

**INDICTMENT**

Pickup

No. 13-0774

**STATE OF TENNESSEE**

v.

**WENDY ASKINS**

Charge(s):

Theft over \$60,000  
Money Laundering  
Forgery

\_\_\_\_\_ A TRUE BILL \_\_\_\_\_

Date Presented: October 8, 2013

\_\_\_\_\_  
**Foreperson, Grand Jury**

Steve Huntley TBI  
**Prosecutor Steve Huntley**

**WITNESSES**

Steve Huntley

Here duly summoned as witnesses and sworn by me, and testified before the Grand Jury on this indictment.

Carla Drake  
**Foreman, Grand Jury**

THE CLERK will issue summons for the following State Witnesses:

Steve Huntley ~ TBI

Victim: Upper Cumberland Development District (UCDD)

**ROBERT E. COOPER JR.**  
**ATTORNEY GENERAL AND REPORTER**

**STATE OF TENNESSEE, PUTNAM COUNTY  
SPECIAL OCTOBER TERM OF THE CRIMINAL COURT, 2013**

**Count 1:**

**THE GRAND JURORS of Putnam** County, Tennessee, duly empanelled and sworn upon their oath present that **WENDY ASKINS** heretofore on or about the 24<sup>th</sup> day of March, 2010, in Putnam County, Tennessee and before the finding of this indictment did unlawfully and knowingly obtain or exercise control over property, including but not limited to; *cash* valued at more than \$60,000, belonging to *Upper Cumberland Development District (UCDD)* with intent to deprive the owner thereof and without the owner's effective consent, in violation of Tenn. Code Ann. §39-14-103, and against the peace and dignity of the State of Tennessee.

**Count 2:**

**THE GRAND JURORS of Putnam** County, Tennessee, duly empanelled and sworn upon their oath present that **WENDY ASKINS** heretofore between March 26, 2010 thru June 15, 2010, in Putnam County, Tennessee and before the finding of this indictment did unlawfully and knowingly use the proceeds derived directly or indirectly from a specified unlawful activity to-wit: money obtained by theft from Upper Cumberland Development District (UCDD), to conduct a financial transaction or make other disposition with the intent to conceal or disguise the nature, location, source, ownership or control of the criminally derived proceeds, to-wit: by transferring such funds from UCDD to and through bank accounts that were established in the names of Cumberland Regional Development Corporation (CRDC), CRDC Mt. Vernon Construction account and to or for the benefit of Living the Dream and/or Askins, in violation of Tenn. Code Ann. § 39-14-903(a)(1), against the peace and dignity of the State of Tennessee.

Robert E. Cooper Jr.  
**Robert E. Cooper Jr., Attorney General and Reporter**

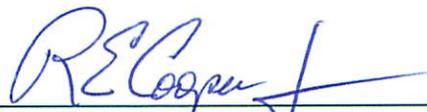
# INDICTMENT

## STATE OF TENNESSEE, PUTNAM COUNTY

.....  
Criminal Court of the said County, Special October Term, 2013  
.....

**Count 3:**

**THE GRAND JURORS** of Putnam County, Tennessee, duly empanelled and sworn upon their oath present that **WENDY ASKINS** heretofore on or about the 12<sup>th</sup> day of January, 2012 in Putnam County, Tennessee and before the finding of this indictment did unlawfully and with intent to defraud *Upper Cumberland Development District (UCDD)* of the sum of \$300,000 did forge and make false entries in the books and records of *UCDD*, and/or to create a writing that purported to be the act of *UCDD* who did not authorize such act, to wit: the Minutes of the February 16, 2010 Meeting of the Executive Committee of the Board of Directors of *UCDD* and/or the Minutes of the February 16, 2010 Meeting of the *UCDD* Board of directors, in violation of Tenn. Code Ann. §39-14-114, and against the peace and dignity of the State of Tennessee.



