UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT CHATTANOOGA

UNITED STATES OF AMERICA	)	
	)	1:21-cr-69
v.	)	
	)	Judge CEA/CHS
DONNA J. CLARK	)	

INDICTMENT

COUNT ONE
WIRE FRAUD
(18 U.S.C. § 1343)

THE GRAND JURY CHARGES THAT:

AT ALL TIMES MATERIAL HEREIN:

The defendant, DONNA J. CLARK, has been a resident of Benton, Tennessee at all times relevant to the indictment. She maintained personal bank accounts at Wells Fargo Bank ("WFB"), BB&T & Co. ("BB&T"), and First Volunteer Bank ("FVB").

Beginning in or before October 2020, the defendant, DONNA J. CLARK, began communicating with unknown entities on the internet purporting to be men interested in a dating relationship with her. The defendant, DONNA J. CLARK, later began knowingly operating as a money mule for these entities.

A "money mule" is someone who transfers illegally acquired money on behalf of or at the direction of another. Money mules are often recruited via an on-line romance scheme or on-line job scheme. Criminals use money mules to move money electronically through bank accounts. They are asked by the criminal actors to use an established bank account, or to open a new bank account, to receive money from someone they have never met in person. They are also asked to move physical currency, or to assist the movement of money through a variety of other methods such as wire the money into a third-party bank account; "cash out" the money received, via currency or cashier's checks; convert the money to virtual currency (such as Bitcoin); convert the money to prepaid cards (such as debit cards or gift cards); send the money through a money service business (such as Western Union or Money Gram) or a money transmitting app (such as Venmo or Zelle); or conduct a combination of these actions. The money mule may be told to keep a portion of the money being transferred. Money mules add layers to the money trail from a victim to a criminal actor.

Money mules can be witting and complicit in the transfer of the illegally acquired money. The money mule may ignore obvious red flags or act willfully blind to the money movement activity. The money mule may have been warned about the activity by a bank employee or law enforcement. The money mule may serially open bank accounts because prior bank accounts had been closed by banks due to the suspicious activity in the accounts. The money mule's motivation may be financial gain or misplaced loyalty to a criminal actor.

Criminal actors obtain money through various illegal acts, and they need someone to move this money at their direction. Common criminal activities include romance scams, work from home scams, mystery shopper scams, lottery scams, Business Email Compromise, reshipping scams, IRS or law enforcement impersonation scams, credit card fraud, and drug trafficking. Money mules help criminals launder their criminally derived proceeds by adding layers of recipients to the money trail; and these layers complicate and negatively impact the ability of law enforcement to accurately trace the money from a specific victim to a criminal actor.

After the defendant, DONNA J. CLARK, began operating as a money mule for these entities, she was warned multiple times over a series of months by family members and friends that she was acting as a money mule who was laundering money and facilitating criminal activity and fraud.

On or about June 21, 2021, an FBI special agent advised the defendant, DONNA J. CLARK, that she was involved in the transfer of money obtained by theft or fraud, or possibly even drug proceeds. The agent warned her that her bank accounts and prepaid cards she had purchased were being used to receive and send stolen money or money obtained through fraud; and that the defendant, DONNA J. CLARK, is involved in illegal activity of money laundering and operating as an unlicensed money transmitting business, both of which are violations of federal law. The agent advised that the entities to which the defendant, DONNA J. CLARK, were talking and for which she was transferring money were not likely from the United States, that they were engaged in fraud and defrauding victims in the United States, and that she was aiding them in the fraud by engaging in the money transfers, bitcoin deposits, and prepaid card transactions. He advised her to immediately stop communicating with these entities and cease all financial transactions for them.

The defendant, DONNA J. CLARK, acknowledged that she understood that she was aiding criminal activity and she could later be arrested or charged with a federal crime if she continued to engage in these activities and promised that she would cease all contact with the entities and stop engaging in the transactions.

<u>THE SCHEME TO DEFRAUD</u>:

Beginning in or about June 21, 2021, and continuing until on or about July 19, 2021, in the Eastern District of Tennessee and elsewhere, the defendant, DONNA J. CLARK, devised and intended to devise a scheme and artifice to defraud others and to obtain money and property by means of false and fraudulent pretenses, representations and promises. The scheme and artifice to defraud and to obtain money so devised and intended to be devised by the defendant was in substance as follows:

It was part of the scheme to defraud that beginning on or about June 21, 2021, the same day she had been visited by the FBI agents, the defendant, DONNA J. CLARK, re-established communications with the entities that she had met online and described herein as well as new online entities.

It was further part of the scheme to defraud that the online entities described herein would cause funds to be deposited in the defendant, DONNA J. CLARK's personal bank account.

It was further part of the scheme to defraud that the defendant, DONNA J. CLARK, at the direction of the online entities, withdrew funds in cash or other financial instruments from her accounts.

It was further part of the scheme to defraud that the defendant, DONNA J. CLARK, at the direction of the online entities, transferred and mailed cash and other financial instruments to others identified by the online entities.

It was further part of the scheme to defraud that the defendant, DONNA J. CLARK, kept portions of the funds deposited into her accounts as payment for her services.

It was further part of the scheme to defraud that the defendant, DONNA J. CLARK, lied to bank employees about the source of the funds she was transferring.

It was further part of the scheme to defraud that the defendant, DONNA J. CLARK, lied to representatives of FedEx shipping about the contents of the mailings she was sending and wrote false information on the shipped package about the contents.

It was further part of the scheme to defraud that the defendant, DONNA J. CLARK, purchased prepaid cards such as Steam cards and Green Dot cards. She scratched off the numbered code on the cards, photographed the code, and sent back to the online entities.

