



THE UNITED STATES ATTORNEY'S OFFICE
WESTERN DISTRICT *of* WISCONSIN

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Department of Justice

U.S. Attorney's Office

Western District of Wisconsin

FOR IMMEDIATE RELEASE

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Grand Jury Returns Indictments

MADISON, WIS. -- A federal grand jury in the Western District of Wisconsin, sitting in Madison, returned the following indictments today. You are advised that a charge is merely an accusation and that a defendant is presumed innocent until and unless proven guilty.

Madison Man Charged with CARES Act Fraud

Ahmad Kanan, also known as Ahmed Kanaan, 48, formerly of Madison, Wisconsin, is charged with wire fraud and money laundering. The indictment alleges that he committed wire fraud and money laundering in connection with applications for loans through the Paycheck Protection Program (PPP) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a federal law enacted on March 27, 2020. PPP allowed qualifying small businesses to receive unsecured Small Business Administration guaranteed loans.

The indictment alleges that Kanan, acting as the Chief Executive Officer and 100% owner of Altin Labs, Inc., applied for two PPP loans totaling \$119,560, and when asked as part of the application process whether he was subject to any criminal charges, he falsely answered no. The indictment alleges that Kanan was aware that on October 10, 2019, he had been indicted by a federal grand jury in the Western District of Wisconsin on charges of access device fraud and attempted access device fraud.

The indictment also charges Kanan with money laundering, alleging that he transferred \$47,000 in fraudulently obtained PPP loan proceeds from the Altin Labs, Inc. bank account to his checking account.

If convicted, Kanan faces a maximum penalty of 20 years in federal prison on each count. The charges against him are the result of an investigation by U.S. Immigration and Customs Enforcement's Homeland Security Investigations and the Wisconsin Department of Justice Division of Criminal Investigation. Assistant U.S. Attorneys Zachary J. Corey and Meredith P. Duchemin are handling the prosecution.

Two Charged with Food Stamp Fraud

James Davis, 53, Port San Lucie, Florida, and Gary Baker, 49, Madison, Wisconsin, are charged with four counts of wire fraud and two counts of food stamp fraud. The indictment alleges that from January 2011 to April 2016, Davis and Baker used fraudulently obtained Supplemental Nutrition Assistance Program (SNAP) cards, commonly known as food stamps, to purchase food and other items for use at a food cart and a restaurant they operated in Madison, both named JD's.

According to the indictment, in Wisconsin SNAP benefits are issued to qualified recipients through magnetically encoded cards that operate like debit cards. The indictment alleges that Davis and Baker acquired approximately 358 SNAP cards representing 254 different households in Wisconsin, and used the SNAP cards to purchase approximately \$90,837 of food and other items at Sam's Club in Madison. Specifically, the indictment charges them with four counts of wire fraud related to these purchases, and with two counts of presenting more than \$100 worth of SNAP benefits belonging to a SNAP recipient for redemption at Sam's Club.

If convicted, Davis and Baker face a maximum penalty of 20 years in federal prison on each wire fraud count and five years in prison on each food stamp fraud count. The charges against them are the result of an investigation by the U.S. Department of Agriculture, Office of Inspector General. Assistant U.S. Attorney Aaron D. Wegner is handling the prosecution.

Madison Man Charged with Extortion

Devonere Johnson, 28, Madison, Wisconsin, is charged with two counts of extortion in connection with threats made to Madison businesses. Johnson previously was charged with these offenses in a criminal complaint filed in U.S. District Court in Madison on June 26. Federal law requires that felony offenses charged in a criminal complaint subsequently be charged by an indictment returned by a grand jury.

The indictment alleges that Johnson attempted to obtain money and property by consent induced by the threatened use of force, violence, and fear. The indictment alleges that on June 22 and 23, 2020, Johnson threatened that the windows of a business would be destroyed unless a person associated with the business made a payment to Johnson's Venmo account. The second count of the indictment alleges that on June 22 and 23, 2020, Johnson threatened to shut down and destroy a second business unless Johnson and his associates were provided free food and beverages.

