

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS
(Topeka Docket)**

UNITED STATES OF AMERICA,

Plaintiff,

v.

**TYLER GILLUM and
CAMDEN GILLUM,**

Defendants.

Case No. 19-40043-01/02-HLT

INDICTMENT

THE GRAND JURY CHARGES:

INTRODUCTION

1. At all relevant times, the Almena State Bank, with a principal office located at 500 Main, Almena, Kansas, was a banking institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.

2. At all relevant times, Landmark Bank, with a principal office located at 701 Poyntz Avenue, Manhattan, Kansas, was a banking institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.

3. At all relevant times, the Colorado East Bank and Trust, with a principal office located at 100 W, Pearl, Lamar, Colorado, was a banking institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.

4. At all relevant times, the Astra Bank, with a principal office located at 323 4th Street, Scandia, Kansas, was a banking institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.

5. At all relevant times, TBK Bank, with a principal office located at 12700 Park Central Drive Suite 1700, Dallas, Texas, was a banking institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.

6. At all relevant times Guaranty State Bank with a principal office located at 201 S. Mill, PO Box 607, Beloit, Kansas, was a banking institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.

7. At all relevant times The Bank with a principal office located at 205 S. Penn Ave., Oberlin, Kansas, was a banking institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.

8. The foregoing banks were “financial institutions” within the meaning of 18 U.S.C. §20(1) & (3), the deposits of which were insured by the Federal

Deposit Insurance Corporation, and as members of the Federal Home Loan Bank System.

BANKS AND BANKING:

9. Banks basically make money by lending money at rates higher than the cost of the money they lend. More specifically, banks collect interest on loans and interest payments from the debt securities they own, and pay interest on deposits, CDs, and short-term borrowings. The largest source by far of funds for banks is deposits; money that account holders entrust to the bank for safekeeping and use in future transactions, as well as modest amounts of interest. Generally referred to as "core deposits," these are typically the checking and savings accounts that so many people currently have. In most cases, these deposits have very short terms. While people will typically maintain accounts for years at a time with a particular bank, the customer reserves the right to withdraw the full amount at any time, otherwise known as Demand Deposit Accounts. Customers have the option to withdraw money upon demand and the balances are fully insured, up to \$250,000, therefore, banks do not have to pay much for this money. Many banks pay no interest at all on checking account balances, or at least pay very little, and pay interest rates for savings accounts that are well below U.S. Treasury bond rates.

10. The defendant **TYLER GILLUM** was formerly a loan officer for Montezuma State Bank (MSB), Montezuma, KS (FDIC # 12692). MSB was acquired by Bank 7, Oklahoma City, OK (FDIC # 4147) and as such was well familiar with banking and bank procedures. Subsequently, **TYLER GILLUM** and his wife **CAMDEN GILLUM** owned and operated the Plainville Livestock Commission Inc. (PLC), which maintained a website on the internet where they advise: “The salebarn facility was first established in 1950 and is situated in the heart of Cow-Calf Country. We pride ourselves in offering individualized attention to marketing your livestock. Plainville Livestock is conveniently located 23 miles north of I-70 on US Hwy 183, just ½ mile west of the US Hwy 183 & K18 junction in Plainville, KS. This location is along a route utilized for transporting livestock to major feedyards in Kansas, Nebraska, and Colorado.” Between January 2015 and August 2017, PLC reported earning revenues of \$4,820,664.40

BANK FRAUD SCHEME:

11. The term “check kiting” as used herein refers to a form of check fraud which involves taking advantage of the float--the time between presentment of a check and the actual receipt of funds--to make use of non-existent funds in a checking or other bank account. The purpose of check kiting is to falsely inflate the

balance of a checking account in order to allow written checks that would otherwise bounce to clear.

12. From on or about January 2015 to on or about August 2017, the defendants aided and abetted by each other and others known and unknown, devised a scheme to defraud the foregoing banks did knowingly execute and attempt to execute a material scheme and artifice to defraud a financial institution and to obtain any of the moneys and funds owned by and under the custody and control of a financial institution, by means of materially false and fraudulent pretenses, representations, and promises, well knowing that the pretenses, representations, and promises were materially false when made, using the following manner and means.

13. As part of the scheme to defraud, **TYLER GILLUM** wrote checks and made wire transfers between various accounts under his control, in increasing dollar amounts, and thus engaged in a scheme commonly known as check kiting, wherein checks were continually being written back and forth, in such a manner and at such times so as to artificially and fraudulently inflate the numerical balances in bank accounts under his control. This was done to manipulate the numerical balance in the accounts and thereby create the false and fraudulent appearance that defendants' had sufficient legitimate available funds in various

accounts, to trick the banks into honoring checks drawn against accounts with insufficient funds.

14. From on or about January 2015, to on or about August 2017, using wire transfers and writing and negotiating checks, defendant **TYLER GILLUM** sent more than \$2,000,000,000 through interstate facilities of banks, which were unfunded amounts and were the equivalent of obtaining bank money without obtaining actual properly secured loans. In the course of the aforesaid scheme, a total of a total of approximately 409 Wire Transfers and 7584 checks were transferred in execution of the scheme.

15. As a result of the scheme Landmark bank incurred a loss at one time in excess of \$10,000,000.

16. As a result of the scheme TBK Bank discovered a \$6,100,000 overdraft. TBK Bank turned this into an asset by making it a Promissory Note for \$6,137,857. Defendant **TYLER GILLUM** continued his check-kiting activities to pay down on the Promissory Note. He also took out a loan through an agency of the United States, the Small Business Administration (SBA) which was funded by Almena Bank and guaranteed by the SBA. In the application process for obtaining the loan **TYLER GILLUM** and **CAMDEN GILLUM** willfully and intentionally

omitted any mention of the promissory Note of \$6,137,857 financial obligation to TBK Bank.

