FILED

JUL 20 2022

Clerk, U. S. District Court
Eastern District of Tennessee
At Knoxville

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT KNOXVILLE

UNITED STATES OF AMERICA	)	
	)	
v.	)	Case No. 3:22cr69
	)	
SARRAH DENTON WILLHITE	)	Judges: Varlan / Poplin
	)	

INDICTMENT

The Grand Jury charges:

Background and Relevant Parties

At all times relevant to this indictment:

1. The defendant, SARRAH DENTON WILLHITE, resided in the Eastern District of Tennessee and purported to own and operate Rescue Army Nation Ministries.

2. Rescue Army Nation Ministries was a nonprofit organization registered in the State of Mississippi that purportedly operated in the Eastern District of Tennessee and elsewhere.

Economic Injury Disaster Loans

3. On March 27, 2020, in response to the economic crisis caused by the novel coronavirus pandemic, the President signed into law the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The CARES ACT provided emergency assistance to small business owners, including agricultural businesses, and nonprofit organizations in all U.S. States, Washington D.C., and territories affected by the Coronavirus (COVID-19) pandemic. The two sources of funding for small businesses were the Paycheck Protection Program and the Economic Injury Disaster Loan ("EIDL") program.

4. The EIDL program was administrated by the Small Business Administration ("SBA") and provided low-interest loans to small businesses, renters, and homeowners in regions affected by declared disasters.

5. The CARES Act authorized the SBA to provide EIDLs of up to $2 million to eligible small businesses experiencing substantial financial disruptions due to the COVID-19 pandemic. In addition, the CARES Act authorized the SBA to issue advances of up to $10,000 to small businesses within three days of applying for an EIDL.

6. To obtain an EIDL and advance, a qualifying business was required to submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenue for the 12-month period preceding the disaster, and cost of goods sold in the 12-month period preceding the disaster. In the case of EIDLs for COVID-19 relief, the 12-month period was the period preceding January 31, 2020. For a business to be eligible for an EIDL, the business must have been in operation before February 1, 2020. The applicant was also required to certify that all the information in the application was true and correct to the best of the applicant's knowledge.

7. EIDL applications were submitted directly to the SBA and processed by the agency with support from a government contractor, Rapid Finance. Approval of a loan application and the amount of a loan was based, in part, on the information provided on the application about the number of employees, gross revenue, and cost of goods, as described above. Upon approval of an application for an EIDL or advance, SBA will disburse the funds. EIDL loan proceeds were permitted to be used for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments.

COUNT ONE

Wire Fraud, 18 U.S.C. § 1343

The Scheme

9. Beginning on or about November 27, 2021, and continuing to on or about January 28, 2022, the defendant, SARRAH DENTON WILLHITE, knowingly and willfully devised and intended to devise a scheme and artifice to defraud, and to obtain money and property, by means of materially false and fraudulent pretenses, representations, and promises.

Purpose and Object of the Scheme

10. It was the purpose and object of the scheme for WILLHITE to unjustly enrich herself and others by obtaining EIDL proceeds under false and misleading pretenses, including by making false statements about the number of individuals employed; the gross revenue generated, and the expenses incurred; and the intended use of the EIDL proceeds.

Manner and Means

11. It was part of the scheme that WILLHITE submitted an electronic loan application on behalf of Rescue Army Nation Ministries, a nonprofit organization that purportedly provided faith-based rehabilitation and counseling services to individuals. WILLHITE inflated the organization's gross revenues and expenses; fabricated the number of individuals employed by the organization; and misrepresented her intended use of the EIDL proceeds—all for the purpose of obtaining EIDL funds intended for distressed small businesses because of the COVID-19 pandemic.

12. It was further part of the scheme that WILLHITE created a fraudulent 2019 Profit & Loss Statement that inflated the organization's gross revenues and expenses. WILLHITE knew this document contained false information. WILLHITE created the 2019 Profit & Loss Statement solely for the purpose of obtaining EIDL funds to which she was not entitled.

13. It was further part of the scheme that WILLHITE submitted to the SBA a fraudulent Certification and Resolution Form on which WILLHITE forged the signature of a person who WILLHITE claimed was the Secretary of Rescue Army Nation Ministries.

14. It was further part of the scheme that WILLHITE attempted to conceal the scheme by transferring a portion of the EIDL proceeds to her personal checking account.

Execution of the Scheme

15. On or about November 27, 2021, in the Eastern District of Tennessee, the defendant, SARRAH DENTON WILLHITE, for the purpose of executing the scheme and artifice described above, transmitted or caused to be transmitted by means of wire communication in interstate commerce a writing, sign, or signal—that is, the electronic submission of an EIDL application on behalf of Rescue Army Nation Ministries—from WILLHITE's electronic device, located in the Eastern District of Tennessee, to the SBA's computer servers administered by Rapid Finance, located outside the State of Tennessee.

