UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA v. ANTAWN DAVIS, Defendant	Criminal No. 24CR10167 Violations: Count One: Wire Fraud (18 U.S.C. § 1343) Count Two: False Statements (18 U.S.C. § 1001(a)(2)) Forfeiture Allegation: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c))

INFORMATION

At all times relevant to this Information:

General Allegations

1. Defendant ANTAWN DAVIS ("DAVIS") was a resident of Massachusetts.

2. Benworth Capital Partners LLC ("Benworth") was a financial institution based in Florida and facilitated small-business lending.

3. Harvest Small Business Finance, LLC ("Harvest") was a financial institution based in California and facilitated small-business lending.

4. Digital Federal Credit Union ("DCU") was a financial institution based in Massachusetts.

5. The United States Small Business Administration ("SBA") was an agency of the executive branch of the United States government. The mission of the SBA was to maintain and strengthen the nation's economy by enabling the establishment and viability of small businesses

and by assisting in the economic recovery of communities after disasters. As part of this effort, the SBA enabled and provided for loans, guaranteed by the government, through banks, credit unions, and other lenders.

The CARES Act and the Paycheck Protection Program

6. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in March 2020 to provide emergency financial assistance to Americans suffering economic harm as a result of the COVID-19 pandemic. Among other things, the CARES Act provided funding for forgivable loans to small businesses for job retention and certain other expenses through the Paycheck Protection Program ("PPP"). The PPP allowed eligible borrowers that previously received a PPP loan to apply for a "Second Draw" PPP loan with the same general terms as their first PPP loan, which was sometimes referred to as the "First Draw" PPP loan.

7. PPP loans were required to be used by the business on certain permissible expenses, namely, payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be entirely forgiven if the business spent the loan proceeds on these expenses within a designated period of time and used at least a minimum amount of the PPP loan proceeds toward payroll expenses.

8. To obtain a PPP loan, a qualifying business was required to submit a PPP loan application signed by an authorized representative of the business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. One such certification required the applicant to affirm that "[t]he [PPP loan] funds w[ould] be used to

retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments." The applicant (through its authorized representative) was also required to acknowledge that "I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud" and "I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001," among other things. In the PPP loan application, the applicant was also required to state, among other things, its (a) average monthly payroll expenses and (b) number of employees. Lenders used these figures to calculate the amount of money the small business was eligible to receive under the PPP. The applicant was also required to provide documentation showing its payroll expenses. The Second Draw PPP loan application additionally required the applicant to certify that the applicant "used the full loan amount . . . of the First Draw [PPP] Loan only for eligible expenses."

9. Participating financial institutions, including Benworth and Harvest, received and processed business's PPP loan applications. If a PPP loan application was approved, the participating financial institution would fund the PPP loan using its own monies, which were guaranteed by the SBA.

<u>Scheme to Defraud</u>

10. Between April 2021 and June 2021, in the District of Massachusetts, and elsewhere, DAVIS devised a scheme to defraud and fraudulently obtain pandemic relief funds by filing false and fraudulent PPP loan applications for his purported company (the "company"), which resulted in DAVIS receiving $49,999. DAVIS thereafter misused the loan proceeds in ways that were not connected to the borrower's payroll, utilities, rent, or mortgage payments.

11. On or about April 20, 2021, DAVIS electronically submitted a PPP loan application to Benworth that contained false statements and falsified tax documents (the "First Draw PPP Loan Application"). DAVIS' First Draw PPP Loan Application claimed that he was the sole proprietor of a company established in 2019, located at DAVIS' personal residence, and that the company's gross income from 2020 was $105,901. As part of his application, DAVIS submitted a falsified Schedule C for the 2020 tax year that bore DAVIS' name and Social Security number. The Schedule C claimed that DAVIS' principal business or profession was "chef" and had a 2020 gross income of $105,901. In fact, IRS records do not show any record of tax returns filed under DAVIS' Social Security number for tax year 2020.

12. In reliance on DAVIS' First Draw PPP Loan Application, Benworth approved the loan, and on or about April 28, 2021, the loan amount of $20,833 was disbursed into DAVIS' DCU checking account.

13. Within approximately one month of receiving the $20,833 PPP loan, DAVIS depleted his DCU checking account through a series of transactions and spent the PPP funds on non-business-related expenses.

14. On or about May 20, 2021, DAVIS electronically submitted a PPP loan application to Harvest that contained false statements and falsified tax documents (the "Second Draw PPP Loan Application"). Consistent with his First Draw PPP Loan Application, DAVIS' Second Draw PPP Loan Application claimed that he was the sole proprietor of a company established in 2019, located at DAVIS' personal residence, and that the company's gross income from 2020 was $105,901. As part of his application, DAVIS submitted the same falsified

Schedule C for the 2020 tax year that he had submitted in his First Draw PPP Loan Application, detailed above.

15. In reliance on DAVIS' Second Draw PPP Loan Application, Harvest approved the loan, and on or about June 3, 2021, the loan amount of $29,166 was disbursed into DAVIS' DCU checking account.

16. Within approximately three weeks of receiving the $29,166 PPP loan, DAVIS depleted his DCU checking account by approximately $26,400 through a series of transactions, none of which were business-related expenses.

COUNT ONE
Wire Fraud
(18 U.S.C. § 1343)

The Acting United States Attorney charges:

17. The Acting United States Attorney re-alleges and incorporates by reference paragraphs 1-16 of this Information.

18. On or about April 20, 2021, in the District of Massachusetts, and elsewhere, the defendant,

ANTAWN DAVIS,

having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing the scheme to defraud, to wit, a fraudulent PPP loan application that contained materially false information for the purpose of executing the scheme to defraud.

All in violation of Title 18, United State Code, Section 1343.

<u>COUNT TWO</u>
False Statements
(18 U.S.C. § 1001(a)(2))

The Acting United States Attorney further charges:

19. The Acting United States Attorney re-alleges and incorporates by reference paragraphs 1-16 of this Information.

20. On or about April 20, 2021, in the District of Massachusetts, and elsewhere, the defendant,

ANTAWN DAVIS,

knowingly and willfully made a materially false, fictitious and fraudulent statement and representation in a matter within the jurisdiction of the executive branch of the Government of the United States, that is, false statements in an application for PPP loan funds, including false statements regarding the fact that he operated a business, the nature of the business he operated, the income that business provided, and his intent to use the PPP loan funds for business purposes.

All in violation of Title 18, United States Code, Section 1001(a)(2).

FORFEITURE ALLEGATION
(18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c))

The Acting United States Attorney further alleges:

21. Upon conviction of the offense in violation of Title 18, United States Code, Section 1343, set forth in Count One, the defendant,

ANTAWN DAVIS,

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense. The property to be forfeited includes, but is not limited to, the following asset:

a. $49,999, to be entered in the form of a forfeiture money judgment.

22. If any of the property described in Paragraph 21, above, as being forfeitable pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), as a result of any act or omission of the defendant --

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 which cannot be divided without difficulty;

it is the intention of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property described in Paragraph 21 above.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

JOSHUA S. LEVY
Acting United States Attorney

By:
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Lucy Sun
Assistant U.S. Attorneys

Date: June 10, 2024