



Department of Justice

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Harlan County Man Sentenced to 33 Months for Fraudulently Obtaining COVID Relief Loans

LONDON, Ky. – A Harlan, Ky., man, David Christopher Lewis, 49, was sentenced to 33 months in federal prison on Thursday, by U.S. District Judge Robert E. Wier, after pleading guilty to wire fraud, for obtaining Paycheck Protection Program loans under false pretenses.

According to his plea agreement, in May 2020, Lewis submitted two fraudulent applications for Paycheck Protection Program (PPP) loans on behalf of Bubba Fest, LLC and Elite Artists Agency, LLC. Both businesses related to a “comic con”-style event called Bubba Fest that Lewis had organized in prior years. The Paycheck Protection Program was created as part of the CARES Act, a law passed in March 2020 in response to the COVID-19 pandemic. Paycheck Protection Program loans were designed to provide an incentive for small businesses to keep workers on their payroll during the pandemic; these loans would be forgiven by the United States Small Business Administration, if the borrower established that loan proceeds were used for payroll, rent, or other approved business expenses. The amount of the loan was dependent on the business’s payroll.

As part of his fraudulent PPP loan applications, Lewis provided the bank, First State Bank of the Southeast, with fake tax documents and payroll records misrepresenting the businesses’ number of employees and payroll expenses. As a result, he obtained fraudulent a PPP loan for each business totaling \$370,000. Evidence admitted at Lewis’s sentencing hearing established that between May 26 and August 28, 2020, Lewis paid himself or his wife more than \$100,000 of the PPP loan money. In his plea agreement, Lewis also admitted to obstructing the FBI’s investigation of his crime by providing a sworn affidavit that lied about the existence and whereabouts of the businesses’ employment and payroll records.

Under federal law, Lewis must serve at least 85 percent of his prison sentence. Upon his release from prison, he will be under the supervision of the U.S. Probation Office for three years. In addition to the term of imprisonment, Lewis was ordered to pay \$370,000 in restitution to First State Bank of the Southeast.

Carlton S. Shier, IV, United States Attorney for the Eastern District of Kentucky, and Jodi Cohen, Special Agent in Charge, Federal Bureau of Investigation, Louisville Field Office jointly announced the sentence. The investigation was conducted by the FBI. The United States was represented by Assistant U.S. Attorney Paul McCaffrey.

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>.

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