PRESS RELEASE

First Person Charged for Fraudulently Seeking COVID Relief Business Loans Sentenced

Thursday, October 7, 2021

For Immediate Release

District of Rhode Island

PROVIDENCE - A Massachusetts man who became the first person in the country charged with fraudulently seeking forgivable pandemic relief small business loans guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and who faked suicide shortly after his arrest resulting in a nationwide search for him by the U.S. Marshals Service, was sentenced today to 56 months in federal prison, announced Acting United States Attorney Richard B. Myrus.

David Adler Staveley, a/k/a Kurt David Sanborn, a/k/a David Sanborn, 54, of Andover, MA, conspired with David Andrew Butziger, 53, of Warwick, RI, to file four fraudulent CARES Act Paycheck Protection Program forgivable 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 as part of the scheme, on April 6, 2020, he and Butziger 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 to pay employees at Dock Wireless, an unincorporated business.

Staveley had no ownership interest in Top of the Bay, Remington House Inn, or On The Trax which were closed at the time the loan applications were submitted and remain closed. Dock

Wireless had no employees and no wages were ever paid by the business.

Three weeks after being charged and appearing in U.S. District Court in May 2020, and released to home detention with electronic monitoring, Staveley removed his electronic monitoring device, staged his own suicide, and fled. Staveley left suicide notes with associates and left his wallet in his unlocked car that he parked along the ocean in Massachusetts. Further investigation 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 was sentenced to 56 months in federal prison to be followed by 3 years of federal supervised release.

Butziger is scheduled to be sentenced on November 1, 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.

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.

###

Contact

Jim Martin
(401) 709-5357

Updated October 14, 2021

Topics

COVID-RELATED FRAUD

FINANCIAL FRAUD

Components

Federal Bureau of Investigation (FBI) | USAO - Rhode Island

Press Release Number: 21-109

Related Content

PRESS RELEASE

DOJ's Fraud Division, SBA, and SBA OIG Target $245M in COVID Loan Fraud Enforcement Activity as State Partnerships Continue Expanding

Today, the Justice Department's National Fraud Enforcement Division along with the Small Business Administration (SBA) and the SBA Office of Inspector General, as part of a Heartland Fraud Surge announced...

September 14, 2026

PRESS RELEASE

Former Bank Employee Admits Stealing More Than $125,000 from Elderly Customer with Dementia

PROVIDENCE – A former employee of Santander Bank has pleaded guilty in federal court to charges related to stealing more than $125,000 from the bank account of a 78-year-old customer...

May 6, 2026

PRESS RELEASE

Irish National Sentenced in Multi-State Home Repair Fraud Scheme

PROVIDENCE – An Irish national who was living unlawfully in the United States was sentenced today in federal court in Rhode Island for his role in a scheme to defraud...

April 7, 2026

District of Rhode Island

Main Office: