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Department of Justice

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District of Rhode Island

FOR IMMEDIATE RELEASE

Wednesday, February 9, 2022

Rhode Island Man Sentenced in COVID-19 Related Fraud Scheme

PROVIDENCE, R.I. – A Warwick man charged with executing a scheme to defraud the Paycheck Protection Program (PPP), an element of the CARES Act passed by Congress on March 29, 2020, in response to the national crisis brought about by the COVID-19 pandemic, was sentenced in federal court in Providence today to three years of supervised release, the first six months of which are to be served in home confinement with electronic monitoring, announced United States Attorney Zachary A. Cunha.

David Andrew Butziger, 53, previously admitted to the court that he, along with co-conspirator David Adler Staveley, 54, of Andover, MA, sought to defraud the PPP by seeking \$543,959 in forgivable loans guaranteed by the SBA, claiming to have dozens of employees earning wages at four business, when, in fact, there were no employees working at any of them.

Staveley pleaded guilty on May 17, 2021, to conspiracy to commit bank fraud and failure to appear in court as required. He was sentenced by U.S. District Court Judge Mary S. McElroy on October 7, 2021, to fifty-six months in federal prison to be followed by three years of federal supervised release.

Three weeks after 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.

Staveley's co-conspirator, Butziger, pleaded guilty on October 18, 2020, to conspiracy to commit bank fraud, admitting to the court that he himself sought a bank loan for \$105,381.50 to pay seven employees at an unincorporated entity he called Dock Wireless. According to the government's evidence, Dock Wireless had no employees, and no wages were ever paid by the company.

Butziger also admitted that he conspired with Staveley to submit three fraudulent bank loan applications for SBA loans under the PPP totaling \$438,577. The loans were to be used to pay employees at three restaurants Staveley claimed to own, Top of the Bay and Remington House in Warwick and On The Trax in

Berlin, MA. According to government's evidence, Staveley had no ownership interest in any of the business; none of them were open at the time; and there were no employees at the time the loan applications were filed.

Today, Butziger was sentenced by U.S. District Court Judge McElroy to three years of supervised release, the first six months to be served in home confinement with electronic monitoring, and ordered to pay a fine of \$5,000.

The cases were 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.

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Contact:

Jim Martin

(401) 709-5357

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