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Department of Justice

U.S. Attorney's Office

District of Massachusetts

FOR IMMEDIATE RELEASE

Wednesday, January 20, 2021

Two Men Indicted on Fraud Charges Involving Small Business Administration Disaster Funds

BOSTON – A Lawrence man and a Methuen man were indicted yesterday by a federal grand jury in connection with a scheme involving the use of stolen identities to fraudulently obtain Economic Injury Disaster Loans from the Small Business Administration (SBA) and to launder the funds.

Darwyn Joseph, 24, of Lawrence, and Ramon Joseph Cruz, Jr., 24, of Methuen, were each indicted on one count of conspiracy to commit wire fraud, four counts of wire fraud and aiding and abetting and one count of aggravated identity theft. The defendants were charged by criminal complaint and arrested in December 2020.

According to the charging documents, the defendants were involved in a conspiracy to use stolen identity information of United States citizens to apply for SBA Economic Injury Disaster Loans. Specifically, Joseph and Cruz used stolen identity information of U.S. citizens to open fraudulent bank accounts which were then linked to other fraudulent bank accounts set up to receive the SBA funds. Joseph and Cruz also received through the mail some of the debit cards associated with fraudulent bank accounts into which SBA funds were deposited, and then laundered those funds by using them to purchase large numbers of iPhones for re-sale. Joseph and Cruz also wired a portion of the funds to the Dominican Republic in furtherance of the scheme.

It is alleged that over \$452,000 in SBA funds were fraudulently obtained in connection with this scheme. Approximately \$250,000 of this money was used to purchase iPhones in Massachusetts and New Hampshire.

The charges of wire fraud and conspiracy to commit wire fraud provide for a sentence of up to 20 years in prison, 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 aggravated identity theft carries a mandatory two-year sentence that must run consecutively to any other sentence imposed, up to one year of supervised release and a fine of up to \$250,000. Sentences are imposed by a federal district court judge based on the U.S. Sentencing Guidelines and other statutory factors.

United States Attorney Andrew E. Lelling and William S. Walker, Acting Special Agent in Charge of Homeland Security Investigations in Boston made the announcement. Assistant U.S. Attorneys Elianna Nuzum and Adam Deitch of Lelling's Major Crimes Unit are prosecuting the case.

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

Component(s):

USAO - Massachusetts

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