Bank Fraud 1344(1) Counts 1-31

17. Paragraphs 1 through 16 are incorporated herein as though fully set forth

18. In or about the following dates, in the District of Kansas and elsewhere, the defendants,

**TYLER GILLUM and
CAMDEN GILLUM,**

for the purpose of knowingly executing and attempting to execute a material scheme and artifice to defraud financial institutions, the defendants, transacted more than \$2,000,000,000 in financial transactions, including but not limited to the following:

COUNT	FINANCIAL INSTITUTION	AMOUNT & TYPE OF TRANSACTION	DATE OF DEPOSIT
1	Guaranty State Bank	Check # 4696 for \$516,445	7/29/2016
2	Guaranty State Bank	Check # 4697 for \$483,555	7/29/2016
3	Guaranty State Bank	Check # 4698 for \$544,517	7/29/2016
4	Guaranty State Bank	Check # 4699 for \$455,483	7/29/2016
5	Guaranty State Bank	Check # 4700 for \$461,599	7/29/2016
6	Guaranty State Bank	Check # 4701 for \$538,401	7/29/2016
7	Guaranty State Bank	Check # 4702 for \$481,374	7/29/2016
8	Guaranty State Bank	Check # 4703 for \$518,626	7/29/2016

9	Guaranty State Bank	Check # 4704 for \$491,247	7/29/2016
10	Guaranty State Bank	Check # 4705 for \$508,753	7/29/2016
11	Guaranty State Bank	Check # 4706 for \$559,521.69	7/29/2016
12	CEBT	Check # 41782 for \$488,060	7/29/2016
13	CEBT	Check # 41783 for \$507,882	7/29/2016
14	CEBT	Check # 41784 for \$492,118	7/29/2016
15	CEBT	Check # 41785 for \$563,247	7/29/2016
16	CEBT	Check # 41786 for \$436,753	7/29/2016
17	CEBT	Check # 41787 for \$488,364	7/29/2016
18	CEBT	Check # 41788 for \$511,636	7/29/2016
19	CEBT	Check # 41789 for \$518,937	7/29/2016
20	CEBT	Check # 41790 for \$481,063	7/29/2016
21	Almena State Bank	Check # 52355 for \$583,792.17	7/21/2017
22	Almena State Bank	Check # 52356 for \$740,328	7/21/2017
23	Almena State Bank	Check # 52357 for \$978,861	7/21/2017
24	Almena State Bank	Check # 52358 for \$982,436	7/21/2017
25	Almena State Bank	Check # 52359 for \$976,770	7/21/2017
26	Almena State Bank	Check # 52360 for \$980,399	7/21/2017
27	Landmark National Bank	Check #7117 for \$978,416	7/21/2017
28	Landmark National Bank	Check #7118 for \$962,831	7/21/2017
29	Landmark National Bank	Check #7119 for \$943,728	7/21/2017
30	Landmark National Bank	Check #7120 for \$941,447	7/21/2017
31	Landmark National Bank	Check #7121 for \$890,951.95	7/21/2017

19. The foregoing are violations of Title 18, United States Code, Section 1344(1) and Title 18, United States Code, Section 2.

Count 32

20. Paragraphs 1 through 19 are incorporated herein as though fully set forth.

21. In or about August, 2016, in the District of Kansas, the defendants,

**TYLER GILLUM and
CAMDEN GILLUM,**

did willfully and knowingly falsify, conceal, and cover up by trick, scheme, and device, a material fact in a matter within the jurisdiction of the executive branch of the Government of the United States, to wit a loan of \$1,500,000 from the Small Business Administration, by concealing the material fact that they had an outstanding loan of \$6,137,857 from TBK Bank, Dallas, Texas.

22. The foregoing is in violation of Title 18, United States Code, Section 1001 and Title 18, United States Code, Section 2.

Count 33

23. Paragraphs 1 through 22 are incorporated herein as though fully set forth.

24. In or about November, 2016, in the District of Kansas, the defendants,

**TYLER GILLUM and
CAMDEN GILLUM,**

knowingly made a false statement for the purpose of influencing the action of Almena State Bank, whose deposits are insured by the Federal Deposit Insurance Corporation, in an application for a \$500,000 line of credit, in that they concealed the material fact that that they had signed a promissory note for \$6,137,857, in August 2016, to TBK Bank, Dallas, Texas.

25. The foregoing is in violation of Title 18, United States Code, Section 1014, and Title 18, United States Code, Section 2.

FORFEITURE ALLEGATION:

26. The allegations contained in Counts 1 through 33 of the Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 982(a)(2).

27. Upon conviction of any of the offenses identified in Counts 1 through 31 and Count 33, the defendants,

**TYLER GILLUM and
CAMDEN GILLUM,**

shall forfeit to the United States, any property constituting or derived from proceeds

the defendants obtained directly or indirectly as a result of such violations, including but not limited to a monetary forfeiture judgment in an amount equal to the proceeds obtained or derived, as attributable to each defendant from the commission of said Counts.

A TRUE BILL.

May 29, 2019
Date

s/ Foreperson
FOREPERSON OF THE GRAND JURY

s/Richard L. Hathaway, #07767
Assistant United States Attorney
for Stephen R. McAllister
United States Attorney
District of Kansas
444 S.E. Quincy, Suite 290
Topeka, Kansas 66683
Telephone: (785) 295-2850

[It is requested that trial be held in Topeka, Kansas.]