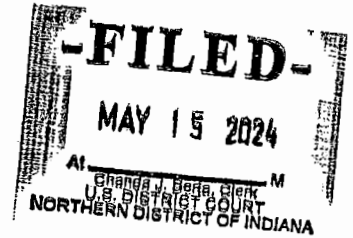


UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION



UNITED STATES OF AMERICA)

v.)

KATIE M. TRISTAN)

) CASE NO.

2 : 24 CR 40

) 18 U.S.C. § 1029(a)(2)

) 18 U.S.C. § 1344(1)

INDICTMENT

THE GRAND JURY CHARGES:

At times material to this Indictment:

BACKGROUND

1. KATIE M. TRISTAN, a resident of Cedar Lake, Indiana, served in various leadership roles within the parent-teacher organizations (“PTOs”) associated with two local elementary schools.

2. TRISTAN was an authorized signer with control over PTO-1’s checking account at Bank A.

a. On or about August 31, 2020, TRISTAN was issued a Visa debit card ending in x1785 linked to PTO-1’s checking account. This card was cancelled on or about May 25, 2021.

b. On or about May 25, 2021, TRISTAN was issued a second Visa debit card ending in x6325 linked to PTO-1’s checking account.

3. TRISTAN was also an authorized signer with control over PTO-2's checking account at Credit Union A. On or about April 19, 2022, TRISTAN was issued a Visa debit card ending in x1829 linked to PTO-2's checking account.

4. Bank A and Credit Union A were financial institutions as defined in Title 18, United States Code, Section 20. Bank A was a depository institution whose deposits were insured by the Federal Deposit Insurance Corporation. Credit Union A was a credit union with accounts insured by the National Credit Union Share Insurance Fund.

SCHEME TO DEFRAUD

5. Beginning in or before October 2020 and continuing through at least September 2023, in the Northern District of Indiana and elsewhere, KATIE M. TRISTAN knowingly devised and executed a scheme to defraud PTO-1, PTO-2, Bank A, Credit Union A, and others.

6. It was the object of the scheme to unlawfully obtain funds belonging to PTO-1, PTO-2, Bank A, and Credit Union A. TRISTAN accomplished this objective by embezzling PTO funds for her own personal use, by executing a series of materially fraudulent check transactions using PTO bank accounts to defraud Bank A and Credit Union A, and by making materially false statements and representations to prolong and conceal the scheme.

MANNER AND MEANS USED TO CARRY OUT THE SCHEME

Misappropriation of PTO Funds

7. Between at least October 2020 and June 2023, TRISTAN used PTO-issued Visa debit cards to make hundreds of unauthorized purchases using funds that belonged to PTO-1 and PTO-2.

8. Between approximately October 2020 and May 2021, TRISTAN used Visa debit card x1785 to make over \$14,000 of unauthorized payments for personal, non-PTO expenses. TRISTAN's unauthorized purchases included multiple long-term car rentals, payments for internet service and other utilities, and purchases at gas stations and convenience stores, among others. These purchases were made using funds from PTO-1's account at Bank A.

9. Between approximately May 2021 and August 2022, TRISTAN used Visa debit card x6325 to make over \$40,000 of unauthorized payments for personal, non-PTO expenses. TRISTAN's unauthorized purchases included multiple long-term car rentals, payments for internet service and other utilities, online retail shopping, purchases at gas stations and convenience stores, and various travel and entertainment expenses, including a hotel stay in Iowa, among others. These purchases were made using funds from PTO-1's account at Bank A.

10. Between approximately May 2022 and June 2023, TRISTAN used Visa debit card x1829 to make over \$40,000 of unauthorized payments for

personal, non-PTO expenses. TRISTAN's unauthorized purchases included multiple long-term car rentals, payments for internet service and other utilities, online retail shopping, purchases at gas stations and convenience stores, and various travel and entertainment expenses, including hotel stays in South Carolina and other places. These purchases were made using funds from PTO-2's account at Credit Union A.

11. In addition to debit card purchases, TRISTAN also made unauthorized expenditures of PTO funds through cash withdrawals and other means.

Fraudulent "Check Kiting" Transactions

12. Due in part to TRISTAN's misappropriation of thousands of dollars of PTO funds for her own use, the bank accounts belonging to PTO-1 and PTO-2 frequently contained low or negative balances.

