

Department of Justice

U.S. Attorney's Office

District of Kansas

FOR IMMEDIATE RELEASE

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Indictment: Kansas Couple Stole Millions In Check Kiting Scheme

TOPEKA, KAN. – The owners of the Plainville Livestock Commission in Rooks County are charged with carrying out a check kiting scheme that cost banks millions of dollars, U.S. Attorney Stephen McAllister said today.

A grand jury in Topeka returned the indictment Wednesday.

Tyler Gillum, 47, and his wife, **Camden Gillum**, 50, both of Plainville, Kan., are charged with 31 counts of bank fraud, one count of making a false statement to the Small Business Administration in an application for a \$1.5 million loan, and one count of making a false statement to Almena State Bank in an application for a \$500,000 line of credit.

The indictment alleges the Gillums defrauded Almena State Bank in Almena, Kan., Landmark Bank in Manhattan, Kan., Colorado East Bank and Trust in Lamar, Colo., Astra Bank in Scandia, Kan., TBK Bank in Dallas, Guaranty State Bank in Beloit and The Bank in Oberlin, Kan.

The indictment alleges investigators examined unfunded checks and wire transfers totaling more \$2 billion sent by Tyler Gillum as part of the scheme. That included 409 wire transfers and 7,584 checks. Tyler Gillum, formerly a loan officer for Montezuma State Bank, owned and operated with his wife Plainville Livestock Commission. In advertisements for the business, they said: "The sale barn 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."

The indictment defines check kiting as a form of check fraud that takes advantage of the time between presentment of a check and the actual receipt of funds ("the float") 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 to clear that otherwise would bounce.

Investigating agencies included the U.S. Department of Agriculture – Office of Inspector General, the FBI, the Federal Deposit Insurance Corporation – Office of Inspector General, the Federal Housing Finance Agency – Office of Inspector General and the U.S. Small Business Administration – Office of Inspector General. Assistant U.S. Attorney Rich Hathaway is prosecuting.

In all cases, defendants are presumed innocent until and unless proven guilty. The indictments merely contain allegations of criminal conduct.

Topic(s):

Financial Fraud

Component(s):

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