



THE UNITED STATES ATTORNEY'S OFFICE  
SOUTHERN DISTRICT *of* TEXAS

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**Department of Justice**

U.S. Attorney's Office

Southern District of Texas

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FOR IMMEDIATE RELEASE

Wednesday, June 24, 2020

## **Houston man charged with COVID relief fraud**

HOUSTON - A funeral home operator has been taken into custody on allegations he fraudulently sought over \$13 million in Paycheck Protection Program (PPP) loans.

Jase DePaul Gautreaux aka Jase Dixon, 38, is charged in a criminal complaint, unsealed today upon his arrest, with making false statements to a financial institution, wire fraud, bank fraud and engaging in unlawful monetary transactions. He is expected to make his initial appearance before U.S. Magistrate Judge Frances H. Stacy in Houston at 2 p.m. today.

Gautreaux allegedly perpetrated a scheme to file fraudulent loan applications seeking more than \$13 million in forgivable loans. The Small Business Administration (SBA) guarantees the loans for COVID-19 relief through the Paycheck Protection Program under the Coronavirus Aid, Relief and Economic Security (CARES) Act.

The complaint alleges Gautreaux allegedly submitted several fraudulent PPP loan applications to federally insured banks, including applications on behalf of a business that did not exist and other applications on behalf of a business with which he had no affiliation. In these applications, Gautreaux allegedly falsified his identity, misrepresented the number of employees and payroll expenses of the putative companies and made numerous other inaccurate statements. According to the complaint, Gautreaux also submitted falsified tax documents and bank account information in support of these applications. He submitted fraudulent applications for over \$13 million in PPP funds and ultimately received over \$1.6 million in PPP funds, according to the charges.

The CARES Act is a federal law enacted March 29. It is designed to provide emergency financial assistance to millions of Americans who are suffering the economic effects resulting from the COVID-19 pandemic. One source of relief the CARES Act provides is the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses through the PPP. In April 2020, Congress authorized over \$300 billion in additional PPP funding.

The PPP allows qualifying small businesses and other organizations to receive loans with a maturity of two years and an interest rate of one percent. Businesses must use PPP loan proceeds for payroll costs, mortgage interest, rent and utilities. The PPP allows the interest and principal to be forgiven if businesses spend the proceeds on these expenses within a set time period and use at least a certain percentage of the loan towards payroll expenses.

The Office of the Inspector General (OIG) - Federal Housing Finance Agency, Federal Deposit Insurance Corporation – OIG, SBA – OIG and U.S. Postal Inspection Service - Houston Division conducted the investigation with the assistance of the Houston Police Department.

Trial Attorney Timothy A. Duree of the Criminal Division's Fraud Section is prosecuting the case with the assistance of Assistant U.S. Attorney James McAlister.

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 Hotline at 866-720-5721 or via the [NCDF Web Complaint Form](#).

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency [HERE](#).

***A federal criminal complaint is merely an accusation. A defendant is presumed innocent until proven guilty beyond a reasonable doubt in a court of law.***

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**Topic(s):**

Coronavirus

**Component(s):**

[USAO - Texas, Southern](#)

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