

# Massachusetts man who faked his own death, pleads guilty after being charged with fraud for Paycheck Protection Program

A Massachusetts man who faked suicide shortly after he and a co-defendant became the first in the nation to be charged with fraudulently seeking hundreds of thousands of dollars in forgivable pandemic relief small business loans guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, pleaded guilty today to conspiring to commit bank fraud and failure to appear in court.

The CARES Act Paycheck Protection Program (PPP) allowed qualifying small businesses to receive forgivable or low interest loans to meet payroll costs and mortgage, rent, and utility payments.

David Adler Staveley, a/k/a Kurt David Sanborn, a/k/a David Sanborn, 54, of Andover, MA, admitted he conspired with David Andrew Butziger, 53, of Warwick, RI, to file four fraudulent PPP loan applications with a Rhode Island bank, falsely claiming they owned businesses with large monthly payrolls when, in fact, they did not own the businesses. Staveley admitted that he and Sanborn filed fraudulent loan applications seeking \$185,570 to pay employees at Top of the Bay restaurant in Warwick, RI; \$144,050 at Remington House Inn restaurant in Warwick, RI; \$108, 777 at On The Trax restaurant in Berlin, MA; and \$105,381 for employees at Dock Wireless, an unincorporated business.

Remington House Inn and On The Trax were closed at the time the loan applications were submitted, and remain closed; Staveley has no ownership interest in Top of the Bay; and Dock Wireless had no employees and no wages were ever paid by the business.

In May 2020, Staveley and Butziger became the first individuals in the nation charged with defrauding the CARES Act Paycheck Protection Program. Three weeks after appearing in federal court and being released to home detention with electronic monitoring, Staveley removed his electronic monitoring device and fled. Staveley staged his suicide by, among other things, leaving suicide notes with associates and in his car, which was located by the ocean in Massachusetts, unlocked and with his wallet inside. Law enforcement determined that between May 26 and July 23, 2020, Staveley, who was to have appeared in federal court on June 2, 2020, traveled to various states using false identities and stolen license plates. He was apprehended by the United States Marshals Service in Alpharetta, GA., on July 23, 2020.

Appearing today before U.S. District Court Judge Mary S. McElroy, Staveley pleaded guilty to conspiracy to commit bank fraud and failure to appear in court as required, announced Acting United States Attorney Richard B. Myrus. Staveley is scheduled to be sentenced on August 2, 2021.

Butziger pleaded guilty on September 18, 2020, to conspiracy to commit bank fraud. He is scheduled to be sentenced on June 23, 2021.

The cases are being prosecuted by Assistant U.S. Attorney Lee H. Vilker.

The matter was investigated by the Federal Bureau of Investigation and Internal Revenue Service Criminal Investigation.

The Justice Department acknowledges and thanks the SBA Office

of Inspector General and the FDIC, Office of Inspector General  
for their assistance in the investigation.