All in violation of 18 U.S.C. § 1343.

Forfeiture Allegations

The allegations above are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, § 981(a)(1)(C), and Title 28, United States Code, § 2461(c).

Pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), upon conviction of the violation alleged in Count One of this Indictment, in violation of Title 18, United States Code, Section 1343, the defendant shall forfeit to the United States, any property constituting, or derived from, proceeds defendant obtained directly or indirectly, as the result of such violation. The property to be forfeited includes, but is not limited to, the following:

Money Judgment:

A personal money judgment in the amount of $346,600 in U.S. currency, which represents the minimum amount of proceeds the defendant personally obtained as a result of an offense in violation of 18 U.S.C. § 1343.

Bank Accounts:

a. $3,277.60 seized from Citizens National Bank, Account Number 11217593, in the name of Sarrah Willhite Denton;

b. $1,007.44, from Citizens National Bank, Check 204238; and

c. $2,954.01, from Citizens National Bank, Account Number 4306119, in the name of The Table Restaurant.

Real Property:

Real Property Located at 265 Midnight Way, Parrottsville, Tennessee 37843 and more particularly described as follows:

BEGINNING at a 5/8 inch iron rod in the line of Hommel (W.D. Book 286, Page 164), said iron rod being located North 76° 25' 52" East 89.82 feet from a spike in a 14 inch ash in a fence, and running thence North 15° 16' 09' West 18.99 feet to a point on the centerline of a 30 foot right-of-way commonly known as Midnight Way and in the line of Spann (W.D.Book 343, Page 338); thence with said right-of-way centerline five courses as follows: a curve to the left (Tangent=370.28 feet; Radius=101.81 feet; Arc Length=265.21 feet; Chord Length=186.33 feet; Chord Bearing=North 11° 50' 06" East; Delta Angle=149° 15' 10"); North 62° 47' 29" West 70.01 feet; North 78° 01' 58" West 97.61 feet; North 54° 10' 40" West 56.36 feet; and North 38° 38' 13" West 198.03 feet to a point where said 30 foot right-of-way becomes a 50 foot right-of-way; thence with said right-of-way centerline North 46° 21' 49" West 43.30 feet to a point; thence leaving said right-of-way centerline North 43° 32' 38" East 24.67 feet to a 5/8 inch iron rod; thence North 43° 32' 38" East 307.12feet to a 5/8 inch iron pin rod in the line of Robeson (Will Book 10, Page 243); thence with the Robeson line, South 20° 38' 18" East 48.00 feet to a wood fence post; thence South 19° 42' 26" East 257.51 feet to a 30 inch chestnut oak in a fence; thence South 23° 44' 20" East 198.44 feet to a wood fence post; thence South 17° 58' 57" East 210. 99 feet to a ½ inch iron rod at a fence junction; thence South 66° 14' 50" West 76.34 feet to a spike in an oak snag; thence South 76° 25' 52" West 86.73 feet to the point of Beginning, containing 2.60 acres, more or less, as shown on plat of survey by Michael A. Ivy, Tennessee RLS No.1834, dated April 18, 1998, revised June 29, 1998. Description taken from previous deed of record. Being the same premises conveyed to Cody James Keys, by deed from Smoky Mountain Treasure LLC, a Tennessee limited liability company, dated November 5, 2021, of record in the Register's Office of Cocke County, Tennessee in Record Book 1574, at Page 697.

For further reference see Deed recorded on December 28, 2021, in the Register of Deeds Office for Cocke County, Tennessee as Deed No. 2100645, in Book 1579, Pages 41-42.

Vehicle:

A 2020 Ford Fusion, VIN# 3FA6P0D95LR133085, registered to Rescue Army Nation Ministries, 680 Glades Road, Ste 7, Gatlinburg, Tennessee 37738.

Other Property:

a. A 2020 Salem 29VBUD Travel Trailer, VIN# 4X4TSME27LA326167, registered to Sarrah Willhite, 680 Glades Road, Ste 7, Gatlinburg, Tennessee 37738; and

b. Cashier's Check in the amount of $6,068.74 remitted to U.S. Marshal Service.

If any of the property subject to forfeiture, as a result of any act or omission of a defendant,

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

b. has been transferred, 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 that 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, § 853(p), as incorporated by Title 28, United States Code, § 2461(c).

A TRUE BILL:

SIGNATURE REDACTED

GRAND JURY FOREPERSON

FRANCIS M. HAMILTON III
UNITED STATES ATTORNEY

By: William A. Roach, Jr.
William A. Roach, Jr.
Assistant United States Attorney