13. Between approximately June 2022 and June 2023, TRISTAN executed a series of fraudulent "check kiting" transactions designed to cover and conceal unauthorized payments she made using the PTO bank accounts.

14. TRISTAN would first deposit a check into a PTO bank account, knowing that the check would be drawn against a different bank account containing insufficient funds or against a closed bank account containing no funds. Each deposit caused the available balance in the receiving account to

increase in anticipation of the funds being transferred from the bank account on which the check was drawn.

15. Following each fraudulent deposit, but before each check was returned for insufficient funds, TRISTAN made purchases or withdrawals using some or all of the balance artificially increased by the deposit.

16. By fraudulently inflating account balances with worthless checks and making purchases in this manner, TRISTAN obtained or attempted to obtain thousands of dollars of unauthorized credit from Bank A and Credit Union A to make purchases TRISTAN knew were not otherwise backed by sufficient funds. These transactions put Bank A and Credit Union A at risk of financial loss.

Fraudulent Deposits Drawn Against Insufficient Balances

17. On or about June 21, 2022, TRISTAN deposited in PTO-1's account at Bank A Check #1001, in the amount of \$3,800, drawn on PTO-2's account at Credit Union A, which TRISTAN knew to be backed by insufficient funds. Check #1001 purports to have been signed by Individual A, when in fact Individual A did not write or sign Check #1001.

18. On or about August 10, 2022, TRISTAN deposited into PTO-2's account at Credit Union A Check #1213, in the amount of \$1,800, drawn on PTO-1's account at Bank A, which TRISTAN knew to be backed by insufficient

funds. Check #1213 purports to have been signed by Individual B, when in fact Individual B did not write or sign Check #1213.

Fraudulent Deposits Drawn Against Closed Accounts

19. On or about the following dates, TRISTAN deposited into PTO-2's account at Credit Union A the following checks drawn on Individual C's account x9896 at Bank B, which TRISTAN knew to have been closed:

- a. On August 23, 2022, Check #10098, in the amount of \$850;
- b. On September 28, 2022, Check #10105, in the amount of \$350; and
- c. On September 29, 2022, Check #10102, in the amount of \$956.

20. On or about the following dates, TRISTAN deposited into PTO-2's account at Credit Union A the following checks drawn on PTO-1's account x6757 at Bank C, which account TRISTAN knew to have been closed:

- a. On May 22, 2023, Check #4480, in the amount of \$780; and
- b. On May 22, 2023, Check #5194, in the amount of \$2,583.50.

21. On or about the following dates, TRISTAN deposited into PTO-2's account at Credit Union A the following checks drawn on Individual C's account x3493 at Bank A, which account TRISTAN knew to have been closed:

- a. On June 2, 2023, Check #0097, in the amount of \$463;
- b. On June 12, 2023, Check #0099, in the amount of \$850; and
- c. On June 12, 2023, Check #0096, in the amount of \$160.

Fraudulent Representations Regarding PTO Finances

22. Due in part to her misappropriation of PTO funds for her own use, TRISTAN caused PTO-1 and PTO-2 to fail to pay certain large invoices they owed to PTO vendors.

23. When school officials began to investigate, TRISTAN created various ruses designed to mislead school officials, PTO vendors, PTO volunteers, and the Cedar Lake Police Department regarding the state of the PTO finances. These ruses involved the use of fraudulent email accounts to impersonate multiple individuals, forged financial documents, and other materially false representations designed to conceal TRISTAN's actions and perpetuate the fraud.

24. Regarding an unpaid invoice PTO-1 owed to Vendor 1, in or around July 2023, TRISTAN falsely represented to the School Superintendent that Vendor 1 had been paid, including by providing to the School Superintendent at least two forged and fraudulent bank statements purporting to be statements for PTO-1's account at Bank A, which TRISTAN knew were forged.

25. Regarding an unpaid invoice PTO-2 owed to Vendor 2, in or around March and April 2023, TRISTAN used two fraudulent email accounts to impersonate Individuals D and E and send a series of fraudulent emails to a representative of Vendor 2 representing that PTO-2 had initiated a payment to Vendor 2. In fact, TRISTAN knew no such payment had been made.