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Robert E. Cooper Jr., Attorney General and Reporter



# Department of Justice

**David Rivera**  
**Acting United States Attorney**  
**MIDDLE DISTRICT OF TENNESSEE**

FOR IMMEDIATE RELEASE  
THURSDAY, SEPTEMBER 26, 2013  
[WWW.JUSTICE.GOV/USAO/TNM/](http://WWW.JUSTICE.GOV/USAO/TNM/)

CONTACT:  
SCARLETT SINGLETON, AUSA  
DARRYL STEWART, AUSA  
615-736-5151

## **THREE CHARGED WITH FRAUDULENT CONDUCT RELATED TO THE UPPER CUMBERLAND DEVELOPMENT DISTRICT**

*NASHVILLE, Tenn. – September 26, 2013* - Wendy Askins, 53, of Cookeville, Tenn., Larry Gene Webb, 64, of Smithville, Tenn. and Billy Michael Foster, 66, of Smithville, Tenn., were indicted yesterday by a federal grand jury and charged with various federal offenses related to theft and fraud from the Upper Cumberland Development District (UCDD), announced David Rivera, Acting U.S. Attorney for the Middle District of Tennessee. UCDD is a quasi-governmental economic development resource for the fourteen counties in the Upper Cumberland Region that was established by the Tennessee General Assembly and was funded in part by state and federal grants.

Askins and Webb were charged with conspiring to commit various federal offenses as well as six counts of theft and conversion of government property in excess of \$1,000; four counts of bank fraud; three counts of money laundering; and a single count of concealing a material fact within the jurisdiction of the United States. Additionally, Askins and Foster were charged with a single count of making a false statement regarding a matter within the jurisdiction of the United States.

“Once again, we will reiterate that those who seek to profit by defrauding the taxpaying public and misusing government funds will be held accountable,” said Acting U.S. Attorney David Rivera. “The personal gain and lavish lifestyles gained by fraudulent schemes will eventually come to an end. Public corruption remains a top priority of the U.S. Attorney’s Office and our partner law enforcement agencies.”

According to the indictment, Askins, who was the Executive Director of the UCDD, and Webb, who was the Deputy Director of UCDD, perpetrated a scheme from February 2010 through February 2012 to convert over \$670,000 of government funds intended for UCDD and its related agencies to the use of the “Living the Dream” property, which was owned by Askins and Webb. Askins and Webb incorporated Living the Dream in their own names and caused money to be transferred from UCDD to Living the Dream without seeking the approval of the UCDD Board of Directors. Askins and Webb also obtained bank loans and lines of credit in

excess of \$1,000,000 to renovate the Living the Dream property by using UCDD bank accounts and property as collateral for the loans.

In order to cover up the illegal activity, Askins and Webb directed other individuals to alter the official minutes of the UCDD board meeting that occurred on February 16, 2010, and to delete audio recordings of all UCDD meetings. Askins prepared a false statement, which was read by Foster, who at the time was the chairman of the UCDD Executive Committee and Board of Directors, at a UCDD board meeting on January 19, 2012. Foster knew the statement was false when he read it.

“This indictment should send a signal to those who would seek to take advantage of a position of trust for personal gain,” said A. Todd McCall, Special Agent in Charge of the Memphis Division of the Federal Bureau of Investigation. “The FBI and our law enforcement partners place a priority on investigating these crimes, and will continue to work to ensure that those who violate the law are held accountable.”

Christopher A. Henry, Special Agent in Charge, IRS Criminal Investigation, Nashville Field Office, said, “IRS Criminal Investigation is committed to investigating and prosecuting those who defraud state and federal grant programs and sending a clear message that

these violations are serious crimes against the American public. Our special agents provide the financial expertise in following the money.”

“This is a prime example of a combined investigative effort, successfully exposing grant fraud and protecting taxpayer monies,” said Todd Zinser, Inspector General for the U.S. Department of Commerce- OIG.

If convicted, Askins faces up to two hundred and twenty-five years in prison and a \$6,750,000 fine as well as forfeiture of property derived from or used in the bank fraud and money laundering offenses charged. Webb faces up to two hundred and twenty years in prison and a \$6,500,000 fine, as well as forfeiture of property derived from or used in the bank fraud and money laundering offenses charged, and Foster faces up to five years in prison and a \$250,000 fine.

The case was investigated by agents with the U.S. Department of Health and Human Services, Office of the Inspector General, the U.S. Department of Commerce, Office of Inspector General, the IRS- Criminal Investigations and the FBI, with assistance from the U.S. Department of Housing and Urban Development- Office of Inspector General. The United States is represented by Assistant U.S. Attorneys Darryl Stewart and Scarlett Singleton.

