

Former Northeast Missouri City Clerk Pleads Guilty to Stealing City Money

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ST. LOUIS – Tracey Ray, 48, of New London, Missouri, pleaded guilty to one count of wire fraud and one count of federal program theft. Ray appeared, today, before United States District Court Judge Rodney W. Sippel.

Ray was the City Clerk of Center, Missouri for many years. Beginning in January 2015 and continuing through July 2019, Ray engaged in a scheme to defraud and obtain money from Center, Missouri in an approximate amount of \$317,325.59, by means of materially false and fraudulent pretenses, representations and promises.

As part of her fraudulent scheme, on approximately 30 occasions, Ray used Center bank funds to pay for charges on her personal credit card. Center funds used to pay for

personal charges on Ray's GM credit card totaled approximately \$206,342.53 and were for such personal expenses as retail vendor charges, entertainment, lodging and travel, hair salons, restaurants and grocery store charges. These personal credit card payments were made either by Ray's issuance of Center bank checks, or by Ray's wire transfer of Center bank funds. Further, through these unauthorized credit card charges and payments, Ray earned and spent an additional approximately \$1,911.00 in reward funds. Further, on approximately 39 occasions, Ray issued Center bank account checks in the approximate total amount of \$62,537.76 to Anthem Blue Cross and Blue Shield to pay for the premiums on a family health insurance policy, as well as on life and disability policies for her and her family members.

As a further part of her scheme, Ray issued five additional Center payroll checks to herself in the total amount of approximately \$3,580.00, depositing each of those unauthorized checks into her own personal bank account. On 49 occasions, Ray issued checks on City bank accounts, in the total approximate amount of \$35,546.85 to directly pay for the purchases of personal items and services. Ray issued these Center checks to make personal purchases at a number of retailers, such as Kohl's, Lowe's, Walmart, and Hobby Lobby, as well as to pay for her personal residential mortgage and personal insurance policies. She also issued one or more of these Center checks to her family members, unrelated to the legitimate business and operations of Center. Further, Ray, as Center's City Clerk, received cash payments from Center residents for various city charges, but Ray failed to deposit those cash receipts into the appropriate Center bank account. Instead, Ray used those cash proceeds, in the total amount of approximately \$7,407.45 for her own personal use, without the knowledge and authority of Center and its Board of Aldermen.

In order to conceal her scheme from Center and its Board of Aldermen, Ray falsified the cash balances of one or more Center bank accounts on financial reports she prepared for monthly Board of Aldermen meetings. Ray also prepared false and incomplete lists of bills to be paid which she submitted for monthly Board of Aldermen meetings. Further, Ray falsified internal Center financial accounting records to make it appear that the unauthorized checks and wires she issued from Center bank accounts were made to legitimate third party vendors who had purportedly provided actual services or materials to Center.

During the period of her scheme, the City of Center received federal grant funds in excess of \$10,000 into its bank accounts.

Judge Sippel has set sentencing for August 17, 2021.

The Federal Bureau of Investigation, Missouri State Auditor's Office and Ralls County Sheriff's Office investigated the case. Assistant United States Attorney Hal Goldsmith is handling the case.