

UNITED STATES DISTRICT COURT

for the

Western District of Tennessee

United States of America

v.

Katrina Robinson

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Case No. 20-CR-20148 SHL/tmp

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of July 1, 2015 to June 30, 2019 in the county of Shelby in the Western District of Tennessee, the defendant(s) violated:

Table with 2 columns: Code Section, Offense Description. Rows include 18 U.S.C. 666 (Theft and Embezzlement Involving Government Programs) and 18 U.S.C. 1343 (Wire fraud).

This criminal complaint is based on these facts:

See attached affidavit.

[X] Continued on the attached sheet.

Handwritten signature of Matthew Pruitt

Complainant's signature

Matthew Pruitt, Special Agent, FBI

Printed name and title

Attested to by the applicant in accordance with the requirements of Fed.R.Crim.P. 4.1 by telephone.

Date: 24 July 2020

/s/ Charmiane G. Claxton

Judge's signature

City and state: Memphis, Tennessee

Charmiane G. Claxton, U.S. Magistrate Judge

Printed name and title

MP

AFFIDAVIT

I, Matthew Pruitt, being first duly sworn, hereby depose and state as follows:

1. I am a Special Agent with the Federal Bureau of Investigation, and have been since September 2018. Prior to employment with the FBI, I served as a police officer in Tullahoma, Tennessee, where I investigated crimes including missing/runaway juveniles, domestic assaults, sexual assaults, burglaries, fraud, and drug related offenses. I am presently assigned to investigate a wide variety of public corruption related crimes, including schemes to defraud government and private entities. I have received training from the FBI related to investigating and prosecuting public corruption matters. I have executed, and have assisted other agents in the execution of, search warrants in investigations related to public corruption, civil rights, violent crime, and crimes against children.

2. In the course of my duties, I have received training in evidence handling, working with confidential informants, physical surveillance, investigating a wide variety of frauds, forfeiture, search and seizure warrants, and arrest procedures, among other specialized investigative training. I have investigated and assisted with multiple investigations involving the search of residences, vehicles, employment locations, computer systems and seizures of computers and other electronic storage devices. As a federal law enforcement officer, I am authorized to execute search and seizure warrants issued under Rule 41 of the Federal Rules of Criminal Procedure.

3. For the reasons set forth below, there is probable cause to believe that KATRINA ROBINSON ("ROBINSON") has committed violations of Title 18 U.S.C. §§666(a)(1)(A) (theft and embezzlement involving government programs) and 1343 (wire fraud). I make this affidavit in support of a criminal complaint charging violations of these statutory provisions.

4. The facts set forth in this Affidavit are based on my personal knowledge, knowledge obtained during my participation in this investigation, and knowledge obtained from other individuals, as well as my training and experience. This Affidavit is intended to show merely that there is sufficient probable cause to support a criminal complaint and the issuance of an arrest warrant, and does not set forth all of my knowledge about this matter. In order prevent the defendant from being prematurely alerted to the existence of the charges prior to her arrest, it is requested that this Affidavit, along with the accompanying Complaint, be filed **under seal**.

5. The Healthcare Institute (“THI”) is a post-secondary educational provider located at 7253 Winchester, Memphis, Tennessee. It purports to provide training programs for jobs in the healthcare field, including certified nursing assistant, phlebotomist, and licensed practical nurse. It was founded in January 2015 as a Tennessee for-profit LLC, with Katrina Robinson as director.

6. In March of 2015, Robinson submitted a grant application of behalf of THI to the Health Resources and Services Administration (HRSA), a division of the U.S. Department of Health and Human Services. In 2015, HRSA began offering a grant opportunity to qualified organizations called the Geriatrics Workforce Enhancement Program. This program was offered to, among other things, improve health outcomes for older adults. Robinson, on behalf of THI, applied for a grant under this program for the purported purposes of: 1) establishing an educational program to train certified nursing assistants for employment assisting geriatric patients; and, 2) providing need-based scholarships to allow low income individuals to complete this program. THI was awarded HRSA grant funding under this program totaling in excess of \$2.2 million over what was ultimately an approximate four-year period between on or about July 1, 2015 and on or about June 13, 2019. Thus, THI received well over \$10,000 in federal grant funding during any given one-year period within this time frame.

7. On June 29, 2015, HRSA served THI with a Notice of Award, confirming that it had been selected for funding under the Geriatrics Workforce Enhancement Program. This award carried with it a number of explicit terms and conditions, including, but not limited to, the

following:

a. The grant recipient's first enumerated responsibility was to implement the approved work plan. This was a detailed plan set forth in THI's application with specific tasks, each with immediate, mid-range, and long-range objectives.

b. All post-award requests to amend the original grant application, such as significant budget revisions or a change in the scope of the project funded by the grant, had to be submitted for prior approval electronically and approved by HRSA prior to implementation.

