

COTTON

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
	)	CRIMINAL No. 20-CR-20194-MSN-1
v.)	
	)	18 U.S.C. §1343
PRINCESS TERRY,	)	18 U.S.C. §1014
	)	18 U.S.C. §1957
Defendant.	)	18 U.S.C. §981
	)	18 U.S.C. §982

INDICTMENT

THE GRAND JURY CHARGES:

General Allegations

During all times material to this Indictment:

The Defendant and Related Entities

1. Caring Hearts Memphis LLC (Caring Hearts) was a Tennessee corporation headquartered in Memphis, Tennessee, solely owned and controlled by defendant **Princess Terry**. Caring Hearts purported to be a provider of home health care services, including, but not limited to, nursing, home health aides, physical therapy, and occupational therapy.

2. Caring Hearts ceased regular business operations in 2017, and had no employees and maintained no business premises after on or about September 30, 2017.

3. In or around July 2019, documents were filed with the Tennessee Secretary of State changing the company's corporate name to Boundless Healthcare LLC.

4. **Princess Terry** was under federal indictment, having been indicted in the U.S. District Court for the Western District of Tennessee in Case No. 2:19-cr-20248-TLP on or about September 17, 2019 and charged with healthcare fraud in violation of 18 U.S.C. §1347, wire fraud in violation of 18 U.S.C. §1343, making false statements in relation to healthcare matters in violation of 18 U.S.C. §1035, aggravated identity theft in violation of 18 U.S.C. §1028A, and engaging in financial transactions using criminally derived property in violation of 18 U.S.C. §1957. On or about August 25, 2020, **Princess Terry** entered a guilty plea in that case to charges of healthcare fraud and aggravated identity theft.

The U.S. Small Business Administration

5. The U.S. Small Business Administration (SBA) was an agency of the Executive Branch of the U.S. Government, which provided support to entrepreneurs and small businesses. The mission of the SBA was to maintain and strengthen the nation's economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.

6. As part of this effort, the SBA enabled and provided for loans through banks, credit unions, and other lenders. These loans have government-backed guarantees.

The CARES Act and the Paycheck Protection Program

7. The Coronavirus Aid, Relief, and Economic Security (CARES) Act was a federal law enacted in March 2020 and designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the

authorization of forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (PPP).

8. To obtain a PPP loan, a qualifying business was required to submit a PPP loan application, which was signed by an authorized representative of the business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application (SBA Form 2483), the small business (through its authorized representative) was required to certify, among other things: (a) that the small business was in operation on February 15, 2020; (b) average monthly payroll expenses; and (c) number of employees. These figures were used to calculate the amount of money the small business is eligible to receive under the PPP. In addition, businesses applying for a PPP loan were required to provide documentation showing their payroll expenses. Applicants must meet (and certify) certain requirements, including that the small business was in operation on February 15, 2020, had employees, and had average monthly payroll costs.

9. The PPP loan application further required the business (through its authorized representative) to certify whether the applicant or any individual owning 20 percent or more of the equity of the business was then subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought.

10. A PPP loan application was processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own monies, which were guaranteed by the SBA. Data from the application, including the information about the borrower, the total amount of the loan, and the listed number of

employees, was transmitted by the lender to the SBA in the course of processing the loan.

11. PPP loan proceeds were required to be used on certain permissible expenses, including payroll costs, mortgage interest, rent, and utilities. Under the applicable PPP rules and guidance, the interest and principal on the PPP loan is eligible for forgiveness if the business spent the loan proceeds on these expense items within a designated period of time and used a certain portion of the loan towards payroll expenses.

Relevant Financial Institutions and Businesses

12. First Horizon Bank was a financial institution headquartered in Memphis, Tennessee and insured by the Federal Deposit Insurance Corporation (FDIC).

13. Celtic Bank was a financial institution headquartered in Salt Lake City, Utah and insured by the Federal Deposit Insurance Corporation (FDIC).

