

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF KENTUCKY
AT LOUISVILLE

FILED
JAMES J. VILT, JR. - CLERK
JAN 19 2022
U.S. DISTRICT COURT
WEST'N. DIST. KENTUCKY

UNITED STATES OF AMERICA

INDICTMENT

v.

NO. 3:22-cr-7-CRS
18 U.S.C. § 981(a)(1)(C)
18 U.S.C. § 1343
28 U.S.C. § 2461

TRACY L. HUDSON

The Grand Jury charges:

COUNT 1
(Wire fraud)

1. In or about and between 2013 and September 20, 2019, in the Western District of Kentucky, Nelson County, Kentucky, and elsewhere, the defendant, **TRACY L. HUDSON**, devised and intended to devise a scheme to defraud the City of Bardstown, Kentucky, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing said scheme, caused signs, signals, and sounds to be transmitted in interstate commerce.

2. It was part of the scheme that **TRACY L. HUDSON**, while employed as first the Occupational Tax Administrator and then the Chief Financial Officer of the City of Bardstown, stole funds from the City of Bardstown to which she was not entitled by various means, including by taking cash from City of Bardstown funds for her own personal use, paying herself for false expense reimbursements, diverting additional payments into her 401k pension plan in excess of the amount withheld from her wages, purchasing personal items on a City of Bardstown credit

card without authorization, and crediting payments to her personal accounts with the City of Bardstown despite no actual payment having been made.

3. It was further part of the scheme that, in order to steal certain of the funds or to conceal the thefts, **TRACY L. HUDSON** engaged in activities which generated interstate wire communications from inside the Western District of Kentucky to outside of Kentucky, including initiating a Chase Credit Card ePay transaction in the amount of \$3,000 on June 3, 2019, with funds she stole from the City of Bardstown, which transaction caused an interstate wire communication.

4. In the course of the scheme, **TRACY L. HUDSON** attempted to obtain and obtained funds, goods, and services to which she knew she was not entitled and ultimately caused the loss of over \$762,000 to the City of Bardstown.

In violation of Title 18, United States Code, Section 1343.

NOTICE OF FORFEITURE

If convicted of any violation of Title 18, United States Code, Section 1343 the defendant, **TRACY L. HUDSON**, shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds obtained, directly or indirectly, as the result of any such violation, including but not limited to a money judgment for the amount of the proceeds defendant derived.

Pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461.

A TRUE BILL.

Redacted

FOREPERSON



MICHAEL A. BENNETT
UNITED STATES ATTORNEY

MAB:SMZ

UNITED STATES OF AMERICA v. TRACY L. HUDSON

PENALTIES

Count 1: NM 20 yrs./\$250,000/both/NM 3 yrs. Supervised Release
Forfeiture

NOTICE

ANY PERSON CONVICTED OF AN OFFENSE AGAINST THE UNITED STATES SHALL BE SUBJECT TO SPECIAL ASSESSMENTS, FINES, RESTITUTION & COSTS.

SPECIAL ASSESSMENTS

18 U.S.C. § 3013 requires that a special assessment shall be imposed for each count of a conviction of offenses committed after November 11, 1984, as follows:

Misdemeanor:	\$ 25 per count/individual	Felony:	\$100 per count/individual
	\$125 per count/other		\$400 per count/other

FINES

In addition to any of the above assessments, you may also be sentenced to pay a fine. Such fine is due immediately unless the court issues an order requiring payment by a date certain or sets out an installment schedule. You shall provide the United States Attorney's Office with a current mailing address for the entire period that any part of the fine remains unpaid, or you may be held in contempt of court. 18 U.S.C. § 3571, 3572, 3611, 3612

Failure to pay fine as ordered may subject you to the following:

1. **INTEREST** and **PENALTIES** as applicable by law according to last date of offense.

For offenses occurring after December 12, 1987:

No **INTEREST** will accrue on fines under \$2,500.00.

INTEREST will accrue according to the Federal Civil Post-Judgment Interest Rate in effect at the time of sentencing. This rate changes monthly. Interest accrues from the first business day following the two week period after the date a fine is imposed.

PENALTIES of:

10% of fine balance if payment more than 30 days late.

15% of fine balance if payment more than 90 days late.

2. Recordation of a **LIEN** shall have the same force and effect as a tax lien.
3. Continuous **GARNISHMENT** may apply until your fine is paid.

18 U.S.C. §§ 3612, 3613

If you **WILLFULLY** refuse to pay your fine, you shall be subject to an **ADDITIONAL FINE** of not more than the greater of \$10,000 or twice the unpaid balance of the fine; or **IMPRISONMENT** for not more than 1 year or both. 18 U.S.C. § 3615

RESTITUTION

If you are convicted of an offense under Title 18, U.S.C., or under certain air piracy offenses, you may also be ordered to make restitution to any victim of the offense, in addition to, or in lieu of any other penalty authorized by law. 18 U.S.C. § 3663

APPEAL

If you appeal your conviction and the sentence to pay your fine is stayed pending appeal, the court shall require:

1. That you deposit the entire fine amount (or the amount due under an installment schedule during the time of your appeal) in an escrow account with the U.S. District Court Clerk, or
2. Give bond for payment thereof.

18 U.S.C. § 3572(g)

PAYMENTS

If you are ordered to make payments to the U.S. District Court Clerk's Office, certified checks or money orders should be made payable to the Clerk, U.S. District Court and delivered to the appropriate division office listed below:

LOUISVILLE:	Clerk, U.S. District Court 106 Gene Snyder U.S. Courthouse 601 West Broadway Louisville, KY 40202 502/625-3500
BOWLING GREEN:	Clerk, U.S. District Court 120 Federal Building 241 East Main Street Bowling Green, KY 42101 270/393-2500
OWENSBORO:	Clerk, U.S. District Court 126 Federal Building 423 Frederica Owensboro, KY 42301 270/689-4400
PADUCAH:	Clerk, U.S. District Court 127 Federal Building 501 Broadway Paducah, KY 42001 270/415-6400

If the court finds that you have the present ability to pay, an order may direct imprisonment until payment is made.