If convicted, Johnson faces a maximum penalty of 20 years in federal prison on each count. The charges against him are the result of an investigation by the Federal Bureau of Investigation and the Madison Police Department. Assistant U.S. Attorney Corey C. Stephan is handling the prosecution.

Lafayette County Man Charged with Receiving and Possessing Child Pornography

Alan J. Liphart, 36, Darlington, Wisconsin, is charged with receiving and possessing visual depictions of minors engaged in sexually explicit conduct. The indictment alleges that on September 7, 2015, Liphart received a child pornography image via text message, and that on May 25, 2020, he possessed a TracFone that contained child pornography depictions and that at least one of the depictions involved a minor who had not attained 12 years of age.

If convicted, Liphart faces a mandatory minimum penalty of five years and a maximum of 20 years in federal prison on the charge of receiving child pornography, and 10 years on the possession of child pornography charge. The charges against him are the result of an investigation by the Darlington Police Department, Lafayette County Sheriff's Office, and Rock Island (Illinois) Police Department. Assistant U.S. Attorney Elizabeth Altman is handling the prosecution.

Altoona Man Previously Charged with Sex Trafficking Faces Additional Child Pornography Charges

Daniel Peggs, 33, Altoona, Wisconsin, is charged in a superseding indictment with sex trafficking a minor, two counts of producing child pornography, one count of possessing child pornography, and two counts of receiving child pornography. Peggs previously was charged in an indictment returned by the grand jury on February 12, 2020, with sex trafficking a minor and one count of producing child pornography.

The superseding indictment alleges that from October 2015 through May 2016, Peggs recruited a minor knowing that the minor would be caused to engage in a commercial sex act; that he produced two videos of

sexually explicit conduct using the minor; that he possessed a computer hard drive that contained depictions of child pornography and that at least one of the depictions involved a minor who had not attained 12 years of age; and that twice he knowingly received child pornography images via text message.

If convicted, Peggs faces a mandatory minimum penalty of 10 years and a maximum of life in federal prison on the sex trafficking a minor charge, a mandatory minimum penalty of 15 years and a maximum of 30 years on each production of child pornography charge, a mandatory minimum of five years and a maximum of 20 years on each receiving child pornography charge, and a maximum of 20 years on the possession of child pornography charge.

Peggs' trial is scheduled to take place on October 19, 2020, in U.S. District Court in Madison before Chief U.S. District Judge James D. Peterson.

The charges against Peggs are the result of an investigation by the Wisconsin Department of Justice Division of Criminal Investigation and U.S. Immigration and Customs Enforcement's Homeland Security Investigations. Assistant U.S. Attorney Julie S. Pfluger is handling the prosecution.

Madison Man Faces Drug & Gun Charges

Arwin C. Lacy, 29, Madison, Wisconsin, is charged with possessing cocaine with intent to distribute on June 18, 2020, and with possessing a loaded firearm in furtherance of that drug trafficking crime. The indictment also charges him with being a felon in possession of a firearm and ammunition, alleging that he possessed a loaded 9mm handgun and ammunition on June 18.

If convicted, Lacy faces a maximum penalty of 20 years in federal prison on the cocaine charge and 10 years on the felon in possession of a firearm and ammunition charge. Lacy faces a mandatory minimum penalty of five years in federal prison on the charge of possessing a firearm in furtherance of a drug trafficking crime; federal law requires that any penalty imposed for this charge be served consecutive to any penalty imposed on the possession of cocaine with intent to distribute charge.

The charges against Lacy are the result of an investigation by the Madison Police Department and Bureau of Alcohol, Tobacco, Firearms and Explosives. Assistant U.S. Attorney Steven P. Anderson is handling the prosecution.

The indictment charging Lacy has been brought as part of Project Safe Neighborhoods (PSN), the U.S. Justice Department's program to reduce violent crime. The PSN approach emphasizes coordination between state and federal prosecutors and all levels of law enforcement to address gun crime, especially felons illegally possessing firearms and ammunition, and violent crimes and drug crimes that involve the use of firearms.

Topic(s):

Coronavirus

Project Safe Childhood

Project Safe Neighborhoods

Financial Fraud

Component(s):

USAO - Wisconsin, Western