

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
) NO.
vs.)
)
WILLIAM GUM, a/k/a “Mal” and)
CHARLENA GUM, a/k/a “Charli,”)
)
 Defendants.)

INDICTMENT

The Grand Jury charges that, at all times relevant to the Indictment:

1. The Washington County Ambulance District (hereinafter referred to as the “District”) was a public governmental body established within the State of Missouri in order to provide ambulance services for the residents of Washington County, Missouri. The District operated through a Board of Directors.
2. The District maintained three bank accounts at Belgrade State Bank: a checking account, a money market account, and a building fund.
3. The District participated in the Medicare program and annually received more than \$10,000 in Medicare funds. Medicare is a federally funded medical insurance program for the elderly and disabled. The Medicare funds were deposited into the District money market account at Belgrade State Bank.
4. Until early 2015, a District Walmart Community Card bearing an account number ending in 8183 was available for purchases related to the District business. The charges from the Walmart card were paid by check from the District checking account.

5. A Capital One credit card bearing an account number ending in 0065 was available for purchases related to the District business. The charges from the Capital One credit card were paid by check from the District checking account.

6. WILLIAM GUM was employed by the Board of Directors as Administrator of the District. The terms, powers, authorities and duties of the Administrator were directed by the Board. As Administrator of the District, WILLIAM GUM was an employee of the District and, therefore, an agent of the District within the purview of Title 18, United States Code, Section 666(b).

7. CHARLENA GUM was an employee of the District and, therefore, an agent of the District within the purview of Title 18, United States Code, Section 666(b).

8. The Board set the salary of the Administrator, WILLIAM GUM, and authorized raises for WILLIAM GUM during the course of his employment as Administrator. As a salaried employee, WILLIAM GUM was not entitled to overtime pay and the Board did not authorize overtime pay for WILLIAM GUM.

9. As Administrator, WILLIAM GUM prepared payroll and withholding for all employees of the District, including himself.

10. Beginning on or before January 1, 2007, and during each following year, WILLIAM GUM paid himself a salary that was greater than the salary authorized by the Board. As a result of the fraudulently inflated salary paid to WILLIAM GUM, the District also paid additional benefits on behalf of WILLIAM GUM in the form of Federal Insurance Contributions Act (FICA) and Medicare payments.

11. The District used Anthem Health Insurance until December 31, 2016. The District paid for District employees' health insurance, however, did not cover insurance for employees'

dependents. WILLIAM GUM, as Administrator, was responsible for deducting the appropriate amount from employees' paychecks, including his own. WILLIAM GUM did not have the full amount of the dependent premium deducted from his paychecks. Between 2012 and 2016, WILLIAM GUM caused the District to pay more than \$20,000 in health care insurance premiums for WILLIAM GUM's dependents.

12. Beginning on or before January 1, 2012, WILLIAM GUM, made personal purchases using the District Walmart Community Card and the Capital One credit card and paid the credit card bills from the District bank account.

13. At various times during her employment with the District, CHARLENA GUM made personal purchases using the District Walmart Community Card. WILLIAM GUM paid the credit card bills out of the District checking account, knowing that the CHARLENA GUM made the purchases fraudulently.

14. The Walmart Community Card statements contained a detailed itemized listing of each item purchased on the card during the statement period. WILLIAM GUM received the credit card bills and routinely paid the bills from a District bank account, knowing that WILLIAM GUM, CHARLENA GUM, and others made significant personal purchases using the District credit card.

15. Between September 2, 2014, and November 29, 2014, WILLIAM GUM and CHARLENA GUM made unauthorized purchases of more than \$5,000 worth of merchandise and gift cards from Walmart using the District credit card. WILLIAM GUM wrote checks from a District bank account to pay for the purchases.

COUNT 1
Federal Program Theft, 18 U.S.C. § 666(a)(1)(A)

16. The allegations contained in paragraphs 1 to 15 above are restated and incorporated herein by reference.

17. In the period of twelve consecutive months between January 1, 2012 and December 31, 2012, in Washington County, in the Eastern District of Missouri, and elsewhere, the defendant,

WILLIAM GUM, a/k/a “Mal,”

being an agent of an organization that received more than \$10,000 in Federal program benefits in a twelve month period, embezzled, stole, and obtained by fraud money and property valued at \$5,000 or more and owned and under the care, custody and control of the Washington County Ambulance District. All in violation of Title 18, United States Code, Section 666(a)(1)(A).