An indictment is merely an accusation and is not evidence of guilt. Defendants are presumed innocent unless and until proven guilty in a court of law.

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

**FILED**  
U.S. DISTRICT COURT  
MIDDLE DISTRICT OF TENN.

SEP 25 2013

BY *aes*  
DEPUTY CLERK

UNITED STATES OF AMERICA	)	
	)	
v.	)	
	)	
	)	No. <u>3:13-00162</u>
WENDY ASKINS	)	
(Counts One through Sixteen)	)	18 U.S.C. § 2
	)	18 U.S.C. § 371
LARRY GENE WEBB	)	18 U.S.C. § 641
(Counts One through Fifteen)	)	18 U.S.C. § 1001(a)(1)
	)	18 U.S.C. § 1001(a)(2)
BILLY MICHAEL FOSTER	)	18 U.S.C. § 1344
(Count Sixteen)	)	18 U.S.C. § 1957

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES:

At times material to this Indictment:

I. Background

1. The Upper Cumberland Development District (“UCDD”) was a quasi-governmental economic development resource for the fourteen counties in the Upper Cumberland Region of Tennessee. UCDD was established by the Tennessee General Assembly in 1968 and, was governed by a Board of Directors and an Executive Committee made up of elected officials from the Upper Cumberland Region. UCDD was managed by an Executive Director and a Deputy Director and was funded by federal and state grants, including grants from

the United States Department of Commerce, the United States Department of Health and Human Services, and the United States Department of Housing and Urban Development.

2. The Cumberland Regional Development Corporation (“CRDC”) was a non-profit Tennessee corporation chartered in August, 1996. CRDC operated under the UCDD umbrella and was tasked with, among other things, creating affordable housing in the Upper Cumberland Region. CRDC was governed by a Board of Directors separate from the UCDD Board of Directors and was funded, in part, by federal and state grants, including grants from the United States Department of Housing and Urban Development.

3 The Cumberland Area Investment Corporation (“CAIC”) was a non-profit Tennessee corporation chartered in February, 1982. CAIC operated under the UCDD umbrella and was tasked with, among other things, administering a federal grant program involving the offering of loans to small businesses within the Upper Cumberland Region with the goal of expanding and retaining jobs. CAIC was governed by a Board of Directors separate from the UCDD Board of Directors and was funded, in part, by federal grants, including grants from the United States Department of Commerce.

4. **WENDY ASKINS**, (hereafter sometimes referred to as “ASKINS”), was the Executive Director of UCDD and was responsible for the day-to-day operations and management of UCDD, CRDC, and CAIC.

5. **LARRY GENE WEBB**, (hereafter sometimes referred to as “WEBB”), was the Deputy Director of UCDD and was responsible for assisting **ASKINS** with the day-to-day operations and management of UCDD, CRDC, and CAIC.

6. Three Tennessee corporations Living the Dream/Independent Living for Seniors, Inc. (a non-profit), Living the Dream/Retirement Living for Seniors, Inc. (a non-profit), and

Living the Dream/Independent Living for Seniors, Inc. (a for-profit) were incorporated either solely by **WEBB** or by **WEBB** and **ASKINS**, hereafter collectively referred to as “Living the Dream” or “LTD”. In general, the stated purpose of LTD was to provide affordable housing. In this regard, LTD was empowered to acquire, rehabilitate, own, operate, maintain, manage, lease, sell, mortgage, and otherwise dispose of such housing facilities.

7. The Bank of Putnam County and the First National Bank of Tennessee were insured depository institutions under the provisions of the Federal Deposit Insurance Act. As a result, the Bank of Putnam County and the First National Bank of Tennessee were financial institutions /insured banks within the meaning of Title 18, United States Code, Sections 20 and 1344.

## II. The Conspiracy

8. From in or about February 2010 through in or about February 2012 in the Middle District of Tennessee and elsewhere, **WENDY ASKINS** and **LARRY GENE WEBB**, did willfully, knowingly, and unlawfully combine, conspire, confederate, and agree with each other and others, known and unknown to the Grand Jury, to commit one or more offenses against the United States, including (a) embezzling, stealing, purloining and knowingly converting money or a thing of value belonging to the United States, in violation of Title 18, United States Code, Section 641; (b) bank fraud, in violation of Title 18, United States Code, Section 1344; (c) engage in an unlawful monetary transaction in violation of Title 18, United States Code, Section 1957; and (d) falsifying, concealing and covering up a material fact in a matter within the jurisdiction of the Executive Branch of the Government of the United States, in violation of Title 18, United States Code, Section 1001(a)(1).

