

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND

UNITED STATES OF AMERICA

v.

TRACIE LYNNE ELLIS

and

TERRELL SIR WILLIAM FRANKLIN

CAUSE NO: 2 17 CR 51

18 U.S.C. § 286

18 U.S.C. § 287

-FILED-

APR 21 2017

At
ROBERT N. TRGOVICH, Clerk
U.S. DISTRICT COURT
NORTHERN DISTRICT OF INDIANA

INDICTMENT

THE GRAND JURY CHARGES:

At all times material to this indictment:

1. Defendants Tracie Lynne Ellis and Terrell Sir William Franklin were residents of Indiana. Ellis and Franklin are mother and son.

2. The Internal Revenue Service ("IRS") is an agency of the United States Department of the Treasury responsible for enforcing and administering the tax laws of the United States, including collecting taxes owed to the United States.

3. An Employer Identification Number ("EIN"), also known as a Federal Tax Identification Number, is customarily used for a business entity.

4. A trust is a fiduciary arrangement that allows a third party, or a trustee, to hold assets on behalf of a beneficiary.

5. A Form 1041, U.S. Income Tax Return for Estates and Trusts, is used to report income, gains, losses, deductions and credits, among other items, from the operation of an estate or trust.

Count I

(Conspiracy to File False, Fictitious or Fraudulent Claims)

6. The allegations contained in paragraphs 1 through 5 are hereby incorporated by reference as though fully set forth herein.

THE CONSPIRACY

7. From in or about August 2013 to in or about May 2014, in the Northern District of Indiana and elsewhere, the defendants

TRACIE LYNNE ELLIS

and

TERRELL SIR WILLIAM FRANKLIN

entered into an agreement, combination and conspiracy to defraud the United States by obtaining and aiding to obtain the payment or allowance of false, fictitious and fraudulent claims to which they were not entitled for their personal enrichment.

OBJECT OF THE CONSPIRACY

8. The purpose of the conspiracy was to file false and fraudulent tax returns in order to obtain fraudulent tax refunds.

MANNER AND MEANS OF THE CONSPIRACY

The conspiracy was carried out in the following ways, among others:

9. Ellis and Franklin created or caused to be created the Tracie Lynne Ellis Trust and Franklin was the fiduciary for that trust.

10. Ellis and Franklin created or caused to be created the Terrell Sir William Franklin Trust and Ellis was the fiduciary for that trust.

11. Ellis and Franklin prepared or caused to be prepared, and filed or caused to be filed, false and fraudulent Forms 1041 for the trusts that they created.

12. The Forms 1041 were false and fraudulent because the trusts listed had no business purpose and the refunds claimed were false.

13. Ellis and Franklin fraudulently obtained a tax refund as a result of filing a false and fraudulent Form 1041.

14. From in or about October 2013 through in or about May 2014, Ellis and Franklin used the proceeds from the refund that they fraudulently obtained for their own personal enrichment.

OVERT ACTS

15. On or about August 26, 2013, Ellis and Franklin requested or caused to be requested to the IRS EINs for the Tracie Lynne Ellis Trust and the Terrell Sir William Franklin Trust.

16. On or about August 30, 2013, Ellis filed or caused to be filed a 2011 Form 1041 in the name of the Terrell Sir William Franklin Trust that falsely claimed a refund of \$156,248.64.

17. On or about August 30, 2013, Franklin filed or caused to be filed a 2011 Form 1041 in the name of the Tracie Lynne Ellis Trust that falsely claimed a refund of \$239,095.93.

18. On or about October 12, 2013, Ellis and Franklin together opened a bank account for the Tracie Lynne Ellis Trust at Fifth Third Bank in Merrillville, Indiana.

19. On or about October 12, 2013, Ellis and Franklin together opened a bank account for the Terrell Sir William Franklin Trust at Fifth Third Bank in Merrillville, Indiana.

