



IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA

Newport News Division

UNITED STATES OF AMERICA	)	
	)	
v.	)	No. 4:17cr118
	)	
MARLON MCKNIGHT,	)	
	)	
Defendant.	)	

STATEMENT OF FACTS

By signing below, the parties stipulate that the allegations in the indictment and the following facts are true and correct, and that had the matter gone to trial the United States would have proven them beyond a reasonable doubt, by competent and admissible evidence.

1. Langley Federal Credit Union ("LFCU") is a member-owned, not-for-profit financial cooperative chartered and regulated under the authority of the National Credit Union Administration ("NCUA"), which administers the National Credit Union Share Insurance Fund. LFCU is, therefore, a credit union with accounts insured by the National Credit Union Share Insurance Fund.

2. LFCU is a member of a shared branching network that maintains shared-branch locations throughout the United States and, thus, is a financial institution engaged in, and the activities of which affect, interstate and foreign commerce.

3. LFCU accepts applications for LFCU membership through, among other means, its Internet-connected website. Among other accounts and services, LFCU offers its members consumer loans, including but not limited to vehicle and personal loans. LFCU also accepts online applications for such consumer loan accounts.

mom  
red JE

4. Among other information, LFCU requires applicants for membership and consumer loans to provide various means of identification, as defined in Title 18, United States Code, Section 1028(d)(7), including the applicant's name, date of birth, and social security number. For vehicle loans, LFCU further requires vehicle information, including the year, make, model, and vehicle identification number ("VIN") of the vehicle identified as collateral for the loan. The truth and accuracy of this information is material to LFCU's decisions to open, approve, and issue such memberships and consumer loans.

5. In approximately July 2016, LFCU investigators requested assistance from the United States Postal Inspection Service and the Newport News Police Department in reference to a possible loan fraud scheme. According to LFCU, in the preceding months, they had received numerous online membership and consumer loan applications in the names of stolen identities. LFCU reported that they had approved and issued the requested memberships and loans prior to determining that they had been sought using the stolen personal identifying information of others. LFCU further reported disbursing loan proceeds via checks and transfers into the checking and savings accounts opened through these fraudulent applications. Specifically, vehicle loan proceeds were disbursed by checks made payable to individuals posing as vehicle sellers, including MARLON MCKNIGHT, the defendant herein, while personal loan proceeds were disbursed to LFCU accounts opened in connection with the fraudulent loan applications. LFCU determined that, following these disbursements, various individuals, including the defendant, accessed and withdrew the fraudulently obtained loan proceeds. In the case of vehicle loans, the individuals falsely identified as vehicle sellers, including the defendant, in the fraudulent loan applications had presented the check disbursements for cashing at LFCU branches located in the Eastern District of Virginia. In the case of personal loans, the

fraudulently obtained proceeds had been electronically transferred in various increments to LFCU accounts belonging to other individuals and immediately withdrawn by the holders of those accounts in series of transactions, also conducted at LFCU branches located in the Eastern District of Virginia.

6. Investigators determined that many of the identity theft victims had been victims of the United States Office of Personnel Management data breach and resided in Colorado.

7. Review of LFCU records and surveillance images identified the defendant as an individual who had received and negotiated check disbursements of fraudulently obtained vehicle loan proceeds as well as obtaining the proceeds of personal loans.

8. On or about December 5, 2015, at an LFCU branch in Norfolk, Virginia, the defendant cashed check number 1220071 made payable to the defendant in the amount of \$19,500, which check was drawn on an LFCU vehicle loan account (ending in 5491-L50) that had been fraudulently opened in the name of D.P.

9. On or about December 7, 2015, at an LFCU branch in Hampton, Virginia, the defendant cashed check number 1168693 made payable to the defendant in the amount of \$8,000, which check was drawn on an LFCU vehicle loan account (ending in 5491-L50) that had been fraudulently opened in the name of D.P. and issued at the defendant's direction during the above-described transaction.

10. On December 10, 2015, LFCU received an online membership application in the name of K.B. K.B. is a real person who then resided in Colorado. The online membership application contained K.B.'s name, date of birth (\*\*/\*\*1967), and social security number (last four digits 4568). The application also included a copy of K.B.'s true Colorado Driver's License (last four digits 6789).



11. On December 11, 2015, LFCU received an online vehicle loan application in the name of K.B. This application similarly contained K.B.'s name, date of birth (\*\*/\*\*/1967), and social security number (last four digits 4568), as well as the LFCU membership number (last four digits 6072) assigned to K.B. upon LFCU's approval of the December 10, 2015 online membership application. The vehicle loan application requested a loan in the amount of \$22,000 for the stated purpose of "Vehicle Loan – Purchase."

12. That same day, an individual posing as K.B. completed and electronically signed an LFCU Loan and Security Agreement and Disclosure Statement ("Security Agreement") falsely promising LFCU a security interest in a 2013 Nissan Armada (VIN ending in 8745) valued at \$37,000, which vehicle was identified as collateral for the loan requested in K.B.'s name. Along with the Security Agreement, LFCU received via facsimile transmission a forged and counterfeit Certificate of Title for Vehicle purportedly issued by the Commonwealth of Virginia Department of Motor Vehicles ("Title"), which Title falsely identified co-conspirator ERICA LATIN-HUNTER as the registered owner of the 2013 Nissan Armada (VIN ending in 8745) listed on the Security Agreement. In truth and fact, LATIN-HUNTER did not own and was not otherwise authorized to sell this vehicle, but was directed to participate in these fraudulent transactions by the defendant.