COUNT 2
Federal Program Theft, 18 U.S.C. § 666(a)(1)(A)

18. The allegations contained in paragraphs 1 to 15 above are restated and incorporated herein by reference.

19. In the period of twelve consecutive months between January 1, 2013 and December 31, 2013, in Washington County, in the Eastern District of Missouri, and elsewhere, the defendant,

WILLIAM GUM, a/k/a “Mal,”

being an agent of an organization that received more than \$10,000 in Federal program benefits in a twelve month period, embezzled, stole, and obtained by fraud money and property valued at

\$5,000 or more and owned and under the care, custody and control of the Washington County Ambulance District. All in violation of Title 18, United States Code, Section 666(a)(1)(A).

COUNT 3
Federal Program Theft, 18 U.S.C. § 666(a)(1)(A) and 2

20. The allegations contained in paragraphs 1 to 15 above are restated and incorporated herein by reference.

21. In the period of twelve consecutive months between January 1, 2014 and December 31, 2014, in Washington County, in the Eastern District of Missouri, and elsewhere, the defendant,

**WILLIAM GUM, a/k/a “Mal” and
CHARLENA GUM, a/k/a “Charli,”**

being an agents of an organization that received more than \$10,000 in Federal program benefits in a twelve month period, embezzled, stole, and obtained by fraud money and property valued at \$5,000 or more and owned and under the care, custody and control of the Washington County Ambulance District. All in violation of Title 18, United States Code, Section 666(a)(1)(A) and Title 18, United States Code, Section 2.

COUNT 4
Federal Program Theft, 18 U.S.C. § 666(a)(1)(A)

22. The allegations contained in paragraphs 1 to 15 above are restated and incorporated herein by reference.

23. In the period of twelve consecutive months between January 1, 2015 and December 31, 2015, in Washington County, in the Eastern District of Missouri, and elsewhere, the defendant,

WILLIAM GUM, a/k/a “Mal,”

being an agent of an organization that received more than \$10,000 in Federal program benefits in a twelve month period, embezzled, stole, and obtained by fraud money and property valued at \$5,000 or more and owned and under the care, custody and control of the Washington County Ambulance District. All in violation of Title 18, United States Code, Section 666(a)(1)(A).

COUNT 5
Federal Program Theft, 18 U.S.C. § 666(a)(1)(A)

24. The allegations contained in paragraphs 1 to 15 above are restated and incorporated herein by reference.

25. In the period of twelve consecutive months between January 1, 2016 and December 31, 2016, in Washington County, in the Eastern District of Missouri, and elsewhere, the defendant,

WILLIAM GUM, a/k/a “Mal,”

being an agent of an organization that received more than \$10,000 in Federal program benefits in a twelve month period, embezzled, stole, and obtained by fraud money and property valued at \$5,000 or more and owned and under the care, custody and control of the Washington County Ambulance District. All in violation of Title 18, United States Code, Section 666(a)(1)(A).

COUNT 6
Conspiracy to Commit Access Device Fraud, 18 U.S.C. § 1029(a)(2) and (b)(2)

CONSPIRACY

26. From on or before September 2, 2014 through December 31, 2014, in Washington County within the Eastern District of Missouri, and elsewhere,

**WILLIAM GUM, a/k/a “Mal” and
CHARLENA GUM, a/k/a “Charli,”**

and others known and unknown to this Grand Jury, did knowingly and willfully combine, conspire, confederate, and agree with one another and with others persons, known and unknown to the Grand Jury, to commit the offense of access device fraud in violation of Title 18, United States Code, Section 1029(a)(2) in that the defendant WILLIAM GUM and CHARLENA GUM, and others known and unknown to the Grand Jury, used the District Walmart Community Card to engage in unauthorized transactions affecting interstate commerce, such unauthorized transactions personally benefitting the Gums and being unrelated to the legitimate operations of the District.

OVERT ACTS

27. The following overt acts were committed in furtherance of the aforementioned conspiracy:

28. On or about September 2, 2014, Defendant WILLIAM GUM, with the intent to defraud, used the District's Walmart Community Card to purchase a \$50 American Express gift card and two \$100 American Express gift cards.

29. On or about September 13, 2014, Defendant CHARLENA GUM, with the intent to defraud, used the District's Walmart Community Card to purchase two \$100 American Express gift cards.

30. On or about September 25, 2014, Defendant CHARLENA GUM, with the intent to defraud, used the District's Walmart Community Card to purchase a \$50 iTunes card.

31. On or about September 28, 2014, Defendant CHARLENA GUM, with the intent to defraud, used the District's Walmart Community Card to purchase lace thong underwear, a bra, a knit top, and other personal items and groceries in the amount of \$117.80.