20. On or about October 12, 2013, Ellis and Franklin endorsed or caused to be endorsed a fraudulently obtained tax refund check in the amount of \$156,248.64 payable to the Terrell Sir William Franklin Trust and deposited it into the Terrell Sir William Franklin Trust bank account.

21. On or about November 13, 2013, Ellis filed or caused to be filed a 2012 Form 1041 in the name of the Tracie Lynne Ellis Trust that falsely claimed a refund of \$239,095.95.

22. On or about November 25, 2013, Franklin withdrew cash in the amount of \$4,500 from the Terrell Sir William Franklin Trust bank account.

23. On or about December 4, 2013, Franklin withdrew cash in the amount of \$4,900 from the Terrell Sir William Franklin Trust bank account.

24. On or about January 9, 2014, Ellis withdrew cash in the amount of \$4,900 from the Terrell Sir William Franklin Trust bank account.

25. On or about February 1, 2014, Ellis withdrew cash in the amount of \$4,900 from the Terrell Sir William Franklin Trust bank account.

All in violation of 18 U.S.C. § 286.

Count II
(False Claims)

26. The allegations contained in paragraphs 1 through 5 are hereby incorporated by reference as though fully set forth herein.

27. On or about August 30, 2013, within the Northern District of Indiana and elsewhere, the defendant

TERRELL SIR WILLIAM FRANKLIN

made and presented or caused to be made or presented to the IRS, an agency of the Department of the Treasury, a claim upon and against the United States, that is, Form 1041, U.S. Income Tax Return for Estates and Trusts, for tax year 2011, in the name of the Tracie Lynne Ellis Trust that falsely claimed a refund in the amount of \$239,095.93, knowing that the Form 1041 was false, fictitious, and fraudulent.

All in violation of 18 U.S.C. § 287.

Count III
(False Claims)

28. The allegations contained in paragraphs 1 through 5 are hereby incorporated by reference as though fully set forth herein.

29. On or about October 12, 2013, within the Northern District of Indiana and elsewhere, the defendant

TRACIE LYNNE ELLIS

made and presented, or caused to be made or presented to the United States Department of the Treasury, a claim upon and against the United States, that is a tax refund check in the amount of \$156,248.64 issued in the name of the Terrell Sir William Franklin Trust and deposited at Fifth Third Bank, with the knowledge that such claim was false, fictitious and fraudulent.

All in violation of 18 U.S.C. § 287.

Count IV
(False Claims)

30. The allegations contained in paragraphs 1 through 5 are hereby incorporated by reference as though fully set forth herein.

31. On or about October 12, 2013, within the Northern District of Indiana and elsewhere, the defendant

TERRELL SIR WILLIAM FRANKLIN

made and presented, or caused to be made or presented to the United States Department of the Treasury, a claim upon and against the United States, that is a tax refund check in the amount of \$156,248.64 issued in the name of the Terrell Sir William Franklin Trust and deposited at Fifth Third Bank, with the knowledge that such claim was false, fictitious and fraudulent.

All in violation of 18 U.S.C. § 287.

Count V
(False Claims)

32. The allegations contained in paragraphs 1 through 5 are hereby incorporated by reference as though fully set forth herein.

33. On or about November 12, 2013, within the Northern District of Indiana and elsewhere, the defendant

TRACIE LYNN ELLIS

made and presented or caused to be made or presented to the IRS, an agency of the Department of the Treasury, a claim upon and against the United States, that is, Form 1041, U.S. Income Tax Return for Estates and Trusts, for tax year 2012 in the name of the Tracie Lynne Ellis Trust that falsely claimed a refund in the amount of \$239,095.95, knowing that the Form 1041 was false, fictitious, and fraudulent.

All in violation of 18 U.S.C. § 287.

A TRUE BILL:

S/FOREPERSON
FOREPERSON

CLIFFORD D. JOHNSON
ACTING UNITED STATES ATTORNEY

By: S/John T. Mulcahy
John T. Mulcahy
Trial Attorney
United States Department of Justice