8. In December 2016, an anonymous complainant made a complaint on the Department of Health and Human Services' (HHS) online complaint intake system. The complaint alleged that Katrina Robinson had purchased a Louis Vuitton handbag for \$550.00 from the complainant on November 5, 2016 using THI funds, and had made other purchases of similar items in the same fashion. This complaint prompted the HHS Office of Inspector General to open an investigation, which was later joined by FBI.

9. Investigators obtained bank records for THI's accounts at Pinnacle Bank and Regions Bank, both of which are financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). An analysis of these records indicates a pervasive pattern of misuse of THI funds by Robinson in two different areas: 1) excess compensation for herself, beyond what was submitted to and approved by HRSA, without consultation or prior approval; and 2) use of THI funds for a variety of personal expenditures for the benefit of herself, her immediate family members, and her State Senate campaign.

10. In the first category, bank records indicate that in April of 2018, Robinson paid herself a \$25,400 performance bonus for fiscal year 2017 above and beyond her approved annual salary as submitted to HRSA as part of THI's three-year budget in its grant application. At approximately the same time, she transferred \$54,000 in THI funds to Pershing LLC/Pershing Brokerage for the purpose of setting up an IRA for herself with her children as secondary beneficiaries. Moreover, an examination of Robinson's salary over the entire grant period by FBI

forensic accountant revealed that she received a total of approximately \$169,134 in salary beyond what was approved. These expenses required consultation with, and prior approval from HRSA, neither of which occurred. Further, according to HRSA representatives, if approval had been sought for these items, it would not have been granted.

11. In addition, records from both THI's Regions accounts and various payees show a pervasive pattern in which grant funds from HRSA were deposited into THI's account at Pinnacle Bank, then transferred to its primary operating account at Regions Bank, from which legitimate expenditures for THI's operations were commingled indiscriminately with personal expenditures for the benefit of Robinson and her immediate family. These purchases were made either directly from the account using checks, ACH transactions, and other electronic transaction platforms such as Paypal or Square, or using a THI credit card for purchases, the bills for which were paid from the account. Each of these transactions proceeded through the financial system in a manner that affected interstate commerce. In general, these purchases include, but are not limited to, the following:

- a. A 2016 Jeep Renegade, purchased for her daughter's use;
- b. Clothing, accessories, and hair and beauty products;
- c. Expenses related to Robinson's wedding and honeymoon, and later, legal fees for her divorce;
- d. Payments on her personal debts, including credit cards, store charge cards, student loans, and other personal loans;
- e. Travel and entertainment for herself and her family;
- f. Home electronics;
- g. Improvements to her personal residence, including a wrought iron front entry door valued at over \$5,000;
- h. Expenses related to Celebrity Body Studio, a body aesthetics business owned by Robinson, including construction and remodeling, rent, utilities, security services, equipment, and supplies;

i. Equipment, supplies, and expenses related to Kool Kidz Konez, a snow cone business operated by her children;

j. Payment to TPC Southwind for an event for Robinson's State Senate campaign.

12. More specifically, analysis of records obtained during the course of the investigation, including bank records for THI's accounts and records of the payees for these purchases, reveals the following instances in which payments by Robinson to a single payee aggregate to more than \$5,000.00, and thus constitute violations of 18 U.S.C. §666:

Begin Date	End Date	Payee	Amount	Description
07/01/2015	06/30/2019	Katrina Robinson	\$169,134	Salary in excess of amounts permitted under HRSA grant terms
07/01/2015	07/31/2019	Lowes Cos. Inc.	\$9,181.14	Building supplies
06/30/2015	11/28/2017	Best Buy	\$16,655.61	Electronics
07/30/2015	04/26/2019	Paypal	\$33,180.97	Clothing, shoes, hair/beauty products, spa supplies
08/26/15	09/26/17	Capital One	\$13,584.82	Payments on personal credit card
11/16/2015	09/26/2017	Home Depot	\$9,126.43	Building supplies
01/27/2016	12/11/2017	Wells Fargo Bank NA	\$7,327.92	Payments on personal credit card
02/22/2016	06/13/2017	Surplus Warehouse	\$5,023.09	Building supplies
03/31/2016	05/31/2016	BookIt.com	\$5,294.31	Travel to Jamaica
08/15/2016	10/15/2018	Amazon.com, Inc.	\$16,995.53	Clothing, hair/beauty products, home theatre equipment
12/06/2016	N/A	Methodist Healthcare FCU	\$9,965.72	Payment on personal loan
04/13/2017	10/04/2019	Cesar Herrera	\$24,530.00	Construction/remodeling work at Celebrity Body Studio