### III. Manner and Means

9. The manner and means by which, **WENDY ASKINS** and **LARRY GENE WEBB** sought to accomplish and carry out the conspiracy and the underlying scheme to defraud included, among others, the following:

- a. From in or about February 2010 through in or about February 2012, **WENDY ASKINS; LARRY GENE WEBB;** and others known and unknown to the grand jury conspired, and perpetrated a scheme, to convert over \$670,000 of government funds intended for UCDD, CRDC, and CAIC, to the use of LTD, which was owned by **ASKINS** and **WEBB**.
- b. **ASKINS** and **WEBB** incorporated LTD as either a non-profit or profit entity and caused funds from UCDD and CRDC to be transferred to LTD, without seeking the approval of the UCDD or CRDC Board of Directors.
- c. **ASKINS** and **WEBB** caused LTD to purchase property using funds that were transferred from UCDD's bank account without the prior approval of the UCDD, CRDC, or LTD Board of Directors and sought and obtained bank loans and lines of credit to renovate the property by using property and bank accounts of UCDD as collateral for the loans. The loan proceeds were then transferred to LTD without prior approval of the CRDC Board of Directors..
- d. In order to hide, conceal, and cover up the illegal activity, **ASKINS AND WEBB** directed other individuals to alter official minutes of UCDD meetings and to delete audio recordings of meetings. **ASKINS** then lied about the alterations and deletions. **ASKINS** advised **WEBB** and another that they should "get their stories straight" before a UCDD Board meeting and prepared a false statement which was read to the meeting by **BILLY MICHAEL FOSTER**.

#### IV. Overt Acts

10. In furtherance of the above conspiracy and to effect the objects thereof, **WENDY ASKINS** and **LARRY GENE WEBB**, individually or jointly, committed one or more overt acts within the Middle District of Tennessee and elsewhere, including, among others, the following:

a. On or about February 23, 2010, **LARRY GENE WEBB** filed paperwork with the Tennessee Secretary of State's Office incorporating Living the Dream/Independent Living for Seniors, Inc., as a non-profit entity with **WEBB** listed as the sole incorporator.

b. On or about March 24, 2010, **ASKINS** and **WEBB** caused a transfer of \$300,000 from UCDD's Bank of Putnam County account (account ending 7907) to CRDC's Bank of Putnam County account (account ending 4881) without the prior approval of the UCDD Board of Directors.

c. On or about April 5, 2010, **ASKINS** and **WEBB** caused a transfer of \$285,000 from CRDC's Bank of Putnam County account (account ending 4881) to the LTD Bank of Putnam County construction account (account ending 8582) without the prior approval of the CRDC Board of Directors.

d. On or about May 8, 2010, **ASKINS** and **WEBB** attended an auction and purchased property located at 1225 Deer Creek Road in Cookeville, Tennessee, for a total purchase price of \$390,000 and made a down payment with an unnumbered check in the amount of \$39,000 drawn on LTD's Bank of Putnam County account (account ending 8582).

e. On or about May 10, 2010, during a specially called meeting, the CRDC Board of Directors adopted a resolution authorizing a Bank of Putnam County loan to fund the purchase and renovation of the LTD property.

f. On or about May 27, 2010, **ASKINS** and **WEBB** were approved by the Bank of Putnam County for a loan in the amount of \$250,000 in the name of Living the Dream – Independent Living for Seniors, Inc.

g. On or about May 27, 2010, **AKSINS** and **WEBB** signed a check in the amount of \$104,808.52 drawn on the LTD Bank of Putnam County account (account ending 8582) for the balance of the funds due at closing on the 1225 Deer Creek property purchase.

h. On or about June 17, 2010, **WEBB** filed paperwork with the Tennessee Secretary of State incorporating Living the Dream/Independent Living for Seniors, Inc., as a for profit entity with **WEBB** listed as the sole incorporator.

i. On or about July 27, 2010, **ASKINS** and **WEBB** obtained a second loan at the Bank of Putnam County in the amount of \$150,000 in the name of Living the Dream – Independent Living for Seniors, Inc.