THE EXECUTION:

Beginning in or about June 21, 2021, and continuing until on or about July 19, 2021, in the Eastern District of Tennessee and elsewhere, the defendant, DONNA J. CLARK, having devised and intended to devise a scheme to defraud, and for the purpose of obtaining money and property by means of false and fraudulent pretenses, representations and promises, did transmit and cause to be transmitted by interstate wire communication in interstate commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice to defraud others in connection with the following transaction:

COUNT	DATE	AMOUNT	PAYER	PAYEE
1	07/16/2021	$39,292.50	Fora Financial via First Horizon Bank	"SO" to the account of DONNA J. CLARK via BB&T Co.

All in violation of Title 18 United States Code, Section 1343.

COUNT TWO
MONEY LAUNDERING
(18 U.S.C. § 1957)

THE GRAND JURY FURTHER CHARGES THAT:

A. AT ALL TIMES MATERIAL HEREIN:

The United States Attorney re-alleges and incorporates by reference the allegations set forth in Count One.

B. MONEY LAUNDERING:

On or about July 17, 2021, in the Eastern District of Tennessee, the defendant, DONNA J. CLARK as specifically set forth below, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than $10,000, affecting interstate commerce, which in fact was derived from specified unlawful activity, that is, wire fraud in violation of Title 18, United States Code, Section 1343.

COUNT	DATE	MONETARY TRANSACTION
2	07/17/2021	$20,000.00 official check (#1003749082) from BB&T bank account to DONNA CLARK

All in violation of Title 18, United States Code, Section 1957.

[COUNT THREE ON FOLLOWING PAGE]

<u>COUNT THREE</u>
<u>UNLICENSED MONEY TRANSMITTAL</u>
<u>(18 U.S.C. § 1960)</u>

THE GRAND JURY FURTHER CHARGES THAT:

A. <u>AT ALL TIMES MATERIAL HEREIN</u>:

The United States Attorney re-alleges and incorporates by reference the allegations set forth in Counts One and two.

B. <u>UNLICENSED MONEY TRANSMITTAL</u>:

From in or about June 21, 2021, and continuing until on or about July 19, 2021, in the Eastern District of Tennessee and elsewhere, the defendant, DONNA J. CLARK, unlawfully, willfully, and knowingly conducted, controlled, managed, supervised, directed, and owned and attempted to do so, all and part of an unlicensed money transmitting business affecting interstate and foreign commerce, (a) without an appropriate money transmitting license in a State where such operation is punishable as a misdemeanor and a felony under State law, and (b) while failing to comply with the money transmitting business registration requirements under Section 5330 of Title 31, United States Code, and regulations prescribed under such section, to wit, the defendant, DONNA J. CLARK, transmitted on behalf of others known and unknown, tens of thousands of dollars by means of electronic fund transfers, wire transfers, mailings and checks to and through the Eastern District of Tennessee and elsewhere without registering as a money transmitting business under federal law and without obtaining Tennessee money transmitting licenses.

All in violation of Title 18, United States Code, Sections 1960 and 2.

[FORFEITURE ALLEGATIONS ON THE FOLLOWING PAGE]

FORFEITURE ALLEGATIONS

1. The allegations contained in Counts One, Two, and Three of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Sections 982(a)(1) and (2).

2. Pursuant to Title 18, United States Code, Section 982(a) and(2), upon conviction of an offense in violation of Title 18, United States Code, Section 1343, as set forth in Count One, the defendant, DONNA J. CLARK, shall forfeit to the United States, any property constituting or derived from, proceeds obtained, directly or indirectly, as a result of the offense, including but not limited to, the following properties:

a. $460.00 U.S. currency seized from the residence of Donna J. Clark on July 19, 2021;

b. $20,000.00 official check (#1003749082) from BB&T payable to Donna Clark dated July 17, 2021;

c. Funds up to the amount of $89,292.50 in BB&T Bank account number 1430001294316 held in the name of Donna J. Clark;

d. Funds up to the amount of $15,000.00 in First Volunteer Bank account number 2000294039 held in the name of Donna J. Clark; and

e. A personal money judgment in the amount of at least $110,125.50 in favor of the United States and against the defendant, DONNA J. CLARK, which represents the proceeds the defendant personally obtained as a result of the offense of 18 U.S.C. § 1343.

3. Pursuant to Title 18, United States Code, Section 982(a)(1), upon conviction of an offense in violation of Title 18, United States Code, Sections 1957 and/or 1960, as set forth in Counts Two and Three, the defendant, DONNA J. CLARK, shall forfeit to the United States any property, real or personal, involved in such offenses, and any property traceable to such property including, but not limited to, the following:

a. $460.00 U.S. currency seized from the residence of Donna J. Clark on July 19, 2021;

b. $20,000.00 official check (#1003749082) from BB&T payable to Donna Clark dated July 17, 2021;

c. Funds up to the amount of $89,292.50 in BB&T Bank account number 1430001294316 held in the name of Donna J. Clark;

d. Funds up to the amount of $15,000.00 in First Volunteer Bank account number 2000294039 held in the name of Donna J. Clark; and

e. A personal money judgment in the amount of at least $110,125.50 in favor of the United States and against the defendant, DONNA J. CLARK, which is property that is involved in an offense in violation of 18 U.S.C. §§ 1957 and/or 1960, or is derived from proceeds traceable to the offenses.

4. If any of the properties described above, as a result of any act or omission of the defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1).

A TRUE BILL.

[redacted]

FOREPERSON OF THE GRAND JURY

Francis M. Hamilton, III
Acting United States Attorney

By: Steven S. Neff
Steven S. Neff
Assistant U.S. Attorney