14. SunTrust Bank was a financial institution headquartered in Atlanta, Georgia and insured by the Federal Deposit Insurance Corporation (FDIC).

15. Orion Federal Credit Union was a financial institution headquartered in Memphis, Tennessee and insured by the Federal Credit Union Administration.

16. Collierville 305 Motors, d/b/a Colierville Chrysler, is a retail seller of automobiles located in Collierville, Tennessee.

17. Dick Moore Housing is a retail seller of manufactured homes located in Memphis, Tennessee.

Scheme to Defraud

18. Between on or about April 24, 2020 and on or about May 15, 2020, the exact dates being unknown to the Grand Jury, defendant **Princess Terry** devised and executed

a scheme and artifice to defraud and to unlawfully obtain money and other property by means of false and fraudulent pretenses, representations, and promises.

19. The object of the scheme and artifice to defraud was for defendant **Princess Terry** to unjustly enrich herself by obtaining PPP loan funds backed by the SBA from one or more financial institutions under false and fraudulent pretenses.

20. It was part of the scheme that defendant **Princess Terry** submitted and caused to be submitted SBA Forms 2483 to financial institutions, including First Horizon Bank and Celtic Bank, containing false and fraudulent misrepresentations. Among those misrepresentations were that the defendant was not then under criminal indictment, that Caring Hearts was then a going business with employees and monthly payroll expenses, and that the PPP loan funds for which she was applying would be used for an authorized purpose by Caring Hearts Memphis.

21. It was part of the scheme that defendant **Princess Terry** submitted and caused to be submitted supporting documentation for the above-described loan applications, which included bank statements from SunTrust Bank for Caring Hearts which had been materially altered to reflect more recent dates and thereby support **Terry's** misrepresentation that Caring Hearts was still a going business with employees and payroll expenses.

22. It was part of the scheme that defendant **Princess Terry**, by means of false and fraudulent misrepresentations, obtained PPP loan funds from Celtic Bank in the amount of \$300,000.00.

23. It was part of the scheme that defendant **Princess Terry** spent the proceeds of the above-described fraud on personal items for herself, including vehicles and a manufactured home.

COUNTS 1-2
(Wire Fraud)

24. The allegations in paragraphs 1-23 above are hereby reallaged and incorporated by reference as if fully set forth herein.

25. On or about the dates set forth below, in the Western District of Tennessee and elsewhere, the defendant,

PRINCESS TERRY

for the purpose of executing the scheme described above, and attempting to do so, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, each transmission constituting a separate count:

Count #	Date	Description
1	April 24, 2020	Electronic transmission of SBA Form 2483 and supporting documentation to First Horizon Bank
2	May 15, 2020	Electronic transmission of SBA Form 2483 and supporting documentation to Celtic Bank

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

COUNT 3-4
(False Statements in Connection with Loan Application)

26. The allegations in paragraphs 1-23 above are hereby realigned and incorporated by reference as if fully set forth herein.

27. On or about the dates below, in the Western District of Tennessee and elsewhere, the defendant,

PRINCESS TERRY

knowingly made a false statement and report for the purpose of influencing the action of the U.S. Small Business Administration (SBA) and a financial institution insured by the Federal Deposit Insurance Corporation in connection with an application for a loan under the SBA's Paycheck Protection Program (PPP) in that the defendant represented that she was not then under indictment or criminal charge, that her business then had employees and a monthly payroll obligation, and that the PPP loan proceeds would be used for an authorized purpose, when in truth and in fact, as the defendant well knew, the defendant was then under indictment, her business had no employees or payroll obligations, and the PPP loan proceeds were to be used for the defendant's own personal benefit:

Count #	Date	Financial Institution
3	April 24, 2020	First Horizon Bank
4	May 15, 2020	Celtic Bank

All in violation of Title 18 United States Code, Section 1014.

COUNTS 5-6
(Monetary Transactions in Proceeds of Specified Unlawful Activity)

28. The allegations in paragraphs 1-14 above are hereby realigned and incorporated by reference as if fully set forth herein.