j. In or around October 2010, **ASKINS** and another whose identity is known to the Grand Jury moved into 1225 Deer Creek property and treated it as their personal residence.

k. On or about October 25, 2010, **ASKINS** and **WEBB** obtained a third loan at the Bank of Putnam County in the amount of \$731,000 in the name of Living the Dream – Independent Living for Seniors, Inc. The loan was collateralized by the real estate and paid off the earlier Bank of Putnam County loans.

l. On or about November 19, 2010, **ASKINS** and **WEBB** caused a check to be written from UCDD's account (account ending 7907) and deposited into LTD's construction account (account ending 8582) in the amount of \$15,000, without the prior approval of the UCDD Board of Directors.

m. On or about November 30, 2010, **ASKINS** and **WEBB** caused a check to be written from CRDC's account (account ending 4881) and deposited into LTD's operating account (account ending 0722) in the amount of \$18,000 without the prior approval of the CRDC Board of Directors.

n. On or about February 14, 2011, **AKSINS** and **WEBB** caused a check to be written from CRDC's account (account ending 4881) and deposited into LTD's construction account (account ending 8582) in the amount of \$75,000 without the prior approval of the CRDC Board of Directors.

o. On or about April 8, 2011, **ASKINS** and **WEBB** caused a check to be written from CRDC's account (account ending 4881) and deposited into LTD's construction account (account ending 8582) in the amount of \$25,000 without the prior approval of the CRDC Board of Directors.

p. On or about July 28, 2011, **ASKINS** and **WEBB** caused a check to be written from CRDC's account (account ending 4881) to LTD's construction account (account ending 8582) in the amount of \$25,000 without the prior approval of the CRDC Board of Directors.

q. In UCDD's annual report for fiscal year 2011, there was no mention of the LTD construction project.

r. On or about January 19, 2011, **WEBB** filed paperwork with the Tennessee Secretary of State reverting LTD back to a non-profit entity called Living the Dream/Retirement Living for Seniors, Inc., with **ASKINS** and **WEBB** listed as the incorporators.

s. On or about April 28, 2011, **ASKINS** and **WEBB** sought and obtained an increase in a CRDC line of credit at the First National Bank of Tennessee from \$150,000 to \$300,000, and pledged a UCDD money market account in order to receive the increase.

t. In or about July 2011, **WEBB** presented a loan request to the Board of Directors of CAIC in the amount of \$225,000 to fund LTD, telling the Board of Directors that the property had not been appraised, when in fact it was appraised in August 2010. Unlike other CAIC loan requests, the LTD request was not evaluated by the loan review committee prior to being presented to the CAIC Board of Directors.

u. On or about August 9, 2011, **WEBB** signed a promissory note in the amount of \$225,000 from CAIC to LTD.

v. In or about September 2011 the minutes for UCDD Executive Committee Board Meeting held on February 16, 2010, were altered at **ASKINS'** and **WEBB's** direction to add language regarding Board of Director approval of the transfer of \$300,000 from UCDD to CRDC that occurred on or about March 24, 2010.

w. In or about October or November of 2011, following an open records request from the media, **ASKINS** directed another individual, whose identity is known to the Grand Jury, to delete all audio recordings of UCDD Executive Committee Board meetings.

x. On or about January 4, 2012, **WEBB** altered CRDC minutes to include language reflecting the Board of Directors approval of a \$130,000 transfer from CRDC to LTD, which had not been discussed by the board at that meeting.

y. On or about January 10, 2012, following a meeting with UCDD legal counsel regarding an ongoing media inquiry into UCDD's expenditures, **ASKINS** and **WEBB** directed another individual whose identity is known to the grand jury to delete recordings of past UCDD Board meetings from a UCDD computer.

z. On or about January 11, 2012, **ASKINS** represented to the UCDD legal counsel that the wrong minutes from the February 16, 2010, UCDD Executive Committee Board meeting

had been provided to the media in response to the open records request. **ASKINS** blamed the mistake on clerical error and asserted that the audio recording of the February 16, 2010, Executive Committee Board meeting had malfunctioned and there was a “blurb” causing fifteen minutes of the meeting to not be recorded.

aa. On or about January 11, 2012, following a meeting with UCDD legal counsel regarding the media request, **ASKINS** and **WEBB**, directed and watched another individual, whose identity is known to the Grand Jury, delete, what they then thought, were all audio recordings of UCDD Executive Committee Board meetings from a UCDD computer.

