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FILED
OCT 29 2018
Clerk, U.S. District Court
District Of Montana
Missoula

**ATTORNEY FOR PLAINTIFF
UNITED STATES OF AMERICA**

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MONTANA
BUTTE DIVISION**

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| UNITED STATES OF AMERICA, Plaintiff, vs. ANN BENNETT HERMANSON, Defendant. | CR 18- 25 -BU-DLC MOTION FOR SUMMONS FOR INFORMATION, PURSUANT TO FED. R. CRIM. P. Rule 9(a) |
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On October 29, 2018, the United States filed an information charging the defendant, Ann Bennett Hermanson, with wire fraud in violation of 18 U.S.C. § 1343. Pursuant to Federal Rule of Criminal Procedure Rule 9(a), the United States has prepared and submitted an affidavit of probable cause for the charge alleged in the information. The United States is requesting, based on the facts

contained in the affidavit, that the Court make a finding of probable cause and issue a summons for Hermanson.

The United States is requesting a summons for defendant Hermanson's appearance because she is not in custody and there is currently no indication that she is a flight risk. In addition, the United States requests the original summons and copies be forwarded to the U.S. Attorney's Office to coordinate service.

DATED this 29th day of October, 2018.

KURT G. ALME
United States Attorney


TIMOTHY J. RACICOT
Assistant U.S. Attorney
Attorney for Plaintiff

AFFIDAVIT IN SUPPORT OF SUMMONS

I, MATTHEW J. DEURMEIER, affirm and state the following:

INTRODUCTION AND AGENT BACKGROUND

1. I make this affidavit in support of an Information and request for a Summons associated with crimes occurring within the State and District of Montana.
2. I am a Special Agent (SA) with the Federal Bureau of Investigation (FBI) and have been so employed since January 31, 2010. Since that time, I have been assigned as Case Agent on several investigations, including cases involving acts of terrorism, bank robberies, complex financial crimes, and numerous other federal criminal violations. I am currently assigned to the Bozeman Resident Agency in Bozeman, Montana, which has jurisdiction within the District of Montana.
3. The facts in this affidavit come from my personal observations, my training and experience, and information obtained from other officers and witnesses. This affidavit is intended to show merely that there is sufficient probable cause and does not set forth all of my knowledge about this matter. Based on my training and experience and the facts set forth in this affidavit, there is probable cause to believe that between November 2008 and April 2016, the defendant, ANN

BENNETT HERMANSON, committed wire fraud in the State and District of Montana, in violation of 18 U.S.C. § 1343.

PROBABLE CAUSE

4. In July 2016, I was contacted by Chief Scott Newell, West Yellowstone Police Department, in reference to alleged fraud involving several identified victims in West Yellowstone, Montana. Chief Newell reported that Hermanson worked as a para-professional for Rudd and Company out of a satellite office in West Yellowstone. In April 2016, Gracie Swanson, owner of the Old Town Cafe in West Yellowstone, went to the Rudd and Company office in Bozeman to report irregularities in her business account. The account was reviewed by John Clark, a senior partner for Rudd and Company, who, after a review of financial records, observed a pattern of suspicious activity that affected multiple business accounts in West Yellowstone.
5. I interviewed Swanson, who at that time was an 84-year-old resident of West Yellowstone. Swanson said she contracted Rudd and Company to assist her in paying her business' bills and payroll. Swanson stated she was the only authorized signor on the Old Town Incorporated bank account. Hermanson, as the para-professional

assigned by Rudd and Company to the account, had access to Swanson's signature stamp for the purpose of paying the bills.

6. A review of the financial records for that account by Rudd and Company yielded that beginning in September 2009, Hermanson began writing checks out of the Old Town Incorporated account to pay for her personal credit card expenses. In addition, payments were also made to internet and phone bills associated with Hermanson's residence. Further review by Rudd and Company employees and your affiant determined that payments were made on properties owned by Hermanson and her spouse.
7. In 2015, Hermanson began paying a Bank of America credit card from the Old Town Incorporated account in the name of Bonnie Cross, another identified victim in West Yellowstone. In total, Rudd and Company identified 160 unauthorized checks or electronic fund transfers totaling \$116,006.03, issued from the Old Town Incorporated business account between September 2008 and April 2016.
8. When a Rudd and Company employee approached Hermanson in April 2016 regarding the transactions, Hermanson admitted her

wrongdoing and paid \$128,188.62 directly to the Old Town Incorporated account.

