

PRESS RELEASE

Kalispell couple admit defrauding Social Security Administration

Tuesday, September 10, 2024

For Immediate Release

U.S. Attorney's Office, District of Montana

MISSOULA — A Kalispell couple today admitted to stealing nearly \$200,000 from the Social Security Administration by falsely reporting their living and financial situation so they could receive more benefits on behalf of their children than they were entitled, U.S. Attorney Jesse Laslovich said.

The defendants, Mistie Lynn Knapton, 49, and her husband, Travis Ray Knapton, 50, each pleaded guilty to theft of government money in separate hearings.

Mistie Knapton pleaded to a felony charge and faces a maximum of 10 years in prison, a \$250,000 fine and three years of supervised release. Travis Knapton pleaded to a misdemeanor charge and faces a maximum of one year in prison, a \$100,000 fine and one year of supervised release.

U.S. District Judge Donald W. Molloy presided. The court will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors. Sentencing for both defendants was set for Jan. 9, 2025. The defendants were released pending further proceedings.

The government alleged in court documents that the Knaptons received benefits from the Social Security Administration (SSA) on behalf of five of their children through the Supplemental Security Income (SSI) program. The program is meant to provide monthly payments to people with disabilities who have little to no income or resources. The SSI program has income and asset limits, either of which could make a beneficiary ineligible for benefits.

The government further alleged that Mistie was the representative payee for her children enrolled in SSI. In May 2009, Mistie wrote to SSA that Travis no longer lived with her and her children. Mistie frequently reported to SSA that she and the children paid rent for their housing, that Travis was not a member of the household and that their only income was child support Travis paid to Mistie. However, from 2009 to present, Travis owned the houses that Mistie and the children lived in, he frequently lived with them, and he paid for vehicles, food and

other living expenses for the family from his income. In addition to the houses, Travis owned several cars, trucks, ATVs, a motorcycle and a jet ski.

In September 2020, SSA conducted a redetermination of benefits for one of the children. The agency determined that Mistie failed to list Travis as a member of the household and told SSA that she paid rent of \$1,400 a month. Mistie also confirmed that "no one in the household was a parent or child of either the landlord or his/her spouse." In truth, Mistie and Travis jointly owned the house, and Travis was part of the household at that time. SSA analyzed the Knapton's assets and determined that from April 2011 through February 2024, the Knapton children would not have qualified for SSI benefits had SSA known the truth about the Knapton's living and financial situation. SSA calculated that the Knapton children received \$196,575 in SSI benefits they were not actually eligible to receive. The SSI income was paid into separate bank accounts for each child. Mistie frequently shared and transferred this money, stolen from the United States, into Travis' bank account. Travis then used the stolen money to purchase homes and vehicles, pay for general living expenses and other items for himself and his family.

The U.S. Attorney's Office is prosecuting the case. The SSA Office of Inspector General and Montana Division of Criminal Investigation conducted the investigation.