

UNITED STATES DISTRICT COURT FOR
THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

UNITED STATES OF AMERICA

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NO. 3:19-000043

DIANA THREADGILL

MOTION TO UNSEAL INDICTMENT

The United States of America, by and through Donald Q. Cochran, United States Attorney, hereby moves this Court to unseal the indictment in this case as the Defendant has been arrested by federal authorities.

Respectfully submitted,

DONALD Q. COCHRAN
United States Attorney
Middle District of Tennessee

/s Sara Beth Myers
Sara Beth Myers
Assistant United States Attorney
110 9th Avenue South - Suite A-961
Nashville, Tennessee 37203
Telephone: (615) 736-5151

UNITED STATES DISTRICT COURT FOR
THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

UNITED STATES OF AMERICA

v.

DIANA THREADGILL

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NO. 3:19-00043

ORDER

This matter comes before the Court on the Government's Motion to Unseal Indictment.

The Motion is granted and the Indictment is ordered unsealed.

Dated: February 20, 2019


JUDGE JEFFERY S. FRENSLEY
MIDDLE DISTRICT OF TENNESSEE

FEB 13 2019

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

UNITED STATES OF AMERICA)
)
 v.)
)
 DIANA THREADGILL)

No. 3:19-00043

18 U.S.C. § 2
18 U.S.C. § 1341


DEPUTY CLERK

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES:

At all times material to this Indictment:

I. Background

1. **DIANA THREADGILL** was the Executive Director of Mississippi River Corridor – Tennessee, Inc. (“MRCT”) (“the organization”), a 501(c)(3) nonprofit corporation.

2. MRCT’s mission was to “identify, conserve, and enhance the region’s natural, cultural, and recreational resources to improve the quality of life and prosperity in West Tennessee” and was located in Memphis, Tennessee.

3. The Federal Highway Administration (“FHWA”) was an agency within the United States Department of Transportation that provided financial and technical assistance to state and local governments in the form of grants. One of these grants was the National Scenic Byways Program, administered by the Tennessee Department of Transportation (“TDOT”), which supported projects that managed and protected the Nation’s Scenic Byways and improved visitor facilities. Another was the Recreational Trails Program (“RTP”), administered by the Tennessee Department of Environment and Conservation (“TDEC”), which provided funds to States to

develop and maintain recreational trails and trail-related facilities for both non-motorized and motorized recreational trail uses. At all times relevant TDOT and TDEC were located in Nashville, Tennessee, within the Middle District of Tennessee.

4. MRCT, through the TDOT and TDEC, received at least \$821,210.81 in FHWA funds from approximately March 16, 2011 to approximately June 10, 2016 from the National Scenic Byways Program and the Recreational Trails Program.

5. The Tennessee Valley Authority (“TVA”) was an agency of the United States that provided funds to further economic development in the Tennessee Valley. TVA provided these funds, in part, in the form of contributions to organizations under the agency’s Natural Resources Group Strategic Partnership Program, which was intended to provide education, equipment and supplies to environmental education programs with a focus on natural resources and conservations.

6. MRCT received approximately \$10,854.92 in contributions from TVA between approximately August 20, 2015 and May 5, 2017 under the Strategic Partnership Program.

7. MRCT also received state-funded grants from various agencies, including the Tennessee State Building Commission (“SBC”), Tennessee Economic and Community Development (“ECD”), and Tennessee Department of Environment and Conservation (“TDEC”). Additionally, MRCT received funding from private grants.

8. The Board of Directors of MRCT voted to dissolve the organization on March 1, 2017.

II. The Scheme

9. From on or about October 7, 2011, and continuing thereafter until on or about March 29, 2017, in the Middle District of Tennessee and elsewhere, **DIANA THREADGILL**, knowingly and with intent to defraud, executed and attempted to execute a scheme and artifice to

defraud TDOT, TDEC, TVA, and others, (collectively, “the victims”) and to obtain the monies, funds and other property owned by, and under the custody of the victims by means of false and fraudulent pretenses; representations, and promises, and in furtherance thereof used the United States mail and private and commercial interstate carriers, which scheme is further described in the following paragraphs.

10. . . . It was a part of the scheme that **DIANA THREADGILL**, acting in her capacity as the Executive Director of MRCT, obtained grants on behalf of MRCT from federally funded government agencies, such as TDOT, TDEC, and TVA. **DIANA THREADGILL** applied for and received one such grant for MRCT in or about 2013 in the amount of approximately \$1,512,000 from TDOT for the purpose of building an interpretive visitor center at Reelfoot Lake. SBC provided a matching grant in the amount of approximately \$372,000. TDOT reimbursed MRCT for eighty percent of the allowable expenses and the remaining twenty percent was funded by SBC.

11. . . . It was part of the scheme and artifice to defraud that **DIANA THREADGILL** submitted reimbursement requests to TDOT, USDA, TVA, and SBC, among others, for expenses that MRCT had already sought or for which MRCT had already received reimbursement. When MRCT received the additional funds to which it was not entitled, **DIANA THREADGILL** either deposited or caused the fraudulently obtained funds to be deposited into MRCT’s bank account, using the additional funding for MRCT and for her own personal benefit. Ultimately, **DIANA THREADGILL** obtained \$133,171.90 in additional reimbursements to which neither she nor MRCT was entitled.

