

Department of Justice

U.S. Attorney's Office

District of Maryland

FOR IMMEDIATE RELEASE

Wednesday, May 3, 2023

Baltimore Man Sentenced to Almost Five Years in Federal Prison in Relation to a Counterfeit Card Encoding Scheme

Defendant Used the Re-encoded Gift Cards to Sell Fuel to Truck Drivers in Exchange for Cash at Half-Price

Baltimore, Maryland – U.S. District Judge George L. Russell, III sentenced Leroy Holmes, age 62, of Baltimore, Maryland, to 57 months in federal prison, followed by three years of supervised release, for bank fraud in connection with a scheme to re-encode credit cards, debit cards and gift cards with the stolen financial information of multiple victims to make fraudulent purchases in the victims' names and without their knowledge or permission. Holmes used the cards to purchase fuel for truckers at half price, in exchange for cash. Judge Russell also ordered that Holmes must pay restitution in the full amount of the victims' losses, which is at least \$212,000 and must forfeit electronic equipment including several cell phones, laptop computers and hard drives, as well as pay a money judgment of \$106,032. The sentence was imposed on May 1, 2023.

The sentence was announced by United States Attorney for the District of Maryland Erik L. Barron; Special Agent in Charge James C. Harris of Homeland Security Investigations (HSI) Baltimore; Postal Inspector in Charge Damon E. Wood of the U.S. Postal Inspection Service - Washington Division; Special Agent in Charge Ross Luciano of the United States Secret Service - Baltimore Field Office; Acting Special Agent in Charge Troy W. Springer of the National Capital Region of the U.S. Department of Labor's Office of Inspector General ("DOL-OIG"); Chief Robert McCullough of the Baltimore County Police Department; and Anne Arundel County Police Chief Amal E. Awad.

According to his plea agreement, from October 2019 to March 2022, Holmes defrauded financial institutions by creating and using counterfeit credit and debit cards by making unauthorized copies of the cards and reprogramming them, using the real banking information of victims, to fraudulently register as the victims' credit or debit cards when used. Holmes then used the re-encoded cards to make fraudulent purchases without authority from cardholders or financial institutions, specifically to purchase gas for truckers at a discount at gas stations in Maryland and Pennsylvania in exchange for cash, typically half the total price of the fuel.

Some of the counterfeited credit and debit cards created and used by Holmes contained unemployment insurance benefits provided to victims from the state of California and were used without each victim's knowledge or permission. Holmes created or used at least 594 counterfeit credit and debit cards, resulting in a loss of at least \$212,000 to financial institutions, businesses and cardholders.

United States Attorney Erik L. Barron commended HSI, USPIS, the Secret Service, the DOL-OIG, the Baltimore County Police Department, and the Anne Arundel County Police Department for their work in the investigation. Mr. Barron thanked Assistant U.S. Attorneys Evelyn L. Cusson and Joyce K. McDonald, who prosecuted the federal case.

For more information on the Maryland U.S. Attorney's Office, its priorities, and resources available to help the community, please visit <https://www.justice.gov/usao-md> and <https://www.justice.gov/usao-md/community-outreach>. For more information about resources available to report fraud, please visit <https://www.justice.gov/usao-md/report-fraud>.

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Topic(s):
Financial Fraud

Component(s):
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