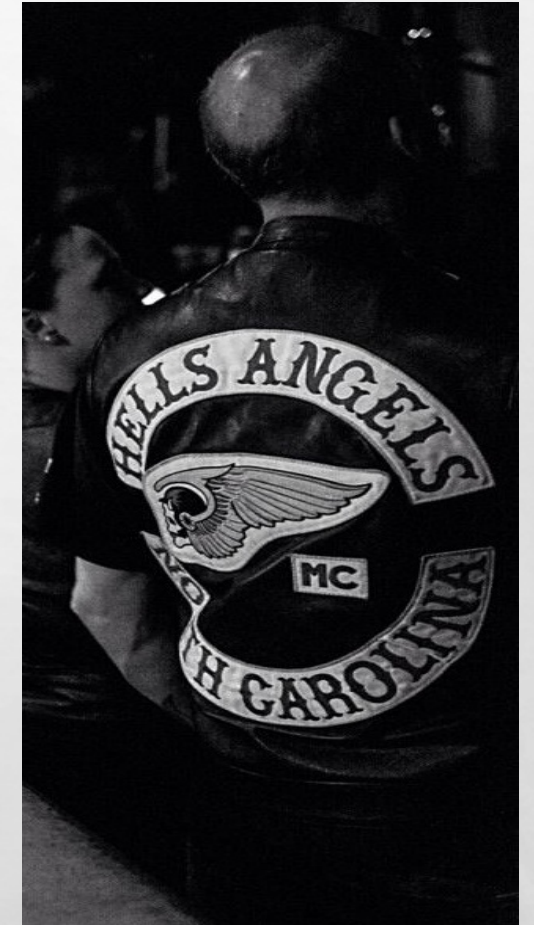
# STANDARD THREE PIECE PATCH

TOP PATCH INDICATES WHICH CLUB (EX. PAGAN, HELLS ANGELS, ETC.)