04/17/2017	10/02/2017	Memphis Grizzlies	\$8,981.72	Game tickets, seats for other FedEx Forum events, space rental for children's concession business
04/20/2017	01/26/2020	MMIC/Malkin Management	\$32,800.00	Rent for Celebrity Body Studio
05/19/2017	05/13/2019	Great Lakes Student Loans	\$20,669.36	Payments on personal student loan
07/06/2017	09/06/2017	Butler, Sevier, Hinsley & Reid, PLLC	\$14,233.19	Legal fees for divorce
08/11/2017	09/29/2017	Daniel Foster	\$7,610.00	Construction/remodeling work at Celebrity Body Studio
08/11/2017	11/19/2017	MLGW	\$5,412.33	Utilities for Celebrity Body Studio
01/29/2018	N/A	Katrina Robinson	\$25,400.00	Performance payout, FY 2017
03/06/2018	12/11/2019	Ally Financial	\$10,062.19	Payments on 2016 Jeep Renegade
04/04/2018	N/A	Shelby County	\$46,163.09	Tax sale purchase of real property at 4422 Boeingshire Dr., Memphis, TN
04/10/2018	N/A	Pershing, LLC	\$54,000.00	Personal Individual Retirement Account
09/28/2018	10/26/2018	Tuscan Iron Entries	\$5,528.16	Iron entry door for personal residence
12/18/2018	03/20/2019	Gardner Group & Co.	\$9,500.00	Renovation work for 4422 Boeingshire Dr.

13. Similar analysis has also revealed the following significant series of payments to individual payees of THI funds by Robinson for her own benefit, each of which affected interstate commerce, and which therefore constitute instances of wire fraud in violation of 18 U.S.C. §1343:

Begin Date	End Date	Payee	Amount	Description
06/23/2015	01/03/2017	Barclays Bank PLC	\$2,945.14	ACH payments on personal credit card
07/06/2015	10/03/2016	TJX Rewards	\$2,394.17	ACH payments on personal TJ Maxx charge card
07/29/2015	03/19/2019	Ross Stores	\$1,731.43	ACH payments for clothing and home décor
08/04/2015	N/A	Carnival Cruise Lines	\$856.10	ACH payment for cruise
08/10/2015	12/10/2018	Dillard's	\$1,218.99	Credit and debit card payments for clothing
12/21/2015	10/05/2018	Floor n Décor	\$2,125.91	Debit card payments for home flooring and furnishings
01/13/2016	07/13/2017	Lexus of Memphis	\$1,701.55	Debit card payments for personal auto repair
02/27/2016	03/35/2016	Antoine Beane/Triumph Media	\$1,350.00	Check payments for wedding videography
03/05/2016	N/A	One Main Financial	\$3,744.07	ACH payment for personal loan
04/02/2016	06/21/2016	Southaven Party Rentals	\$2,286.00	Check payment for wedding party rental
04/02/2016	N/A	GP Entertainment	\$2,326.01	ACH payment to performing artist booking agency
06/21/2016	N/A	Facegyrl	\$1,158.05	Square electronic payment to wedding makeup artist
06/26/2016	N/A	Madison Hotel, Memphis	\$972.28	ACH payment for lodging
10/20/2016	01/02/2019	At Home	\$2,257.62	Debit card payments for home furnishings and décor
01/05/2017	01/24/2017	Ann Taylor	\$446.79	ACH payment for clothing

08/30/2017	09/06/2018	Slim Spa Group	\$3,628.92	Debit card payments for spa supplies and equipment
09/07/2017	N/A	Imports of Memphis	\$3,514.90	Check payment to used car dealer
09/29/2017	N/A	Southern Snow Sales	\$2,075.00	Credit card payments for snow cone supplies
12/22/2017	N/A	American Airlines	\$1,057.16	ACH payment for airfare
05/29/2018	N/A	TPC Southwind	\$2,299.17	ACH payment for State Senate campaign event
07/09/2018	07/26/2018	LR Clothier	\$1,207.64	Paypal payments for clothing
10/12/2018	11/14/2018	ASOS	\$2,496.82	Paypal payments for clothing
01/07/2019	07/15/2019	Uber	\$542.22	Paypal payments for transportation
01/25/2019	12/09/2019	ADT Security	\$891.40	ACH payments for security services for Celebrity Body Studio

14. Accordingly, there is probable cause believe that the defendant, Katrina Robinson, has committed multiple violations of 18 U.S.C. §666(a)(1) and 18 U.S.C. §1343, and I respectfully request that a warrant issue for her arrest.


 MATTHEW PRUITT
 Special Agent
 Federal Bureau of Investigation

Sworn before me telephonically
 this 23rd day of July, 2020.

/s/ Charmiane G. Claxton

UNITED STATES MAGISTRATE JUDGE