

Budget breakdown of a 26-year-old med student earning \$28,000 in New York City

This ex-lawyer quit to coach basketball – now his team is going to March Madness

This 42-year-old made over \$1 million

MONEY

Florida business owner got \$3.9 million in coronavirus relief money, allegedly spent it on a Lamborghini and luxury hotels

Published Wed, Jul 29 2020 • 12:10 PM EDT



Tom Huddleston Jr.

SHARE



Luxury Italian automaker Lamborghini's 2020 Huracan sports car. Source: Automobili Lamborghini S.p.A.

Federal prosecutors are accusing a 29-year-old small business owner in Miami of spending some of the nearly \$4 million in coronavirus relief aid he received from the

government on a six-figure sports car, expensive jewelry and stays at luxury resorts.

Federal officials arrested the man, David T. Hines, on Monday, charging him in Miami Federal Court with one count of bank fraud, one count of making false statements to a financial institution and one count of engaging in transactions in unlawful proceeds, the Justice Department said in a [press release](#).

After Hines obtained approval for three Paycheck Protection Program (PPP) applications and received more than \$3.9 million in PPP loans, federal prosecutors allege he used those funds to go on a spending spree that included a 2020 Lamborghini Huracan that Hines bought for roughly \$318,000 within days of receiving the government aid.

In fact, for weeks after receiving the millions of dollars in PPP aid, "Hines did not make payroll payments that he claimed on his loan applications," the Justice Department says in its press release. Instead, in addition to buying the six-figure Lamborghini that was registered jointly in Hines' name and in the name of one of his companies, Hines allegedly spent tens of thousands of dollars at luxury retailers and luxury resorts in Miami Beach.

Prior to receiving the government PPP funds, one of Hines' bank accounts had a balance of just 30 cents, while another that later received nearly \$800,000 of his PPP funds previously had a negative balance of more than \$31,300, according to the government's complaint.

After receiving the PPP money, Hines' financial records show that he made two May payments of \$15,000 each to a person listed as "Mom," according to officials. Other payments in the months of May and June include \$4,622.40 spent at Saks Fifth Avenue and \$8,530 to the luxury jewelry company Graff. The government's complaint also alleges that Hines spent a total of more than \$17,300 at three luxury resorts in Miami Beach: the Fontainebleau, the Setai Hotel, and the Miami Beach Edition.

According to the government's [criminal complaint](#), Hines is officially listed as "either manager or president" of four different moving companies located in South Florida,

all of which applied for relief money through the federal government's Paycheck Protection Program. Since March 2020, the government has [approved nearly \\$520 billion](#) in PPP loans to over 5 million small businesses that have seen their revenue drastically reduced by the ongoing coronavirus pandemic.

Hines requested roughly \$13.5 million in PPP loans for those four businesses in April, while allegedly falsely claiming that those companies had paid \$4 million in total per month to more than 70 employees in the first quarter of 2020, prosecutors wrote in the complaint.

However, the government says that "those purported employees either did not exist or earned a fraction of what Hines claimed in his PPP applications" and that bank records "show little to no payroll expense during this period" for Hines' companies. (Instead, monthly expenses for Hines' companies totaled around just \$200,000 in the first quarter of 2020, according to the complaint.)

Meanwhile, the complaint also notes that there are no records of any of Hines' four businesses having "any operating websites." In fact, two of his companies, which the complaint notes seem to have been brokers for moving services, both have F-ratings on the Better Business Bureau website and a history of complaints "relating to bait-and-switch practices and other deceitful activities," according to the criminal complaint.

If Hines is convicted on all charges against him, he could face up to 70 years in prison, prosecutors [told The New York Times](#).

The lawyer representing Hines, Chad Piotrowski, declined to comment on the case when reached by CNBC Make It.

The charges against Hines also come at a time when the federal government continues to face questions and criticism over how it has doled out billions of dollars in PPP loans. In May, [a study conducted by the New York Federal Reserve](#) found that the states hit hardest by the coronavirus (at that time) were receiving a smaller proportion of emergency small business loans than other states.

Data released by the Small Business Administration in early-July [listing recipients](#) of PPP loans and grants also raised some eyebrows, as large companies and celebrities like [Kanye West](#) received millions of dollars in loans for his clothing and sneaker company, as did billionaire real estate developer [Joe Farrell](#) and multimillionaire artist Jeff Koons.

Check out: [The best credit cards of 2020 could earn you over \\$1,000 in 5 years](#)

Don't miss:

[What's in the proposed stimulus plan for people who work for themselves and small businesses](#)

[As small business loan money runs out, many approved businesses still await checks or clarity on strict guidelines](#)

▶ 9:04

These college seniors had job offers lined up—then the pandemic hit

Trending Now

10 companies with the best workplace cultures, including pay, perks and work-life balance

1

2

Majority of U.S. population has Covid antibodies, CDC says — here's what that means for you

3

These 5 industries have the biggest gender pay gaps—here's why

4

Why a 26-year-old with \$350,000 in student loans won't use a credit card

5

'Queer Eye' star Tan France uses a simple trick to decide if something is worth splurging on

Sponsored Links by Taboola

FROM THE WEB

Tommy Chong: The Horrifying Truth About CBD

Tommy Chong's CBD

Shop Now

Wall Street Maverick Warns: The Tech Dip Is Ending—Get Out of Cash Now

Investing Outlook

Stay in the loop

Get Make It newsletters delivered to your inbox

SIGN UP

About Us

Learn more about the world of CNBC Make It

LEARN MORE

Follow Us



© 2022 CNBC LLC. All Rights Reserved. A Division of NBC Universal

[Privacy Policy](#) | [Do Not Sell My Personal Information](#)
[CA Notice](#) | [Terms of Service](#) | [Contact](#)