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# Secret Service: Restaurant waiters key players in area credit card scam

By **Freeman Klopott**

Examiner Staff Writer 3/29/09



Six servers at several Washington-area high-end restaurants stand accused of stealing credit card numbers from customers and running up a \$750K tab at stores like Gucci. (Matthew A. Roth/For The Examiner)

Waitstaff at several Washington-area high-end restaurants stole credit card numbers from customers and ran up a \$750,000 tab at stores like Gucci and Barney's of New York, federal authorities said in court documents.

Six servers have been implicated by the Secret Service in the operation, which comes as some investigators are concerned the recession will stretch law enforcement budgets, providing credit card fraudsters with the space they need to operate.

"Credit card crime is almost seen as a victimless crime," said John Cutler, president of the private financial fraud investigative firm Beau Dietl and Associates, adding that insurance companies typically pay for fraudulent charges. "As police department budgets drop, it's likely investigators will get pulled away from credit fraud and put on more violent crimes."

The customers victimized at the District's M&S Grill, 701 Restaurant, Clyde's of Gallery Place and Bowie's Carrabba's Italian Restaurant, as well as National Harbor's main hotel and Gaylord National Hotel, are not alone. Similar scams have cropped up nationwide.

In New Orleans, a waitress at Bubba Gump Shrimp Seafood Co. was charged last week with selling up to 50 customers' credit card information, The Times-Picayune reported. The waitress sold the numbers for \$220 apiece to two men who provided her with a machine used to scan the credit cards. In January, a Buffalo, N.Y., man was convicted of hiring several cashiers at local restaurants and a department store to steal customers' credit card information, the Buffalo News reported.

Secret Service investigators cracked the Washington-area scheme after customers began complaining to their banks of unauthorized charges on their cards, Secret Service Special Agent Philip Soto wrote in a sworn statement filed in Alexandria's federal court. Soto discovered patterns in the charges that led him to the restaurants, where managers helped him trace the stolen information back to specific servers.

"Every employee has a unique number they put into the register before ringing up a charge," Clyde's of Gallery Place manager Paul Walker told The Examiner. "With that system in place, we can point back to an employee very quickly. ... It's very traceable."

At the other restaurants, Soto wrote, similar systems were in place that helped investigators trace the stolen information back to the six waiters and waitresses. Management at M&S Grill and Gaylord said they were cooperating with investigators and declined further comment. The other restaurants declined to comment.

Three men who allegedly bought the numbers from the servers — Joseph Artemus Bush, Aarron D. Gilbert and Erick V. Burton — used the information to create counterfeit credit cards that were used at area stores, Soto wrote. The men were caught on tape using the bogus cards to either buy items at stores like Target or gift cards at CVS that they later spent at Barney's and Gucci in Chevy Chase.

Secret Service spokesman Darrin Blackford declined to comment on the investigation, but said he wasn't aware of agents uncovering financial fraud that was directly "attributable to the economy."

Cutler, however, said, "We're only beginning to see the economic pain of the financial crisis. ... The cutbacks are just starting now.

"Municipalities will try not to cut back law enforcement, but there's only so much in the balloon," he said. "At some point it will have to pop."

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#### AT A GLANCE:

» Since its establishment in 1865, the Secret Service's mission has extended from protecting the president to investigating counterfeiting of U.S. currency and other financial crimes.

» In 1984, the agency's responsibilities expanded to include crime that involves financial institution fraud, telecommunications fraud, false identification documents and credit card fraud.

The servers who have been charged are:

Jamaal Snowden: Clyde's  
Lavelle Denise Payne: 701 Restaurant  
Shannon Eileen McLaughlin: M&S Grill  
Simone Carrie Diane Folk: M&S Grill  
Information: [secretsservice.gov](http://secretsservice.gov)

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## Reader Comments:

POSTED Mar 30, 2009

**Silky:** "good! i'm glad the customers were observant to the charges, glad the secret service is on top of this, and glad the restaurant managers were cooperative. hope these crooks get lots of jail time and will turn their lives around while they still have a chance."

