

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: _____

UNITED STATES DISTRICT COURT

Middle District of Tennessee

UNITED STATES OF AMERICA

v.

DIANA THREADGILL

JUDGMENT IN A CRIMINAL CASE

Case Number: 3:19-cr-00043

USM Number: 31312-076

Peter Strianse

Defendant's Attorney

THE DEFENDANT:

pleaded guilty to count(s) 1 of the Superseding Information

pleaded nolo contendere to count(s) _____
which was accepted by the court.

was found guilty on count(s) _____
after a plea of not guilty.

The defendant is adjudicated guilty of these offenses:

<u>Title & Section</u>	<u>Nature of Offense</u>	<u>Offense Ended</u>	<u>Count</u>
18 U.S.C. § 641	Theft of Government property in a sum not exceeding \$1000	5/24/2017	1

The defendant is sentenced as provided in pages 2 through 5 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

The defendant has been found not guilty on count(s) _____

Count(s) _____ is are dismissed on the motion of the United States.

It is ordered that the defendant must notify the United States attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States attorney of material changes in economic circumstances.

3/9/2023
Date of Imposition of Judgment

Eli Richardson
Signature of Judge

Eli Richardson, United States District Judge
Name and Title of Judge

March 13, 2023
Date

DEFENDANT: DIANA THREADGILL
CASE NUMBER: 3:19-cr-00043

PROBATION

You are hereby sentenced to probation for a term of :

1 year

MANDATORY CONDITIONS

1. You must not commit another federal, state or local crime.
2. You must not unlawfully possess a controlled substance.
3. You must refrain from any unlawful use of a controlled substance. You must submit to one drug test within 15 days of placement on probation and at least two periodic drug tests thereafter, as determined by the court.
 - The above drug testing condition is suspended, based on the court's determination that you pose a low risk of future substance abuse. *(check if applicable)*
4. You must cooperate in the collection of DNA as directed by the probation officer. *(check if applicable)*
5. You must comply with the requirements of the Sex Offender Registration and Notification Act (34 U.S.C. § 20901, *et seq.*) as directed by the probation officer, the Bureau of Prisons, or any state sex offender registration agency in the location where you reside, work, are a student, or were convicted of a qualifying offense. *(check if applicable)*
6. You must participate in an approved program for domestic violence. *(check if applicable)*
7. You must make restitution in accordance with 18 U.S.C. §§ 2248, 2259, 2264, 2327, 3663, 3663A, and 3664. *(check if applicable)*
8. You must pay the assessment imposed in accordance with 18 U.S.C. § 3013.
9. If this judgment imposes a fine, you must pay in accordance with the Schedule of Payments sheet of this judgment.
10. You must notify the court of any material change in your economic circumstances that might affect your ability to pay restitution, fines, or special assessments.

You must comply with the standard conditions that have been adopted by this court as well as with any other conditions on the attached page.

DEFENDANT: DIANA THREADGILL
CASE NUMBER: 3:19-cr-00043

STANDARD CONDITIONS OF SUPERVISION

As part of your probation, you must comply with the following standard conditions of supervision. These conditions are imposed because they establish the basic expectations for your behavior while on supervision and identify the minimum tools needed by probation officers to keep informed, report to the court about, and bring about improvements in your conduct and condition.

1. You must report to the probation office in the federal judicial district where you are authorized to reside within 72 hours of the time you were sentenced, unless the probation officer instructs you to report to a different probation office or within a different time frame.
2. After initially reporting to the probation office, you will receive instructions from the court or the probation officer about how and when you must report to the probation officer, and you must report to the probation officer as instructed.
3. You must not knowingly leave the federal judicial district where you are authorized to reside without first getting permission from the court or the probation officer.
4. You must answer truthfully the questions asked by your probation officer.
5. You must live at a place approved by the probation officer. If you plan to change where you live or anything about your living arrangements (such as the people you live with), you must notify the probation officer at least 10 days before the change. If notifying the probation officer in advance is not possible due to unanticipated circumstances, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
6. You must allow the probation officer to visit you at any time at your home or elsewhere, and you must permit the probation officer to take any items prohibited by the conditions of your supervision that he or she observes in plain view.
7. You must work full time (at least 30 hours per week) at a lawful type of employment, unless the probation officer excuses you from doing so. If you do not have full-time employment you must try to find full-time employment, unless the probation officer excuses you from doing so. If you plan to change where you work or anything about your work (such as your position or your job responsibilities), you must notify the probation officer at least 10 days before the change. If notifying the probation officer at least 10 days in advance is not possible due to unanticipated circumstances, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
8. You must not communicate or interact with someone you know is engaged in criminal activity. If you know someone has been convicted of a felony, you must not knowingly communicate or interact with that person without first getting the permission of the probation officer.
9. If you are arrested or questioned by a law enforcement officer, you must notify the probation officer within 72 hours.
10. You must not own, possess, or have access to a firearm, ammunition, destructive device, or dangerous weapon (i.e., anything that was designed, or was modified for, the specific purpose of causing bodily injury or death to another person such as nunchakus or tasers).
11. You must not act or make any agreement with a law enforcement agency to act as a confidential human source or informant without first getting the permission of the court.
12. If the probation officer determines that you pose a risk to another person (including an organization), the probation officer may require you to notify the person about the risk and you must comply with that instruction. The probation officer may contact the person and confirm that you have notified the person about the risk.
13. You must follow the instructions of the probation officer related to the conditions of supervision.

U.S. Probation Office Use Only

A U.S. probation officer has instructed me on the conditions specified by the court and has provided me with a written copy of this judgment containing these conditions. For further information regarding these conditions, see *Overview of Probation and Supervised Release Conditions*, available at: www.uscourts.gov.

Defendant's Signature _____

Date _____

DEFENDANT: DIANA THREADGILL
CASE NUMBER: 3:19-cr-00043

SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties is due as follows:

- A Lump sum payment of \$ 5,871.90 due immediately, balance due
- not later than _____, or
 in accordance with C, D, E, or F below; or
- B Payment to begin immediately (may be combined with C, D, or F below); or
- C Payment in equal _____ (e.g., weekly, monthly, quarterly) installments of \$ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after the date of this judgment; or
- D Payment in equal _____ (e.g., weekly, monthly, quarterly) installments of \$ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after release from imprisonment to a term of supervision; or
- E Payment during the term of supervised release will commence within _____ (e.g., 30 or 60 days) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or
- F Special instructions regarding the payment of criminal monetary penalties:

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during the period of imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

Joint and Several

Defendant and Co-Defendant Names and Case Numbers (including defendant number), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.

- The defendant shall pay the cost of prosecution.
- The defendant shall pay the following court cost(s):
- The defendant shall forfeit the defendant's interest in the following property to the United States:

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) JVT A assessment, (8) penalties, and (9) costs, including cost of prosecution and court costs.