13. As a result of the vehicle loan application, execution of the Security Agreement, and submission of the counterfeit and forged Title, LFCU approved and issued a vehicle loan in K.B.'s name in the amount of \$37,000 (account ending in 6072-L50). LFCU disbursed the proceeds of this loan on December 11, 2015 via check number 1220114. This check was made payable to LATIN-HUNTER in the amount of \$37,000 with a memo stating its purpose as "re: [K.B.] 2013 Nissan." As requested, LFCU mailed and shipped this check via U.S. mail and/or

private commercial interstate carrier to an address in Hampton, Virginia, within the Eastern District of Virginia, which had been falsely identified in the documents submitted to LFCU as K.B.'s true address.

14. On December 12, 2015, LATIN-HUNTER entered an LFCU branch located on Granby Street in Norfolk, Virginia and, posing as the seller of the 2013 Nissan Armada described herein, presented and cashed check number 1220114. At LATIN-HUNTER's request, LFCU gave her \$14,990.00 in cash—that is, \$15,000 less LFCU's \$10 non-member check cashing fee. Also at LATIN-HUNTER's request, LFCU issued check number 1168728 for the remainder of the vehicle loan proceeds. This check was made payable to LATIN-HUNTER in the amount of \$22,000. LATIN-HUNTER was captured by LFCU surveillance equipment conducting this transaction.

15. On December 14, 2015, LATIN-HUNTER entered an LFCU branch located on Aberdeen Road in Hampton, Virginia and presented and cashed check number 1168728. LATIN-HUNTER received \$21,990.00 in cash—that is, \$22,000 less LFCU's \$10 non-member check cashing fee. LATIN-HUNTER was captured by LFCU surveillance equipment conducting this transaction.

16. Following the events described herein, K.B. received a letter from LFCU stating that his/her vehicle loan had a past due balance. K.B. contacted LFCU and advised that s/he had never opened an account nor applied for a loan with LFCU. When asked how someone might have obtained his/her identifying information, including his/her driver's license, K.B. advised that s/he had been a victim of the Office of Personnel Management ("OPM") breach. After speaking with an LFCU fraud investigator, K.B. reported the theft and use of his/her identity to the Colorado Springs Police Department, began dispute processes with credit bureaus concerning

the LFCU loan, and executed a notarized identity theft affidavit with the Federal Trade Commission.

17. With respect to the allegations in Count 21 of the Superseding Indictment, on or about June 23, 2016, in the Eastern District of Virginia, the defendant, aided and abetted by others, caused the use of the name, date of birth (\*\*/\*\*/1983) and social security number (last four digits 9500) of M.B., a real person, in the fraudulent application and opening of LFCU membership (last four digits 3294), savings account (ending 3294-S1), checking account (ending in 329-S11) and personal loan (ending in 3294-L51).

18. On June 28, 2016, at an LFCU branch in Hampton, Virginia, the defendant caused the withdrawal of \$2,500 from LFCU checking account (ending in 9009-S14) following the transfer of \$3,800.00 of fraudulently obtained personal loan proceeds from an LFCU checking account (ending in 3294-S11) fraudulently opened in the name of M.B.

19. On June 29, 2016, at an LFCU branch in Hampton, Virginia, the defendant caused the withdrawal of \$900 from LFCU checking account (ending in 9009-S14) following the transfer of \$3,800.00 of fraudulently obtained personal loan proceeds from an LFCU checking account (ending in 3294-S11) fraudulently opened in the name of M.B.

20. On March 16, 2018, the defendant was interviewed by law enforcement after the administering of *Miranda* warnings. Among other things, the defendant acknowledged that he was the individual depicted in various LFCU surveillance photos and admitted that he did cash a check. The defendant admitted that he conducted various transactions after being introduced to an individual who provided instructions as to how to conduct the transactions. The defendant admitted that he recruited others to conduct transactions as well. The defendant admitted to



receiving \$3,000 to \$3,500 per transaction and that he was instructed to wire the rest of the money to different individuals. The defendant stated he thought the transfers went to Colorado.


21. The defendant stipulates that all of the events described occurred in the Eastern District of Virginia.

22. The defendant further stipulates and agrees that his participation in the events described was undertaken knowingly, intentionally, and unlawfully and not as a result of an accident, mistake or other innocent reason. The defendant acknowledges that the foregoing statement of facts does not describe all of the defendant's conduct relating to the offense charged in this case nor does it identify all of the persons with whom the defendant may have engaged in illegal activities.

Respectfully Submitted,

G. ZACHARY TERWILLIGER  
UNITED STATES ATTORNEY

By:



Brian J. Samuels  
Assistant United States Attorney

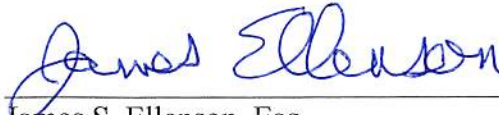


After consulting with my attorney, I hereby stipulate that the above Statement of Facts are true and accurate, and that had the matter proceeded to trial, the United States could prove these facts beyond a reasonable doubt.



MARLON MCKNIGHT  
Defendant

I am counsel for MARLON MCKNIGHT. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.



James S. Ellenson, Esq.  
Counsel for the Defendant

mom JE  
for