32. On or about October 8, 2014, Defendant CHARLENA GUM, with the intent to defraud, used the District's Walmart Community Card to purchase a \$25 iTunes card.

33. On or about October 19, 2014, CHARLENA GUM, with the intent to defraud, used the District's Walmart Community Card to purchase underwear, clothing, hairspray, and a \$100 Mastercard gift card.

34. On or about October 26, 2014, CHARLENA GUM, with the intent to defraud, used the District's Walmart Community Card to purchase toys and paint in the amount of \$33.28.

35. On or about November 1, 2014, Defendant CHARLENA GUM, with the intent to defraud, used the District's Walmart Community Card to purchase a \$100 Mastercard gift card.

36. On or about November 2, 2014, Defendant CHARLENA GUM, with the intent to defraud, used the District's Walmart Community Card to purchase two \$100 Mastercard gift cards.

37. On or about November 3, 2014, Defendant CHARLENA GUM, with the intent to defraud, used the District's Walmart Community Card to purchase a \$100 Mastercard gift card.

38. On or about November 5, 2014, Defendant CHARLENA GUM, with the intent to defraud, used the District's Walmart Community Card to purchase one \$100 and three \$50 Mastercard gift cards, four \$100 Walmart gift cards, and one \$15 iTunes card.

39. On or about November 5, 2014, Defendant WILLIAM GUM, with the intent to defraud, used the District's Walmart Community Card to purchase a Journey CD, a Def Leppard CD, and a \$25 iTunes card.

40. On or about November 7, 2014, an employee of the District, with the intent to defraud, used the District's Walmart Community Card to purchase one \$50 and one \$100 Mastercard gift card.

41. On or about November 8, 2014, Defendant CHARLENA GUM, with the intent to defraud, used the District's Walmart Community Card to purchase a \$50 Mastercard gift card.

42. On or about November 9, 2014, an employee of the District, with the intent to defraud, used the District's Walmart Community Card to purchase a \$50 Mastercard gift card.

43. On or about November 18, 2014, Defendant CHARLENA GUM, with the intent to defraud, used the District's Walmart Community Card to purchase at least two \$100 Mastercard gift cards.

44. On or about November 24, 2014, Defendant CHARLENA GUM, with the intent to defraud, used the District's Walmart Community Card to purchase one \$50 and two \$100 Mastercard gift cards.

45. On or about November 29, 2014, Defendant CHARLENA GUM, with the intent to defraud, used the District's Walmart Community Card to purchase a \$50 Walmart gift card.

All in violation of Title 18, United States Code, Section 1029(b)(2).

COUNT 7
Access Device Fraud, 18 U.S.C. § § 1029(a)(2) and 2

46. The factual allegations contained in paragraphs 1 through 15 and 28 through 45 are restated and incorporated herein by reference.

47. From on or about January 1, 2014 until on or about December 31, 2014, in Washington County within the Eastern District of Missouri, the defendants,

**WILLIAM GUM, a/k/a "Mal," and
CHARLENA GUM, a/k/a "Charli,"**

did knowingly and with the intent to defraud use one or more unauthorized access devices during a one-year period, and by such conduct did obtain things of value aggregating \$1,000 or more, to wit, Defendants WILLIAM GUM and CHARLENA GUM used the District's Walmart

Community Card to pay for gift cards, personal items, clothing, music, prescription medication, and groceries for their household, and such use affected interstate commerce. In violation of Title 18, United States Code, Sections 1029(a)(2) and 2.

FORFEITURE ALLEGATION

The Grand Jury further finds by probable cause that:

1. Pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), upon conviction of an offense in violation of Title 18, United States Code, Section 666 as set forth in Counts 1 through 5, the defendant(s) shall forfeit to the United States of America any property, real or personal, constituting or derived from any proceeds traceable to said offense.

2. Pursuant to Title 18, United States Code, Section 982(a)(2)(B) and 1029(c)(1)(C), upon conviction of an offense in violation of Title 18, United States Code, Section 1029 as set forth in Counts 6 and 7, the defendant(s) shall forfeit to the United States of America any property constituting, or derived from, proceeds the defendant(s) obtained, directly or indirectly, as a result of such violation, and any personal property used or intended to be used to commit the offense.

3. Subject to forfeiture is a sum of money equal to the total value of any property, real or personal, constituting or derived from any proceeds traceable to said offense.

4. If any of the property described above, as a result of any act or omission of the defendant(s):

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty,

the United States of America will be entitled to the forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p).

A TRUE BILL.

FOREPERSON

JEFFREY B. JENSEN
United States Attorney

JEANNETTE S. GRAVISS, #44483MO
Assistant United States Attorney