EXHIBIT B

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CRIME

Court denies Fort Myers roofer Casey Crowther's motion to dismiss indictment on PPP fraud

Michael Braun Fort Myers News-Press
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The U.S. District Court has denied Fort Myers roofer Casey Crowther's motion to dismiss an indictment for fraud against him.

Crowther is under a seven-count federal indictment for COVID-19 relief fund fraud.
He filed to dismiss part of the indictment, claiming the government misunderstands and misapplied regulations in the act that guide the funds.

Last week District Court Judge John Badalamenti issued a denial: "Mr. Crowther's motion to dismiss the superseding indictment or, in the alternative, motion for bill of particulars (Doc. 41) is DENIED."

Badalamenti agreed with Crowther in one small area but refuted his overall arguments.

"In a narrow sense, Mr. Crowther is correct — the CARES Act does not create a new crime for misusing PPP funds. But as the Government points out, Mr. Crowther is not accused of violating the CARES Act. The superseding indictment charges him with multiple counts of bank fraud, making false statements to lending institutions, and conducting illegal monetary transactions," the ruling said.

More: Fort Myers roofer Casey David Crowther sounds off on Facebook about federal indictment

More: Roofer Casey Crowther seeks part of indictment dismissed, says feds misunderstand CARES Act

More: Fort Myers roofer Casey Crowther pleads not guilty to all charges during arraignment

Badalamenti also said that Crowther's claims would be best resolved at trial.

Attorneys for Crowther did not respond to a request for comment.

Crowther, 35, of North Fort Myers and president of Target Roofing, pleaded not guilty to the indictment in October and faces seven counts including, bank fraud, making a false statement to a lending institution, and illegal monetary transactions.

He was accused of falsely acquiring $2 million in COVID-19 relief funds, was arrested and charged Sept. 2, and released on $100,000 bond Sept. 3.

A federal grand jury had previously indicted Crowther, alleging COVID relief fraud on Sept. 23. A superseding indictment contained additional counts charging Crowther with mortgage fraud.

Crowther's motion to dismiss suggested that the theory of fraud used by prosecutors is the federal government's misunderstanding and misapplication of the regulations that govern the CARES Act.

The motion also said the regulations require specific loan terms and loan forgiveness requirements which the government summarily dismissed by "prematurely arresting Crowther ... ."

That Crowther received the funds and the trail of transfer of those funds that included purchase of a 40-foot boat, was not disputed by Crowther's attorneys in the motion.

In denying the motion, Badalamenti said that the superseding indictment provides that Crowther lied to his PPP lender about how he planned to use his loan funds, which the lender would have never given him if it knew that Crowther would spend the money for personal use.

"In a similar vein, the superseding indictment provides that Mr. Crowther used the PPP funds to misrepresent the extent of his assets to a Mortgage Lender, which relied on his misrepresentations to give him a mortgage loan," Badalamenti said in the ruling. "These two misrepresentations and their attendant transactions are the core of the superseding indictment. Stated differently, Mr. Crowther's alleged crime is not that he misspent the PPP funds, but that he purportedly lied to both his PPP Lender and his Mortgage Lender."

Badalamenti said these activities may or may not be illegal under the CARES Act, but many activities are not illegal in their own right, unless performed in the context of fraud.

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