AO 91 (Rev. 11/11) Criminal Complaint

UNITED STATES DISTRICT COURT

for the

Western District of Tennessee

United States of America
v.
Princess Terry

Defendant(s)

Case No. 2:20-cr-20194-MSN/tmp

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of April 24, 2020 - May 15, 2020 in the county of Shelby in the Western District of Tenn. and elsewhere, the defendant(s) violated:

Code Section	*Offense Description*
18 U.S.C. 1343	Wire Fraud
18 U.S.C. 1014	False Statements in Connection with Loan Application

This criminal complaint is based on these facts:

See attached Affidavit

☑ Continued on the attached sheet.

Christopher Townsend, SPECIAL AGENT FBI
Complainant's signature

Christopher Townsend, Special Agent, FBI
Printed name and title

Sworn to before me telephonically and signed.

Date: November 4, 2020

s/Tu M. Pham
Judge's signature

City and state: Memphis, Tennessee

Tu M. Pham, U.S. Magistrate Judge
Printed name and title

AFFIDAVIT

I, Christopher Townsend, after being duly sworn, does depose and state the following:

I. INTRODUCTION

1. I am a Special Agent with the Federal Bureau of Investigation (FBI) and have been so employed since September 2016. During the course of my employment with the FBI, I have been assigned to investigate white collar crime cases, including corporate fraud, mortgage fraud, wire fraud, mail fraud, and money laundering cases. I have participated in numerous investigations; in the service of arrest and search warrants; and the interviews of suspects, witnesses and other persons having knowledge of the violations of law relating to those violations which fall within the scope of the jurisdiction of the Federal Bureau of Investigation. Immediately prior to being employed by the FBI, I was employed by the Indiana State Police as a State Trooper. Your affiant was so employed for approximately eight years and worked as a Trooper, Field Training Officer, and Corporal.

2. I am currently investigating allegations that **PRINCESS TERRY**, has committed violations of the federal wire fraud statue, Title 18, United States Code, Sections 1343, 1014, and possible other federal criminal statutes. The elements of 18 U.S.C. §1343 are that the defendant devised or intended to devise a scheme or artifice to defraud or obtain money or property by means of false or fraudulent pretenses, representations, or promises, and transmitted or caused to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice. The elements of 18 U.S.C. §1014 are that the defendant knowingly made any false statement or report…for the purpose of influence in any way the action of the …Small Business Administration. Additionally, contained in 18 U.S.C. §1014 are false statements and reports

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submitted to banks and financial institutions that are insured by the Federal Deposit Insurance Corporation.

3. The information in this affidavit comes from my own investigation, as well as bank records and other individuals with firsthand knowledge of the facts contained herein. Since this affidavit is being submitted for the limited purpose of securing an arrest warrant, I have not included each and every fact known to me concerning this investigation. I have set forth only the facts that I believe are necessary to establish probable cause to believe that **PRINCESS TERRY** has committed violations of 18, U.S.C. §1343 and 18 U.S.C. §1014.

II ORIGIN OF INVESTIGATION

4. The FBI first initiated an investigation into the activities of **PRINCESS TERRY** AKA Princess Terry Williams and others in or around June 2016 after receiving a complaint regarding fraudulent billing practices involving her business, Caring Hearts Memphis LLC, which was incorporated in Tennessee and operated in Shelby County Tennessee.

5. Caring Hearts provided home healthcare services including nursing, physical therapy, and occupational therapy. Investigation determined that between January 1, 2016 and September 30, 2017, Caring Hearts fraudulently billed an insurance provider for over $2 million in services not performed and/or for services in excess of what was provided.

6. Princess Terry was the sole owner of Caring Hearts and the sole beneficiary of the criminal proceeds derived from the fraudulent billing scheme. On September 17, 2019, Princess Terry was indicted by a federal grand jury for various counts related to the healthcare fraud scheme. On August 25, 2020 Princess Terry entered a guilty plea in the U.S. District Court for the Western District of Tennessee in Case No. 19-20248-TLP to one count of health care fraud and one count of aggravated identity theft. That case is currently pending sentencing.

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7. According to the Tennessee Secretary of State's website, on or about April 4, 2018, documents were filed requesting that the corporate name Caring Hearts LLC be changed to Boundless Healthcare LLC. On July 27, 2019 the corporate status was listed as "Dissolution / Revocation – Administrative."

8. In early 2020, in response to the COVID-19 pandemic, the United States Government implemented an economic stimulus program which included the Paycheck Protection Program" (PPP). Under this program, a qualified small business could apply for a loan backed by the United States Small Business Administration (SBA) through a network of approved financial institutions (banks) which would later be forgiven as long as the loan proceeds were used for specified business purposes including employee salaries.

9. In order to secure a paycheck protection loan, the applicant was required to submit SBA form 2483, which requested company information, payroll information, loan purpose, and applicant criminal history.

