

**PRESS RELEASE**

# Utah Ringleader of COVID-19 Scheme Sentenced to Prison

Tuesday, December 23, 2025

**For Immediate Release**

U.S. Attorney's Office, District of Utah

SALT LAKE CITY, Utah –Halee Ann Mehlbauer, 40, of Tooele, Utah, was sentenced today to 15 months' imprisonment after she fraudulently obtained approximately \$177,030 in COVID-19 Paycheck Protection Program (PPP) Loans, along with her codefendant, Timothy Lopez, which they did not qualify for. She was also sentenced to two years' supervised release and ordered by the court to pay \$177,030 in restitution, of which \$48,507 is to be paid jointly with Lopez.

The COVID-19 PPP Loans were provided to small businesses for funding to meet specific obligations, including payroll and rent during the pandemic.

The sentence, imposed by U.S. District Court Judge David Barlow, comes after Mehlbauer pleaded guilty on September 24, 2025, to wire fraud and money laundering. Her codefendant, Lopez was sentenced to time served.

According to court documents and statements made at Mehlbauer's change of plea and sentencing hearings, beginning about July 15, 2020, and continuing to about January 15, 2022, Mehlbauer engaged in a Paycheck Protection Program Loan scheme and fraudulently obtained money through small lenders and the Small Business Administration. She did so by providing false information on multiple PPP-Loan and other lender applications and provided supporting documents in the name of nonexistent businesses. Mehlbauer knowingly defrauded the PPP Loan Program alone of at least \$177,030. See prior press release: [Utah Residents Accused of Running a COVID-19 Relief Fraud Scheme Face Federal Charges](#).

Once approved for PPP Loan funds, Mehlbauer and her codefendant, Timothy Lopez, used the funds on personal expenses such as gambling, debt payments, car rental payments, and other miscellaneous expenses that were not related to any authorized payroll expenses for any of their alleged businesses.

“Every dollar that Mehlbauer received in PPP-Loan funds was taxpayer money,” said U.S. Attorney Melissa Holyoak of the District of Utah. “Mehlbauer fraudulently obtained funds meant for honest business owners faced with weathering the storm of a global pandemic and her fraud will not go unpunished. It is our hope her sentence deters others from taking advantage of government programs.”

“The defendants helped themselves to funds intended for small businesses struggling to stay in business during the COVID pandemic,” said SBA OIG’s Western Region Acting Special Agent in Charge Tim Larson. “SBA OIG and its law enforcement partners will continue to diligently protect the integrity of the SBA and its programs designed to strengthen small businesses and the economy of the United States. I want to thank the U.S. Attorney’s Office and our law enforcement partners for their dedication and pursuit of justice.”

"Driven by greed, these defendants defrauded the government, unlawfully diverting funds that were meant to support struggling small business owners and workers during a national emergency," said Special Agent in Charge Robert Bohls of the Salt Lake City FBI. "The FBI is committed to holding accountable those who exploit government resources for personal profit at the expense of those in need."

“This sentencing demonstrates the commitment of the Treasury Inspector General for Tax Administration (TIGTA) to investigate and bring to justice those who victimize the American taxpayer,” said Krystofor Proev, TIGTA Special Agent-in-Charge. “Fraudulently applying for loans through a federal program meant to assist Americans in need will be met with aggressive investigation and prosecution. I want to thank our law enforcement partners and the U.S. Attorney’s Office for their commitment to this goal.”

The Utah Federal COVID-19 Fraud Strike Force investigated the case, which includes Homeland Security Investigations (HSI), the Federal Bureau of Investigation (FBI), the Office of Inspector General’s U.S. Small Business Administration – Office of Inspector General (SBA-OIG), Department of Defense (DOD), U.S. Department of Housing and Urban Development (HUD), U.S. Department of Labor – Office of Inspector General (DOL-OIG), and the U.S. Treasury Inspector General for Tax Administration (TIGTA). The public is encouraged to share information about the abuse of the Paycheck Protection Program or other SBA programs by submitting a complaint [here](#).

Assistant United States Attorney Todd C. Bouton of the U.S. Attorney’s Office for the District of Utah prosecuted the case.

### **Paycheck Protection Program (PPP)**

The Fraud Section leads the Criminal Division's prosecution of fraud schemes that exploit the Paycheck Protection Program (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 [Justice.gov/OPA/pr/justice-department-takes-action-against-covid-19-fraud](https://www.justice.gov/OPA/pr/justice-department-takes-action-against-covid-19-fraud).

*Updated December 23, 2025*