

PRESS RELEASE

Boston Man Pleads Guilty to Fraudulently Obtaining Nearly \$50,000 in COVID-Relief Funds

Tuesday, June 18, 2024

For Immediate Release

U.S. Attorney's Office, District of Massachusetts

Defendant spent funds at a casino and Saks Fifth Avenue

BOSTON – A Boston man pleaded guilty today to fraud and false statements charges in connection with a scheme to fraudulently obtain pandemic-related relief funds from the Paycheck Protection Program (PPP) made available under the Coronavirus Aid, Relief, and Economic Security Act.

Antawn Davis, 39, pleaded guilty to one count of wire fraud and one count of making false statements. U.S. District Court Judge Julia E. Kobick scheduled sentencing for Sept. 16, 2024. Davis was charged and arrested in February 2024 along with over 40 alleged Heath Street Gang members/associates, who were charged with racketeering conspiracy; drug trafficking; firearms charges; and financial frauds, including COVID-related fraud.

In April and May 2021, Davis submitted fraudulent PPP loan applications on behalf of his purported business. The applications contained multiple false statements, including the purported business' total gross income in 2020 and the purpose of the loan. Davis also submitted false tax records in support of his loan applications. Based on the fraudulent applications, Davis received approximately \$49,999 in PPP loans, which he then spent on non-business-related expenses, including transactions at a casino and at Saks Fifth Avenue.

The charge of wire fraud provides for a sentence of up to 20 years in prison, up to three years of supervised release and a fine of up to \$250,000 or twice the gross gain or loss from the offense. The charge of making false statements provides for a sentence of up to five years in prison, up to three years of supervised release and a fine of up to

\$10,000. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and statutes which govern the determination of a sentence in a criminal case.

Acting United States Attorney Joshua S. Levy; Boston Police Commissioner Michael Cox; Jonathan Mellone, Special Agent in Charge of Department of Labor, Office of Inspector General; and Harry T. Chavis Jr, Special Agent in Charge of the Internal Revenue Service Criminal Investigations made the announcement today. Assistant U.S. Attorneys Sarah Hoefle and Lucy Sun of the Organized Crime & Gang Unit are prosecuting the case.

This effort is part of an Organized Crime Drug Enforcement Task Forces (OCDETF) operation. OCDETF identifies, disrupts, and dismantles the highest-level criminal organizations that threaten the United States using a prosecutor-led, intelligence-driven, multi-agency approach. Additional information about the OCDETF Program can be found at <https://www.justice.gov/OCDETF>.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The details contained in the charging document are allegations. The remaining defendants are presumed to be innocent unless and until proven guilty beyond a reasonable doubt in the court of law.

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