MIDDLE PATCH IS THE CLUB LOGO

BOTTOM PATCH INDICATES WHICH CHAPTER/STATE THE BIKER IS FROM

**NOT ALL MOTORCYCLISTS THAT WEAR  
THIS STYLE OF JACKET IS A ONE  
PERCENTER**



# CRIMINAL MOTIVE

DRUG TRAFFICKING

ASSAULT

EXTORTION

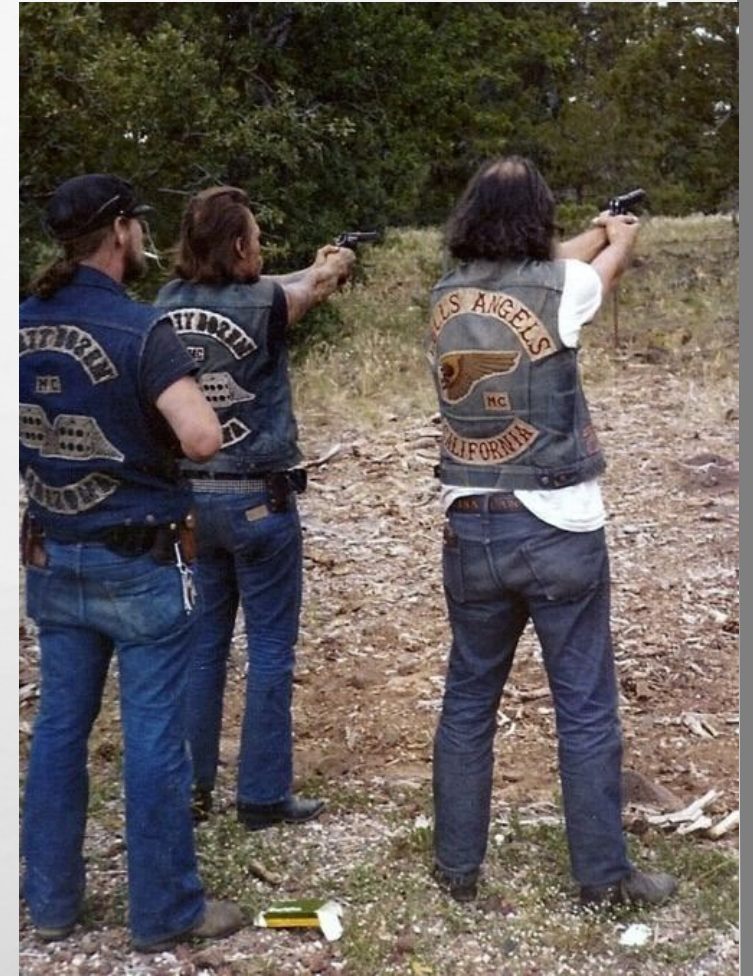
DRUG MANUFACTURING

THEFT

HOMICIDE

MONEY LAUNDERING

WEAPONS OFFENSES



# CRIMINAL MOTIVE

## Additional drug, gun charges against Pagan's MC member



A convicted felon and Pagan's motorcycle gang member in jail on drug charges had additional drug and firearm charges added this week.

Michael Lee Phelps, 51, of Hannah Court Jacksonville, was charged Monday by the Onslow County Sheriff's Office with possession of a stolen firearm (44-caliber revolver), possession of a firearm by a felon and manufacturing methamphetamine, according to warrants.

Phelps was first arrested June 19 as part of a drug investigation and charged with two counts of trafficking methamphetamine by possession, trafficking methamphetamine by manufacture, trafficking hydrocodone by possession, possession with intent to manufacture, sell or deliver methamphetamine, maintaining a dwelling for a controlled substance and possession of drug paraphernalia.

Phelps remains in custody at the Onslow County detention center under \$2.1 million bond.

Phelps has previously been convicted in Kentucky on felony cocaine trafficking charges.



# TYPES OF FINANCIAL CRIMES

The primary *financial crime* that Outlaw Motorcycle Gangs engage in is **Money Laundering**.

OMGs will host charitable events, community events, and fundraisers as a means to substantiate illegally obtained money through alcohol, narcotics, and weapon sales.



# TYPES OF EVENTS

- **NO RATS PARTY** – HELD ONCE A YEAR WITH THE PURPOSE OF RAISING MONEY FOR BROTHERS (FELLOW PAGANS) WHO ARE INCARCERATED. MONEY IS RAISED BY CONDUCTING 50/50 RAFFLES AND SELLING EVENT T-SHIRTS.
- **SPRING PARTY** – THE ANNUAL PAGAN PARTY, WHICH IS HELD AT A CLUBHOUSE. NON-PAGANS ARE PERMITTED TO ATTEND. THEY HOLD A 50/50 RAFFLE AND SELL TICKETS AT THE DOOR AS AN ENTRANCE FEE AND YOUR TICKET ALSO PAYS FOR YOUR FOOD.
- **ANNIVERSARY PARTY** – HELD AROUND SUPER BOWL TIME ANNUALLY FOR CERTAIN CHAPTERS. IT IS A PARTY CELEBRATING THE FOUNDING DATE OF THE PARTICULAR PAGAN CHAPTER.

Hubert, NC Untamed Rebels Clubhouse



Bikes, Babes, &  
Beer

@TripleBsixteen

Triple B's  
400 Fontana Blvd.  
Havelock, NC

Pagan Identification

# FINANCIAL MONITORING



Monitoring business accounts (bars/clubs) for large deposits with the equally large immediate withdrawals occurring at the same times in a calendar year. This will be indicative of the fundraiser events that we discussed.

They are filtering the money directly through the banking system and pulling the proceeds back out to generate a legal paper trail. Most OMGs prefer to deal in cash.

**\* IRS investigators will be your best source for these types of investigations \***

# TAKE AWAY - Law Enforcement

- Field Interviews
- Gang Member Validation
- Enhanced Criminal Penalty
  - Standalone Charges
  - Search Warrant Language
  - Confiscation of Evidence
- Case Transfer to Federal Jurisdiction

# TAKE AWAY - FINANCIAL INSTITUTIONS

- Use the tools from this presentation strictly to monitor accounts and conduct internal investigations. It is not against the law for someone to be a gang member. You will have accounts from gang members that do not display fraud, AML, etc.
- SAR filing requirements – good narrative.
- Consider marking the individual as a “high risk account” and add them to your institutional watch list.
- Perform enhanced due diligence.
- Site visits for business accounts – do not go alone.
- Account activity that indicates narcotics involvement may include purchases from hardware stores, pharmacies, and retail merchants. (baggies, batteries, Pseudoephedrine, cutting agents, etc.)

# QUESTIONS



*Thank You*