

**Department of Justice**

U.S. Attorney's Office

District of Connecticut

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FOR IMMEDIATE RELEASE

Monday, November 15, 2021

## **Middlefield Man Pleads Guilty to Defrauding State Jobs Programs**

Leonard C Boyle, Acting United States Attorney for the District of Connecticut, announced that DAVID KANIA, 62, of Middlefield, waived his right to be indicted and pleaded guilty today before U.S. District Judge Victor A. Bolden in Bridgeport to offenses stemming from his fraud against several state-run wage subsidy and job training programs.

According to court documents and statements made in court, Kania was the owner and operator of three small businesses, principally in the dietary supplement and beverage industry. Between 2013 and 2018, through his companies, Kania applied for and received state subsidies for employing unemployed jobseekers, including veterans, and for providing training to employees. In order to receive funds, Kania submitted false documents to the Connecticut Department of Labor and the Workforce Investment Boards, which administers wage subsidy programs, showing that he had hired certain workers and they worked for his businesses for a certain period of time, when he knew that to be false. Kania also submitted false invoices to the Manufacturing Innovation Fund ("MIF") Program for training that was never done. Through this scheme, Kania caused \$941,723.24 in loss to the wage subsidy programs and \$115,000 in loss to the MIF Program.

Kania also underreported his total income on his 2014 through 2018 federal tax returns by failing to account for \$299,201.50 in business funds that he used for personal expenses.

Kania pleaded guilty to one count of wire fraud, which carries a maximum term of imprisonment of 20 years, and one count of filing a false tax return, which carries a maximum term of imprisonment of three years.

Kania is released on a \$100,000 bond pending sentencing, which is not scheduled.

This matter is being investigated by the U.S. Department of Labor – Office of the Inspector General, and the Internal Revenue Service – Criminal Investigation Division, with the assistance of the Connecticut Department of Labor. The case is being prosecuted by Assistant U.S. Attorney David E. Novick.

**Topic(s):**  
Financial Fraud  
Tax

**Component(s):**  
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