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Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Monday, November 29, 2021

Texas Man Sentenced to More Than Nine Years in COVID-19 Fraud and Money Laundering Scheme

A Texas man was sentenced today to 110 months in prison for his scheme to fraudulently obtain and launder proceeds from more than \$1.6 million in Paycheck Protection Program (PPP) loans guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief and Economic Security (CARES) Act.

According to court documents, Lee Price III, 30, of Houston, who pleaded guilty in September to charges of wire fraud and money laundering, submitted fraudulent PPP loan applications to two different lenders on behalf of three entities, 713 Construction LLC, Price Enterprises Holdings LLC, and Price Logistic Services LLC. Through these loan applications, Price sought over \$2.6 million and actually obtained over \$1.6 million in PPP loan funds. Price falsely represented the number of employees and payroll expenses in each of the PPP loan applications. To support the fraudulent PPP loan applications, Price also submitted fraudulent tax records and other materials. Illustratively, with respect to the 713 Construction LLC loan application, Price applied in the name of an individual who died shortly before the application was submitted. After he received the PPP loan funds, Price spent the money on, among other purchases, a Lamborghini Urus, a Ford F-350 truck, a Rolex watch, and to pay off a loan on a residential property. The Department of Justice, along with law enforcement partners, seized over \$700,000 of the funds Price fraudulently obtained.

Assistant Attorney General Kenneth A. Polite Jr. of the Justice Department's Criminal Division; Acting U.S. Attorney Jennifer Lowery for the Southern District of Texas; Special Agent in Charge Catherine Huber of the Federal Housing Finance Agency Office of Inspector General (FHFA-OIG) – Central Region; Special Agent in Charge Sharon Johnson of the SBA Office of Inspector General (SBA-OIG) – Central Region; and Acting Inspector in Charge Dana Carter of the U.S. Postal Inspection Service – Houston Division made the announcement.

FHFA-OIG, SBA-OIG, and the U.S. Postal Inspection Service investigated the case.

Trial Attorney Andrew Tyler of the Criminal Division's Fraud Section and Trial Attorneys James Alexander and Matthew Grisier of the Criminal Division's Money Laundering and Asset Recovery Section are prosecuting the case with the assistance of Assistant U.S. Attorney James McAlister of the Southern District of Texas. Assistant Deputy Chief Timothy A. Duree and Trial Attorney Kyle Maurer of the Criminal Division's Fraud Section assisted in the investigation and prosecution of the case.

The Fraud Section leads the Criminal Division's prosecution of fraud schemes that exploit the PPP. Since the inception of the CARES Act, the Fraud Section has prosecuted over 150 defendants in more than 95 criminal cases and has seized over \$75 million in cash proceeds derived from fraudulently obtained PPP

funds, as well as numerous real estate properties and luxury items purchased with such proceeds. More information can be found at <https://www.justice.gov/criminal-fraud/ppp-fraud>.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

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 (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

Topic(s):

Coronavirus
Disaster Fraud

Component(s):

[Criminal Division](#)
[Criminal - Criminal Fraud Section](#)
[USAO - Texas, Southern](#)

Press Release Number:

21-1175

Updated November 29, 2021