bb. On or about January 12, 2012, UCDD legal counsel met with **ASKINS**, **WEBB**, and Billy Michael Foster, who was Chairman of the UCDD Executive Committee, and other individuals, whose identity are known to the Grand Jury, and provided a letter acknowledging and explaining, among other things, the altered minutes from February 16, 2010. Said letter also recommended that UCDD board initiate an investigation by an external party

cc. On or about January 18, 2012, **ASKINS** met with and told **WEBB** and another individual, whose identity is known to the Grand Jury, that they all needed to get their stories straight in advance of the UCDD Executive Committee Board meeting scheduled for January 19, 2012. At said meeting, **ASKINS** read a statement she had prepared for Billy Michael Foster to read during the January 19, 2012 UCDD board meeting.

dd. On January 19, 2012, during a specially called UCDD Executive Committee Board meeting, Billy Michael Foster read a prepared statement regarding the LTD project and the Board's approval of the transfer of \$300,000 from UCDD to CRDC on February 16, 2010. Foster recommended the retroactive approval of the altered February 16, 2010 minutes, and the Executive Committee voted to retroactively approve the minutes.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH SEVEN

THE GRAND JURY FURTHER CHARGES:

1. The allegations contained in Paragraphs 1 through 7 and 9 of COUNT ONE are re-alleged and incorporated herein.

2. On or about the dates listed below, in the Middle District of Tennessee, **WENDY ASKINS** and **LARRY GENE WEBB**, knowingly and willfully did embezzle, steal, purloin and convert to their use or the use of another, money or thing of value in excess of \$1,000, from a department and agency of the United States, to wit the United States Department of Commerce, the United States Department of Housing and Urban Development, and/or the United States Department of Health and Human Services:

<b>Count</b>	<b>Date</b>	<b>Amount</b>
2	March 24, 2010	Approximately \$300,000
3	November 19, 2010	Approximately \$15,000
4	November 30, 2010	Approximately \$18,000
5	February 14, 2011	Approximately \$75,000
6	April 8, 2011	Approximately \$25,000
7	July 21, 2011	Approximately \$225,000

In violation of Title 18, United States Code, Sections 641 and 2.

COUNTS EIGHT THROUGH TEN

THE GRAND JURY FURTHER CHARGES:

1. The allegations contained in Paragraphs 1 through 7 and 9 of COUNT ONE are re-alleged and incorporated herein.
2. Beginning in or about May 2010, and continuing until in or about October 2010, in the Middle District of Tennessee and elsewhere, defendants **WENDY ASKINS** and **LARRY GENE WEBB** knowingly and willfully, executed and attempted to execute a scheme and artifice to defraud the Bank of Putnam County, a financial institution the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain money and property owned by and under the custody and control of the Bank of Putnam County, by means of false and fraudulent pretenses and representations.
3. It was part of the scheme to defraud that defendants **WENDY ASKINS** and **LARRY GENE WEBB**, knowingly used their positions as Executive Director and Deputy Director of UCDD to apply for and obtain approval for loans to fund the purchase and remodeling of LTD for their personal benefit.
4. It was further part of the scheme that **ASKINS** told Bank of Putnam County representatives that UCDD had built similar projects using the assisted living concept.
5. It was further part of the scheme that **ASKINS** and **WEBB** acted fraudulently in asserting to the Bank of Putnam County that the CRDC Board of Directors was knowledgeable and supportive of the LTD project.
6. On or about the dates set forth below, in the Middle District of Tennessee and elsewhere, **WENDY ASKINS** and **LARRY GENE WEBB**, for the purpose of executing and

attempting to execute the above-described scheme, knowingly did defraud and attempt to defraud the Bank of Putnam County by:

