

Press Release

Houston Resident Pleads Guilty to Laundering Proceeds from \$40M Fraud Scheme

Tuesday, February 11, 2025

For Immediate Release

U.S. Attorney's Office, Southern District of Texas

HOUSTON – A 43-year-old man has admitted to laundering proceeds from a large-scale bank fraud scheme, announced U.S. Attorney Nicholas J. Ganjei.

Bun Khath admitted that from 2016 to 2021, he conspired with others in a bank fraud scheme involving dozens of loans totaling at least \$40 million in fraudulent loan proceeds.

As part of the plea, Khath acknowledged opening and maintaining shell companies and bank accounts to collect money from the scheme and then laundering the fraud proceeds by wiring them to bank accounts other co-conspirators controlled.

Khath and others accomplished the bank fraud by preparing loan applications that contained false and fraudulent information and documents, including fake equipment sales invoices, income tax returns and financial and bank statements.

U.S. District Keith Ellison will impose sentencing April 29. At that time, Khath faces up to 10 years in federal prison and a \$250,000 possible fine or twice the amount involved in the transaction.

He was permitted to remain on bond pending that hearing.

Another Houston resident charged in the case - Hugo Villanueva, 70, - is considered a fugitive, and a warrant remains outstanding for his arrest. Anyone with information about his whereabouts is asked to contact the FBI at 713-693-5000.

The Federal Housing Finance Agency-Office of Inspector General (OIG), IRS-Criminal Investigation, FBI and Federal Deposit Insurance Corporation-OIG conducted the investigation. Assistant U.S. Attorney Belinda Beek is prosecuting the case.

Updated February 11, 2025