9. I interviewed Terri Anderson, owner of Sleeping Bear Incorporated, a company that leases and operates three hotels in Montana and Idaho. Anderson reported that Rudd and Company had provided payroll and accounting services for her corporation since 2004. In 2010, Anderson opened a payroll account at Yellowstone Basin Bank to allow Hermanson, the only Rudd and Company employee in West Yellowstone, to complete those services. Anderson approved Hermanson to use her signature stamp to sign approved payroll checks. A review of the financial records by Rudd and Company employees and me revealed that, beginning in 2011, Hermanson began writing checks from the payroll account to her spouse without Anderson's authorization. Anderson stated that neither Hermanson nor her spouse have ever been employees of Sleeping Bear, Incorporated. A Rudd and Company review determined that 82 unauthorized payments, totaling \$36,890.00, were issued from the Sleeping Bear payroll account between August 2011 and April 2016. Of those payments, 68 checks were written to Hermanson's spouse.

10. I interviewed Bonnie Cross, who at that time was an 87-year-old resident of West Yellowstone and is legally blind. Cross opened a trust in her name at First Security Bank in West Yellowstone with only Cross and another individual as the authorized signors on the account. During an interview with John Clark, a senior partner at Rudd and Company, Clark stated that no employee at Rudd and Company held signing authority on Cross' trust account. In 2013, Hermanson began writing checks from this account without Cross' authorization. The majority of the checks were signed by Hermanson, although checks written to Hermanson's spouse were signed using the signature stamp for John Clark. Clark stated that the use of the stamp for those series of checks was without his authorization. In total, a review of the financial records by Rudd and Company employees and me determined that 33 unauthorized payments were issued from the account between June 2013 and August 2014, totaling \$39,893.30.
11. During a review of the financial records, I observed that it appeared in 2011 Hermanson gained access to Cross' credit card account and ordered an additional credit card to conduct unauthorized activity. An interview with Cross determined that this action was without Cross' authorization. Beginning in 2015, Hermanson used funds from the

Old Town Incorporated payroll account to make payments towards the credit card. An interview with John Clark yielded that in April 2016, when confronted by Rudd and Company employees, Hermanson admitted to initiating unauthorized charges on the credit card. A review of financial records conducted by Rudd and Company and me determined that between September 2011 and May 2016, the total amount of unauthorized transactions on the credit card account was \$129,241.50.

12. I observed that in addition to Bonnie Cross' trust account, Cross also had an account at First Security Bank, which she used to pay her bills. The account has two additional authorized trustees, John Clark at Rudd and Company and Terrie Anderson, the owner of Sleeping Bear, Incorporated. As an employee of Rudd and Company, Hermanson was tasked with paying Cross' bills. Hermanson did not have signing authority on the account although she had access to a signature stamps with the signatures of Clark and Anderson. Hermanson had authority to use these signature stamps to sign for Cross' bills. A review of the financial records for the account identified that in November 2008, Hermanson began writing checks from the account to pay for what appeared to be personal expenses. In 2009, Hermanson began writing

checks to her spouse without the authorization of Cross, Clark, or Anderson. In August 2014, Hermanson gained signing authority on the account without the authority of Cross, Clark, or Anderson. I observed that the bank authorization form contained the signatures of Cross, Clark, and Anderson. I interviewed Cross, who did not recall signing that form or being told to sign that form. Interviews of Clark and Anderson revealed that neither individual personally provided their signature on the form. A review of the financial records for the bank account by Rudd and Company employees and me identified 266 unauthorized checks or electronic fund transfers totaling \$173,195.47, between November 2008 and April 2016.

13. I interviewed Kelly Burden, the owner of the Running Bear Pancake House in West Yellowstone. Burden's mother and father, Dixie and Michael Klostrich, previously owned the business for over 30 years. During that time, the Klostrichs contracted Rudd and Company to conduct their business' bookkeeping and payroll. As the Rudd and Company employee in West Yellowstone, Hermanson was responsible for conducting those tasks from 2001 until 2011.
14. I obtained and reviewed Hermanson's personal bank records from First Security Bank. My review of those records identified several

checks that had been deposited in the account that appeared to be similar to previously identified unauthorized checks in the investigation. Between September 2011 and October 2011, five checks were written to Hermanson and appeared to be signed using a signature stamp for Dixie Klostrich. The five checks totaled \$2,426.74. I interviewed Klostrich, who did not recall writing any checks to Hermanson from her business' payroll account.