12. . . . It was part of the scheme and artifice to defraud that **DIANA THREADGILL**, provided fraudulent checks to TDOT, seeking and receiving reimbursements by representing that the checks had been cashed by vendors when, in reality, they had never been provided to the

vendors. One such fraudulent check for which **DIANA THREADGILL** received funds was dated October 28, 2013, and was made out to K.K. in the amount of \$40,000.

13. It was further part of the scheme and artifice to defraud that **DIANA THREADGILL** sought funding from TVA for MRCT on March 29, 2017, after she knew that the MRCT Board of Directors had voted to dissolve the organization.

14. Ultimately, **DIANA THREADGILL** obtained \$41,749.94 in addition to the duplicated funds that she had already obtained from federally funded agencies to which neither she nor MRCT was entitled. The total loss amount in federal funds was \$174,921.84.

III. The Offenses

COUNT ONE

15. The allegations contained in paragraphs 1 through 14 above are re-alleged and incorporated by reference as though fully set forth herein.

16. On or about September 30, 2014, in the Middle District of Tennessee and elsewhere, **DIANA THREADGILL**, in furtherance of the aforementioned scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and omissions of material facts, and attempting to do so, did knowingly cause to be delivered by United States mail and by private and commercial interstate carrier the following matter: MRCT Invoice 1369.

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT TWO

17. The allegations contained in paragraphs 1 through 14 above are re-alleged and incorporated by reference as though fully set forth herein.

18. On or about July 6, 2015, in the Middle District of Tennessee and elsewhere, **DIANA THREADGILL**, in furtherance of the aforementioned scheme and artifice to defraud,

and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and omissions of material facts, and attempting to do so, did knowingly cause to be delivered by United States mail and by private and commercial interstate carrier the following matter: MRCT Invoice 1491.

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT THREE

19. The allegations contained in paragraphs 1 through 14 above are re-alleged and incorporated by reference as though fully set forth herein.

20. On or about May 26, 2016, in the Middle District of Tennessee and elsewhere, **DIANA THREADGILL**, in furtherance of the aforementioned scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and omissions of material facts, and attempting to do so, did knowingly cause to be delivered by United States mail and by private and commercial interstate carrier the following matter: MRCT Invoice 1569.

In violation of Title 18, United States Code, Sections 1341 and 2.

FORFEITURE ALLEGATION

23. The allegations contained in this Indictment are re-alleged and incorporated by reference as if fully set forth in support of this forfeiture allegation.

24. Upon conviction of the offenses alleged in Counts One through Three in this Indictment, **DIANA THREADGILL** shall forfeit to the United States of America pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure and Title 18, United States Code, Section 981(a)(1)(C):

- A. any property, real or personal, constituting or derived from or traceable to the gross proceeds obtained directly or indirectly as a result of the offense of conviction; and
- B. a money judgment in an amount to be determined, representing the amount of gross proceeds obtained directly or indirectly as a result of the offense of conviction.

25. If, any of the property described above, as a result of any act or omission of **DIANA THREADGILL**:

- a. cannot be located upon 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 that cannot be divided without difficulty,

the United States shall be entitled to forfeiture of substitute property and it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek the forfeiture of any other property of **DIANA THREADGILL**, up to the value of said property listed above as subject to forfeiture.

A TRUE BILL:


GRAND JURY FOREPERSON

DONALD Q. COCHRAN
UNITED STATES ATTORNEY


SARA BETH MYERS
ASSISTANT UNITED STATES ATTORNEY

CRIMINAL COVER SHEET
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

Petty Offense ()
Misdemeanor ()
Felony (x)
Juvenile ()

County of Offense: Davidson
AUSA's NAME: Shelby Myers SB

Diana Threadgill
Defendant's Full Name

Interpreter Needed? _____ Yes x No

Defendant's Address

If Yes, what language? _____

Defendant's Attorney

COUNT(S)	TITLE/SECTION	OFFENSE CHARGED	MAX. PRISON	MAX. FINE
1-3	18 U.S.C. 2 18 U.S.C. § 1341	Mail Fraud	20 years	\$250,000

If the defendant is charged with conspiracy but not with the primary offense, list the primary offense below:

TITLE/SECTION	OFFENSE	MAX. PRISON	MAX. FINE

Is the defendant currently in custody? Yes () No (X) If yes, State or Federal?

Has a complaint been filed? Yes () No (X)
If Yes: Name of the Magistrate Judge _____ Case No.: _____
Was the defendant arrested on the complaint? Yes () No ()

Has a search warrant been issued? Yes () No (X)
If Yes: Name of the Magistrate Judge _____ Case No.: _____

Was bond set by Magistrate/District Judge? Yes () No (X) Amount of bond: _____

Is this a Rule 20? Yes () No () To/from what district? _____
Is this a Rule 40? Yes () No () To/from what district? _____

Is this case related to a pending or previously filed case: Yes () No (X)
What is the related case number? _____
Who is the Magistrate Judge? _____

Estimated trial time: _____

The Clerk will issue a Warrant (circle one)

Bond Recommendation: _____