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Department of Justice

U.S. Attorney's Office

Western District of Tennessee

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Memphis Woman Sentenced in Healthcare Fraud Case; Charged in New Criminal Complaint for Paycheck Protection Program (PPP) Loan Fraud Scheme

Memphis, TN –Princess Terry, 27, has been sentenced to 65 months in federal prison for healthcare fraud and aggravated identity theft, and has also been charged with wire fraud and making a false statement in connection with a loan application. D. Michael Dunavant, U.S. Attorney announced the sentence and the new unsealed complaint today.

According to the federal indictment in the healthcare fraud case, Terry owned and operated Caring Hearts Memphis, a home healthcare services business, which purported to provide healthcare services to mostly elderly patients, including home health aides, skilled nursing, and physical and occupational therapy.

Between approximately January 1, 2016 and June 27, 2019, Terry submitted over \$2 million in fraudulent billing to Humana, a private health insurance provider, for services that were not actually rendered. Terry's fraudulent billing practices included numerous instances of billing for home health services on days when patients were actually hospitalized, billing for services in excess of 24 hours in a given day for the same patient, and billing for services purportedly rendered after the patient was deceased.

In executing this scheme, Terry also committed aggravated identity theft by forging patients' signatures without their knowledge or permission on consent-for-services forms and progress notes containing fraudulent misrepresentations about services not actually performed. On September 17, 2019, she was indicted based on that scheme; and on August 25, 2020, she entered a plea of guilty to charges of healthcare fraud and aggravated identity theft.

On November 6, 2020, U.S. District Judge Thomas L. Parker sentenced Parker to 65 months in federal prison, 3 years of supervised release, and a criminal forfeiture money judgment of \$2 million on charges of healthcare fraud and aggravated identity theft. The Court reserved ruling on the question of restitution for a later date.

U.S. Attorney D. Michael Dunavant said: "Fraudulent schemes and crimes of dishonesty do not pay, and will be exposed. This case represents our commitment to expose healthcare fraudulent schemes, protect the integrity of the health insurance system, hold offenders accountable for their dishonest criminal conduct, and to recover ill-gotten proceeds on behalf of victims. Likewise, protection of the United States Treasury is a top

priority for the Department of Justice, and our office is absolutely committed to bringing to justice those who would seek to take unfair advantage of critical government resources through PPP fraud during this challenging and uncertain time of the COVID-19 pandemic."

While she was on pretrial release in that case, Terry was also further charged with wire fraud and making a false statement in connection with a loan application. According to information in the unsealed criminal complaint, Terry allegedly executed a scheme to defraud the Small Business Administration's (SBA) Paycheck Protection Program (PPP), a loan program enacted in response to the COVID-19 public health crisis which provides forgivable loans to small businesses adversely affected by the pandemic.

In April and May of 2020, it is alleged that Terry falsely represented to the SBA and two different financial institutions that Caring Hearts Memphis was still a going business with employees and payroll obligations, despite the fact that it had not been in active operation since 2017 and had no employees. She also falsely certified that she was not under indictment, and submitted forged bank statements to document her loan applications. In this manner, Terry fraudulently obtained \$290,000 in PPP loan funds.

The new charges will be presented to a federal grand jury at a later date to consider an indictment against the defendant. If convicted on the new wire fraud charge, the defendant faces a sentence of up to 20 years in federal prison, three years supervised release and a \$1 million dollar fine. For the offense of making a false statement in connection with a loan application, Terry faces a sentence of up to 30 years in federal prison, 3 years supervised release and a \$1 million fine. There is no parole in the federal system.

The charges and allegations contained in the complaint are merely accusations of criminal conduct, not evidence. The defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt, and convicted through due process of law.

The Federal Bureau of Investigation (FBI) investigated both of these cases.

Assistant U.S. Attorney Christopher Cotten is prosecuting both cases on behalf of the government.

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Component(s):

USAO - Tennessee, Western

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