<u>Count</u>	<u>Date</u>	<u>Fraudulent Transaction</u>
8	May 27, 2010	<b>ASKINS</b> and <b>WEBB</b> sought and obtained a loan in the amount of \$250,000, from the Bank of Putnam County which was for their own use and benefit and to the loss and detriment of the Bank of Putnam County, after falsely representing to the Bank of Putnam County that the loan proceeds would be used to fund a Board of Directors approved UCDD/CRDC project.
9	July 27, 2010	<b>ASKINS</b> and <b>WEBB</b> sought and obtained a loan in the amount of \$150,000, from the Bank of Putnam County which was for their own use and benefit and to the loss and detriment of the Bank of Putnam County, after falsely representing to the Bank of Putnam County that the loan proceeds would be used to fund a Board of Directors approved UCDD/CRDC project.
10	October 25, 2010	<b>ASKINS</b> and <b>WEBB</b> sought and obtained a loan in the amount of \$731,000, from the Bank of Putnam County which was for their own use and benefit and to the loss and detriment of the Bank of Putnam County, after falsely representing to the Bank of Putnam County that the loan proceeds would be used to fund a Board of Directors approved UCDD/CRDC project.

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT ELEVEN

THE GRAND JURY FURTHER CHARGES:

1. The allegations contained in Paragraphs 1 through 7 and 9 of COUNT ONE are re-alleged and incorporated herein.
2. Beginning in or about April 2009, and continuing until in or about June 2011, in the Middle District of Tennessee and elsewhere, defendants **WENDY ASKINS** and **LARRY GENE WEBB** knowingly and willfully, executed and attempted to execute a scheme and artifice to defraud the First National Bank of Tennessee, a financial institution the deposits

of which were then insured by the Federal Deposit Insurance Corporation, and to obtain money and property owned by and under the custody and control of the First National Bank of Tennessee, by means of false and fraudulent pretenses and representations.

3. It was part of the scheme to defraud that defendants **WENDY ASKINS** and **LARRY GENE WEBB**, knowingly used their positions as Executive Director and Deputy Director of UCDD to apply for and obtain approval for loans to fund the remodeling of LTD for their personal benefit.

4. It was further part of the scheme that **WEBB** told First National Bank of Tennessee representatives that CRDC needed working capital to fund a Board of Directors approved project.

5. It was further part of the scheme that in April 2009, **ASKINS** signed documents pledging a UCDD owned Certificate of Deposit as collateral for the initial loan.

6. It was further part of the scheme that **ASKINS** and **WEBB** signed entity authorizations granting themselves the authorization to pledge UCDD's assets as collateral.

7. It was further part of the scheme that in or around April 2011, **WEBB** contacted First National Bank of Tennessee seeking to increase CRDC's line of credit and agreeing to pledge a UCDD money market account in conjunction with the earlier pledged certificate of deposit to bring the line of credit amount to \$300,000.

8. On or about the dates set forth below, in the Middle District of Tennessee and elsewhere, **WENDY ASKINS** and **LARRY GENE WEBB**, for the purpose of executing and attempting to execute the above-described scheme, knowingly did defraud and attempt to defraud the First National Bank of Tennessee by:

<u>Count</u>	<u>Date</u>	<u>Fraudulent Transaction</u>
11	April 27, 2011	ASKINS and WEBB sought and obtained a loan in the amount of \$300,000, from the First National Bank of Tennessee, which was for their own use and benefit and to the loss and detriment of the First National Bank of Tennessee, after falsely representing to the First National Bank of Tennessee that the loan proceeds would be used to fund a Board of Directors approved CRDC project.

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNTS TWELVE THROUGH FOURTEEN

The Grand Jury Further Charges:

1. The allegations contained in Paragraphs 1 through 7 and 9 of COUNT ONE are re-alleged and incorporated herein.

2. On or about the dates set forth below with respect to each count, in the Middle District of Tennessee and elsewhere, **WENDY ASKINS** and **LARRY GENE WEBB** did knowingly engage and attempt to engage in the following monetary transactions in criminally derived property of a value greater than \$10,000, affecting interstate commerce and by, thru, and to a financial institution, namely, the transfer and withdrawal of funds by the means set forth below, such property having been derived from a specified unlawful activity, namely, conversion of government property in violation of Title 18, United States Code, Section 641, and bank fraud in violation of Title 18, United States Code, Section 1344:

Count	Date	Means of Transfer	Amount
12	April 4, 2010	Transfer from CRDC's Bank of Putnam County account (account ending 4881), to a newly established Bank of Putnam County account in the name of CRDC (account ending 8582)	\$285,000
13	June 8, 2011	Check number 3340 written from CRDC's Bank of Putnam County account (account number ending 4881) to LTD's construction account at the Bank of Putnam County account (account number ending 8582)	\$50,000
14	June 28, 2011	Check number 4947 written from CRDC's First National Bank of Tennessee account (account number ending 1834) to LTD's construction account at the Bank of Putnam County (account number ending 8582)	\$50,000

In violation of Title 18, United States Code, Sections 1957 and 2.

