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Department of Justice

U.S. Attorney's Office

District of Massachusetts

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Tuesday, May 4, 2021

Former North Shore Resident Charged with COVID-Relief Fraud

Former pizzeria owner fraudulently obtained Paycheck Protection Program loan to purchase alpaca farm

BOSTON – A former North Shore resident was arrested today in connection with allegedly filing a fraudulent loan application in order to obtain over \$660,000 in Paycheck Protection Program (PPP) loan funds and using those funds for personal expenses, including an alpaca farm in Vermont.

Dana L. McIntyre, 57, of Grafton, Vt. and previously of Beverly and Essex, Mass., was charged in a criminal complaint with one count of wire fraud and one count of money laundering. McIntyre will make a virtual initial appearance in federal court in Boston this afternoon.

McIntyre is the former owner of Rasta Pasta Pizzeria in Beverly. As alleged in the complaint, in April 2020, McIntyre submitted a fraudulent application for a PPP loan of over \$660,000 through a Small Business Administration (SBA) approved lender. In the application, McIntyre allegedly inflated information about the pizzeria's employees and payroll expenses and falsified an official tax form in an effort to qualify the business for a larger loan amount. McIntyre allegedly reported that the pizzeria employed nearly 50 individuals; however, records indicate that the business paid fewer than 10 employees at any time before or after McIntyre submitted the loan application.

The complaint further alleges that, after receiving a PPP loan of over \$660,000, McIntyre sold the pizzeria and used nearly all the funds for personal expenses, including to purchase and upgrade a farm in Vermont as well as to buy several alpacas, at least two vehicles and weekly airtime for a cryptocurrency-themed radio show among other expenses.

The CARES Act is a federal law enacted on March 29, 2020, designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of forgivable loans to small businesses for job retention and certain approved expenses, through the PPP.

The charge of wire fraud provides for a sentence of up to 20 years in prison, three years of supervised release and a fine of \$250,000, or twice the gross gain or loss from the scheme, whichever is greater. The charge of money laundering provides for a sentence of up to 20 years in prison, three years of supervised

release and a fine of \$500,000, or twice the value of the criminally derived property. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and other statutory factors.

Acting United States Attorney Nathaniel R. Mendell; Joseph R. Bonavolonta, Special Agent in Charge of the Federal Bureau of Investigation, Boston Division; Ramsey E. Covington, Acting Special Agent in Charge of the Internal Revenue Service's Criminal Investigation in Boston; and Christina Scaringi, Special Agent in Charge of the U.S. Department of Housing and Urban Development, Office of the Inspector General, Northeast Regional Office made the announcement today. Assistant U.S. Attorneys David M. Holcomb of Mendell's Securities, Financial & Cyber Fraud Unit and Carol Head of Mendell's Asset Recovery Unit are prosecuting the case.

Information about allegations of attempted fraud involving COVID-19 can be reported by calling the Department of Justice's National Center for Disaster Fraud (NCDF) hotline by phone (1-866-720-5721) or via an online reporting form available at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

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

Topic(s):

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Component(s):USAO - Massachusetts

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