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POSTED Mar 30, 2009

**Silky:** "just to add another comment to the one i just posted: people work hard for their money, and the recession/economic situation that we're all facing is no reason or excuse to steal from someone."

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POSTED Mar 30, 2009

**Got Burned:** "I hope they throw the book at these creeps"

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POSTED Mar 30, 2009

**Got Burned II:** "You know, I just realized something. Why is half this article about the cops not having enough money to pursue this type of crime? I was one of the victims here, and I had to talk to four law enforcement people before one took any interest in my crime. I think the police have a lot of people working for a paycheck and not protecting this city. It's just a job to them. That's why, instead of talking about the arrest, they talk about getting more money. I think it sucks."

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POSTED Mar 30, 2009

**Screwed Over By Simone:** "I am glad they finally got busted. I hope Simone goes away for a really long time. As an aside, watch for all of these restaurants to close within the next six months, as no one wants to go someplace to eat and get robbed at the same time."

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POSTED Mar 30, 2009

**localchef:** "I hope they go to jail! Actions like this just ruin business for the rest of us. That's what sucks!"

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POSTED Mar 30, 2009

**J-Rock:** "I remember Joesph Bush was a "pizza boy" now he on bigger & better things. I guess tips from pizzas don't pay enough....LoL"

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POSTED Mar 30, 2009

**Puzzled:** "How come the Examiner even raised the question of the effect of the economy with the police or the Secret Service (near the end of the article)? Is the Examiner implying that the servers or the con men that were paying them were honest people who would not have done such a thing in good economic times? Come on! Those people were using the credit card information to buy luxury items--not food for their starving children! Honest people do not steal credit card information--ever! It's too bad it's considered a "victimless" crime too--we all eventually pay the price for higher insurance costs to cover fraud."

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POSTED Mar 30, 2009

**ClydesGuy:** "As an employee of Gallery place, and somone with the company for many years and in the industry for near 10. Its disgusting to me that someone within our company was doing this. It is relieving on some note that they were caught and i hope they get everything that can be thrown at them. As for your comment Screwed by Simone, im sorry for your troubles, but i can guarantee you my restaurant will remain. It does bring up concern for sure, but we are an established and reputable company. Although frustrating, this is an isolated incident at 1 of 13 locations. Just because we had a crook in our restaurant doesn't mean we have a restaurant of crooks."

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POSTED Mar 30, 2009

**fit821:** "They need to add Busboy and Poets located at 5th and K Streets NW to this list. They got me and I have not been back there since."

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POSTED Mar 30, 2009

**Foodservice Employee:** "I have worked in hotels for many years and am always amazed at how brazen some people will be when they decide to steal from a company or its patrons. the companies I have worked for have all had policies and prodecdures that flag certain patterns in cash handlers work. They audit banks and workers on a regular basis. It is nice to see Clyde's was willing to speak to the press and let the dining public that they are cooperative with law enforcement and pro-active in emplying a system that is capable of traking all transactions. these companies hit by this fraud are not to bleam but should be commended for helping to catch the thieves."

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POSTED Mar 30, 2009

**Any Fish:** "Why oh why is this unsecurable archaic credit card system still in use? Handing over an credit card is akin to handing over an signed cheque without the amount written in. But even that is more secure

than credit cards. So those who got burned: it was only a matter of time of when you would be."

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POSTED Mar 30, 2009

**inutterdisbelief:** "i asked a patient how he kept up his 2 grand coke habit while working as a mere waiter. He exploited his clients credit cards. So there U r this has been going on 4 a long long time. It s not going to stop. People like cash businesses to work at so they can take advantage of the money game. i could puke."

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POSTED Mar 30, 2009

**woody:** "Note to self: never ever pay for food at a restaurant with a credit card. Never. There are a lot of addicts in this town."

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