COUNT FIFTEEN

The Grand Jury Further Charges:

1. The allegations contained in Paragraphs 1 through 7 and 9 of COUNT ONE are re-alleged and incorporated herein.
2. Beginning in or about September 2011 and continuing until on or about January 19, 2012, the exact dates being unknown to the Grand Jury, in the Middle District of Tennessee and elsewhere, **WENDY ASKINS** and **LARRY GENE WEBB** did knowingly and willfully conceal and cover up by a trick, scheme and device a material fact in a matter within the jurisdiction of an agency within the executive branch of the Government of the United States, to wit, **WENDY ASKINS** and **LARRY GENE WEBB** concealed and intentionally failed to disclose to the Department of Health and Human Services, the Department of Commerce, and the Department of

Housing and Urban Development the fact that defendants **ASKINS** and **WEBB** had transferred \$300,000 of federal grant funds from UCDD to CRDC without obtaining approval from the UCDD Board of Directors.

In violation of Title 18, United States Code, Sections 1001(a)(1) and 2.

COUNT SIXTEEN

The Grand Jury Further Charges:

1. The allegations contained in Paragraphs 1 through 7 and 9 of COUNT ONE are re-alleged and incorporated herein.
2. On or about January 19, 2012, in Middle District of Tennessee, **WENDY ASKINS** and **BILLY MICHAEL FOSTER**, aided and abetted by each other, did willfully and knowingly make and cause to be made materially false, fictitious, and fraudulent statements and representations in a matter within the jurisdiction of a department or agency of the United States, to wit, **WENDY ASKINS** and **BILLY MICHAEL FOSTER** stated and represented to the UCDD Executive Committee of the Board of Directors, an organization that is subject to the rules and regulations, including an audit of government grants, of the United States Department of Commerce, the United States Department of Health and Human Services, and the United States Department of Housing and Urban Development that the UCDD Executive Committee had discussed and intended to approved the transfer of UCDD funds to CRDC for the purpose of the LTD project at the February 16, 2010, UCDD Executive Committee Board meeting. Whereas, in truth and in fact, as **WENDY ASKINS** and **BILLY MICHAEL FOSTER** then and there well knew and believed, the UCDD Executive Committee had not discussed nor intended to approved the transfer of UCDD money to CRDC for the LTD project on February 16, 2010.

In violation of Title 18, United States Code, Sections 1001(a)(2) and 2.

### FORFEITURE ALLEGATION

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

2. Upon conviction of any offense alleged in Counts Eight through Eleven (bank fraud, in violation of Title 18, United States Code, Sections 1344 and 2 of this Indictment, **WENDY ASKINS** and **LARRY GENE WEBB**, jointly and severally, shall forfeit to the United States of America pursuant to Title 18, United States Code, Section 982(a)(2)(A), any property constituting, or derived from, proceeds the person obtained directly or indirectly, as a result of such violation, including but not limited to a money judgment in the amount of at least \$1,031,000.00.

3. Upon conviction of any offense alleged in Counts Twelve through Fifteen (money laundering, in violation of Title 18, United States Code, Section 1957) of this Indictment, **WENDY ASKINS** and **LARRY GENE WEBB**, jointly and severally, shall forfeit to the United States of America pursuant to Title 18, United States Code, Section 982(a)(1), any property, real or personal, involved in the scheme or artifice to defraud as alleged in each count, or any property traceable thereto, including proceeds of the violation, including but not limited to a money judgment in the amount of at least \$1,031,000.00.

4. If any of the property described above, as a result of any act or omission of **WENDY ASKINS** and **LARRY GENE WEBB**:

- 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 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 forfeiture of any other property of WENDY ASKSINS and LARRY GENE WEBB, up to the value of the property listed above as being subject to forfeiture.

A TRUE BILL

  
FOREPERSON

  
DAVID RIVERA  
ACTING UNITED STATES ATTORNEY

  
DARRYL A. STEWART  
ASSISTANT UNITED STATES ATTORNEY