29. On or about the dates set forth below, in the Western District of Tennessee and elsewhere, the defendant,

PRINCESS TERRY

did knowingly engage and attempt to engage, and did cause others to engage, in monetary transactions affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, the withdrawal, deposit, and transfer of funds as set forth in each count below having been derived from specified unlawful activity, that is wire fraud and making false statements in connection with a loan application, in violation of Title 18, United States Code, Sections 1343 and 1014.

COUNT #	DATE(S)	AMOUNT	DESCRIPTION
5	May 27, 2020	\$83,075.05	Purchase and tendering of cashier's check made payable to Collierville 385 Motors for the purchase of two vehicles
6	June 6-8, 2020	\$57,000.00	Purchase and tendering of cashier's check made payable to Dick Moore (Dick Moore Housing) for the purchase of a manufactured home

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

CRIMINAL FORFEITURE

1. The allegations contained in paragraphs 1-23 and Counts 1-6 of this indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(1), and Title 28, United States Code, Section 2461(c).

2. Pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), upon conviction of an offense(s) in violation of Title 18, United States Code, Section 1343 and/or 1014 the defendant, **PRINCESS TERRY**, shall forfeit to the United States of America any property, real or personal, which constitutes or is derived from proceeds traceable to the offense(s).

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, Section 1957, the defendant, **PRINCESS TERRY**, shall forfeit to the United States any property, real or personal, involved in such offense, and/or any property traceable to such property.

4. The property to be forfeited includes, but is not limited to, the following:

a. Money Judgments as follows:

- 1) A personal money judgment representing the aggregate of the proceeds of the offenses charged in Counts 1-4, that is at least three hundred thousand dollars (\$300,000) in U.S. funds; and,
- 2) A personal money judgment representing the aggregate of the funds involved in Counts 5-6, that is at least one hundred forty thousand seventy-five dollars five cents (\$140,075.05).

b. Vehicles as follows:

- 1) One 2016 GMC Sierra Pickup, VIN 3GTU2NEC1GG362761, with All Appurtenances and Attachments Thereon; and
- 2) One 2016 Dodge Charger, VIN 2C3CDXL96GH301614 with all Appurtenances and Attachments Thereon.

3. If any of the property 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) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

FOREPERSON

DATED: _____

**D. MICHAEL DUNAVANT
UNITED STATES ATTORNEY**

COTTON

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FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
	)	CRIMINAL No. 20-CR-20194-MSN-1
v.)	
	)	18 U.S.C. §1343
PRINCESS TERRY,	)	18 U.S.C. §1014
	)	18 U.S.C. §1957
Defendant.	)	18 U.S.C. §981
	)	18 U.S.C. §982

NOTICE OF PENALTIES

COUNTS 1-2
(Wire Fraud)

Nmt 20 yrs. imprisonment; nmt \$250,000 fine, or both; nmt a 3 yr. period of supervised release and a special assessment of \$100; see 18 U.S.C. §3013 (a). But if the violation occurs in relation to, or involving any benefit paid in connection with, a presidentially declared major disaster or emergency, or affects a financial institution, then nmt 30 yrs. imprisonment, nmt \$1 million fine, or both; nmt a 3 yr. period of supervised release and a special assessment of \$100; see 18 U.S.C. §3013 (a).

COUNTS 3-4
(False Statements Relating to a Loan Application)

Nmt 30 yrs. imprisonment; nmt \$1 million fine, or both; nmt a 3 yr. period of supervised release and a special assessment of \$100; see 18 U.S.C. §3013 (a).

COUNTS 5-6
(Monetary Transactions in Proceeds of Specified Unlawful Activity)
Nmt 10 yrs. imprisonment; nmt \$250,000 fine or twice the amount of the criminally derived property involved in the transaction, whichever is greater, or both; nmt a 3 yr. period of supervised release and a special assessment of \$100; see 18 U.S.C. §3013 (a).