26. On or about September 21, 2023, TRISTAN was interviewed by a Detective of the Cedar Lake Police Department regarding PTO finances. During that interview, TRISTAN provided the Detective forged and fraudulent documents, including a forged statement for PTO-2's account at Credit Union A, which TRISTAN fraudulently referenced as evidence that the invoice from Vendor 2 had been paid.

27. Finally, TRISTAN used certain fraudulent email addresses she created to impersonate the Detective of the Cedar Lake Police Department and Individual D, a PTO volunteer and witness. TRISTAN's fraudulent ruse enabled her to intercept and manipulate communications between the real Individual D and the Detective in an effort to thwart the investigation and discovery of TRISTAN's fraud.

COUNT 1
(Access Device Fraud)

28. Paragraphs 1 through 27 are incorporated here by reference.

29. Between at least June 2021 and July 2022, in the Northern District of Indiana and elsewhere, the defendant,

KATIE M. TRISTAN

knowingly and with intent to defraud used one or more unauthorized access devices, including Visa debit cards x6325 and x1829, during a one-year period, and thereby obtained funds and other things of value with an aggregate value of at least \$1,000, in a manner affecting interstate commerce.

In violation of Title 18, United States Code Sections 1029(a)(2) and (c)(1)(a)(i).

**COUNTS 2-11
(Bank Fraud)**

30. Paragraphs 1 through 27 are incorporated here by reference.

31. On or about the dates specified below, in the Northern District of Indiana and elsewhere, the defendant,

KATIE M. TRISTAN

knowingly and with intent to defraud Bank A and Credit Union A executed and attempted to execute her scheme to defraud by, among other ways, making each of the fraudulent deposits listed below:

COUNT	DATE	FRAUDULENT DEPOSIT
2	6/21/2022	Deposit of Check #1001 into PTO-1's account at Bank A, in the amount of \$3,800, drawing on PTO-2's account at Credit Union A
3	8/11/2022	Deposit of Check #1213 into PTO-2's account at Credit Union A, in the amount of \$1,800, drawing on PTO-1's account at Bank A
4	8/23/2022	Deposit of Check #10098 into PTO-2's account at Credit Union A, in the amount of \$850, drawing on closed account x9896 at Bank B
5	9/28/2022	Deposit of Check #10105 into PTO-2's account at Credit Union A, in the amount of \$350, drawing on closed account x9896 at Bank B
6	9/29/2022	Deposit of Check #10102 into PTO-2's account at Credit Union A, in the amount of \$956, drawing on closed account x9896 at Bank B
7	5/22/2023	Deposit of Check #4480 into PTO-2's account at Credit Union A, in the amount of \$780, drawing on closed account x6757 at Bank C
8	5/22/2023	Deposit of Check #5194 into PTO-2's account at Credit Union A, in the amount of \$2,583.50, drawing on closed account x6757 at Bank C

9	6/2/2023	Deposit of Check #0097 into PTO-2's account at Credit Union A, in the amount of \$463, drawing on closed account x3493 at Bank A
10	6/12/2023	Deposit of Check #0099 into PTO-2's account at Credit Union A, in the amount of \$850, drawing on closed account x3493 at Bank A
11	6/12/2023	Deposit of Check #0096 into PTO-2's account at Credit Union A, in the amount of \$160, drawing on closed account x3493 at Bank A

All in violation of Title 18, United States Code, Section 1344(1).

FORFEITURE ALLEGATIONS

32. The allegations contained in Counts 1 through 11 of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 982(a)(2).

33. Upon conviction of the offenses in violation of Title 18, United States Code, Sections 1029(a)(2) (Count 1), and 1344 (Counts 2 through 11), the defendant, KATIE M. TRISTAN, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(2), any property constituting, or derived from, proceeds obtained, directly or indirectly, as a result of such violations.

34. The United States will also seek a forfeiture money judgment equal to the value of any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses.

35. If any of the property described above, as a result of any act or omission of the defendants:

- 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 shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28 United States Code, Section 2461(c).

A TRUE BILL:

/s/ Foreperson

FOREPERSON

CLIFFORD D. JOHNSON
UNITED STATES ATTORNEY

By: /s/ Zachary D. Heater
Zachary D. Heater
Assistant United States Attorney