10. An SBA form 2483, also known as the Paycheck Protection Program Borrower Application Form, dated April 24, 2020 was submitted to First Horizon Bank, an FDIC-insured financial institution headquartered in Memphis, Tennessee, requesting a paycheck protection loan for Caring Hearts, PO Box 642, Collierville Tennessee, totaling $300,000. The form is signed by Princess Terry and states that she is the "100%" owner of the business. The form lists the payroll as $116,000 a month for 30 employees. The purpose of the loan is listed as payroll, lease or mortgage interest, and utility payments. In block #5 on the form there is a question asking if anyone owning 20% or more equity is subject to "an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction..." The response is "NO" with the initials "PT" next to the answer. In block #6 on the form there is a question asking

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if any owner within the past five years has been convicted or plead guilty to a felony. The response is "NO" with the initials "PT" next to the answer.

11. The form also requests that the applicant certify that the applicant has not been engaged in any activity that is illegal under federal, state, or local law and that the business entity was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes. The form also requests certification that the loan proceeds would be used "to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments as specified under the Paycheck Protection Program rule." The form also requests that the applicant certify that he/she "understands that if the funds are used for unauthorized purposes the federal government may hold me legally liable, such as charges of fraud." The initials "PT" are next to the statement. The Paycheck Protection plan loan from First Horizon Bank was denied.

12. An SBA form 2483 dated May 15, 2020 was then submitted by electronic transmission to Celtic Bank, an FDIC-insured financial institution headquartered in Salt Lake City, Utah, requesting a paycheck protection loan for Caring Hearts LLC, 555 Estanaula Rd, Collierville Tennessee in the amount of $290,000. The form was "docu -signed" by Princess Terry, and again represents that she is the 100% owner of the business. The form claims that Caring Hearts LLC had a payroll of $116,000 with 42 employees. The responses listed in blocks 5 and 6 on the form regarding the applicant's criminal history are again listed as "No" with the initials "PT" handwritten next to the answers. The form also requests that the applicant certify that the applicant has not been engaged in any activity that is illegal under federal, state, or local law and that the business entity was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes. The form also requests certification that the loan proceeds would be used "to retain workers and maintain payroll or make mortgage interest payments, lease payments, and

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utility payments as specified under the Paycheck Protection Program rule." The form also requests that the applicant certify that he/she "understands that if the funds are used for unauthorized purposes the federal government may hold me legally liable, such as charges of fraud." The initials "PT" are next to the statements.

13. SBA form 2483 dated May 15, 2020 also requests certification that the "information provided in the application and the supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to $250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than $5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than $1,000,000." The initials "PT" are next to the statements.

14. A SunTrust Bank statement for account #xx3997 issued to Caring Hearts Memphis LLC dated February 29, 2020 for the period February 1, 2020 to February 29, 2020 was submitted to Celtic Bank as documentation. The beginning balance on the account was $9,748.95 with deposits totaling $358,924.33 and withdrawals totaling $326,334.92 resulting in an ending balance of $42,338.36. A review of records obtained by the FBI from SunTrust Bank has shown that the transactions and balances listed on the purported February 2020 statement submitted to Celtic Bank are actually listed on the SunTrust Bank statement for March 2017 when Caring Hearts LLC was an active business. SunTrust Bank confirmed the account was closed on January 1, 2019. It thus appears the February 2020 statement was counterfeited from the legitimate March 2017 statement to fraudulently misrepresent Caring Heart's actual business operations in early 2020 in order to secure the SBA loan.

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15. The SBA loan for Caring Hearts Memphis LLC dba Boundless Healthcare LLC was approved by Celtic Bank. On May 19, 2020 an ACH transaction was initiated by Celtic Bank to Boundless Healthcare in the amount of $290,000. On May 20, 2020 an ACH deposit on behalf of Celtic Bank totaling $290,000 was made to Orion Federal Credit Union account #xx652 issued to "Miss Princess Terry." The balance on the account prior to the deposit of the SBA loan funds was $1,026.20. An examination of the records of that account reveal that the money was not spent on employee salaries and other authorized business expenses as certified in the loan application, but rather on personal expenditures for Terry's own benefit, including, but limited to, restaurant meals, clothing, and three vehicles for Terry and her husband.

16. My investigation of Princess Terry's previous federal healthcare fraud case, which includes the examination of billing records, as well as interviews with former employees and Terry herself, revealed that Caring Hearts ceased doing business permanently in May 2017, and thus had no employees or payroll obligations after that time.

17. Based on the foregoing your affiant believes that:

a. On or about May 15, 2020 Princess Terry Williams submitted a loan application to Celtic Bank to apply for a Paycheck Protection loan sponsored by the United States Government Small Business Administration (SBA) in the amount of $290,000. On the application, Princess Terry fraudulently misrepresented that she was not under indictment, that her business was currently in operation, and that the PPP loan proceeds would be used for an authorized purpose. Princess Terry also submitted a fraudulent bank statement which made it appear that her business was an active entity. Princess Terry's loan was approved based on these fraudulent misrepresentations.

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b. On May 20, 2020 SBA loan funds totaling $290,000 were deposited to an Orion Federal Credit Union account issued to Miss Princess Terry. The balance on the account prior to the deposit was $1,026.20.

17. In consideration of the foregoing, your Affiant respectfully requests that this Court issue an arrest warrant for **PRINCESS TERRY**, for violations of Title 18, United States Code, Sections 1343 and 1014.

SPECIAL AGENT
Christopher Townsend, Special Agent
Federal Bureau of Investigation

Sworn before me telephonically

This 4th day of November, 2020

s/Tu M. Pham

TU M. PHAM
United States Magistrate Judge