15. I interviewed Dorothy Tipton, a West Yellowstone resident and owner of the Timberline Cafe. Tipton stated she had contracted Rudd and Company to conduct her bookkeeping and payroll since 2002. As the Rudd and Company employee in West Yellowstone, Hermanson had access to the business bank account, Tipton's signature stamp, and bank statements. During a review of Hermanson's personal bank account, I identified seven checks from Tipton's business account deposited into Hermanson's personal account between August 2012 and October 2012, totaling \$6,506.69. I observed that the payees on the checks were left blank and six of the checks appeared to be signed with Tipton's signature stamp. During an interview, Tipton said she would not leave the payee blank on a check, nor did she recall being in possession of the business payroll checks during that time.

16. Over the course of the investigation, I identified a total loss of \$630,327.88 to the various victims in West Yellowstone as a result of the activity conducted by Hermanson.
17. On April 5, 2017, I interviewed Hermanson about her fraudulent conduct, in the presence of her lawyer. Hermanson admitted to making unauthorized transactions from the business accounts of Terrie Anderson, Gracie Swanson, Bonnie Cross, Dixie and Michael Klostrich, and Dorothy Tipton. Regarding the checks written to her spouse, Hermanson said her spouse had no knowledge of her fraudulent activity and that she signed his signature and deposited each of the checks into their bank account. Hermanson took full responsibility for her actions.

CONCLUSION

18. I believe there is probable cause to show that ANN BENNETT HERMANSON has committed violations of the laws of the United States, including wire fraud in violation of 18 U.S.C. § 1343.


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Respectfully submitted this 29th day of October, 2018.



MATTHEW JAMES DEURMEIER
Special Agent
Federal Bureau of Investigation

AO 83 (Rev. 06/09) Summons in a Criminal Case

UNITED STATES DISTRICT COURT
for the
District of Montana

United States of America
v.
ANN BENNETT HERMANSON

Case No. CR 18-15-BU-DLC

Defendant

SUMMONS IN A CRIMINAL CASE

YOU ARE SUMMONED to appear before the United States district court at the time, date, and place set forth below to answer to one or more offenses or violations based on the following document filed with the court:

- Indictment, Superseding Indictment, Information, Superseding Information, Complaint, Probation Violation Petition, Supervised Release Violation Petition, Violation Notice, Order of Court

Table with 2 columns: Location (United States District Court, 201 East Broadway, Missoula, Montana) and Courtroom No. (Magistrate Courtroom). Includes a Date and Time field.

This offense is briefly described as follows:
Wire fraud - 18 U.S.C. 1343

Date:

Issuing officer's signature
Jeremiah C. Lynch, U.S. Magistrate Judge
Printed name and title

I declare under penalty of perjury that I have:

- Executed and returned this summons, Returned this summons unexecuted

Date:

Server's signature
Printed name and title

Case No. CR 18- -BU-DLC

**This second page contains personal identifiers and therefore should not be filed in court with the summons unless under seal.
(Not for Public Disclosure)**

INFORMATION FOR SERVICE

Name of defendant/offender: _____

Last known residence: _____

Usual place of abode (if different from residence address): _____

If the defendant is an organization, name(s) and address(es) of officer(s) or agent(s) legally authorized to receive service of process: _____

If the defendant is an organization, last known address within the district or principal place of business elsewhere in the United States: _____

PROOF OF SERVICE

This summons was received by me on (date) _____.

I personally served the summons on this defendant _____ at _____ (place) _____ on (date) _____; or

On (date) _____ I left the summons at the individual's residence or usual place of abode with (name) _____, a person of suitable age and discretion who resides there, and I mailed a copy to the individual's last known address; or

I delivered a copy of the summons to (name of individual) _____, who is authorized to receive service of process on behalf of (name of organization) _____ on (date) _____ and I mailed a copy to the organizations's last known address within the district or to its principal place of business elsewhere in the United States; or

The summons was returned unexecuted because: _____

I declare under penalty of perjury that this information is true.

Date returned: _____

Server's signature

Printed name and title

Remarks: