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## **Former funeral home owner indicted**

**By Chris Paschenko**  
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**LA MARQUE** — A Galveston County grand jury indicted the former owner of a bankrupt funeral home on an allegation of misapplying money from prepaid funeral contracts, according to court documents.

Michael Augustus, 55, who operated Augustus Funeral Home in La Marque, surrendered to authorities Tuesday. He was indicted Sept. 10 on a charge of misapplication of fiduciary property, Barry Cook, a spokesman with the Galveston County Sheriff's Office, said.

An indictment is an accusation of criminal conduct, not a guilty verdict.

Augustus was released after posting \$5,000 bond, Cook said.

State officials with the Texas Department of Banking accused Augustus of selling more than \$8,000 of prepaid funeral contracts.

Augustus filed for bankruptcy protection in 2005, Russell Reese, director of the Special Audits Division of the Texas Department of Banking, said.

Augustus had no permit from the department to sell prepaid funeral contracts, Reese said.

“When the attorney general tried to file a claim in bankruptcy court for civil penalties and restitution, the case was dismissed,” Reese said.

That also meant attempts to collect restitution ended, he said.

Augustus intentionally, knowingly and recklessly misapplied between \$1,500 and \$20,000, which he held as a fiduciary, the indictment alleges.

The misapplication involved substantial risk of loss to Johnny Palmore, Beverly Allen, Linda Jackson, Ozell Moore and Velma White, the indictment claims.

Augustus listed a La Marque address on his jail booking sheet. Attempts to reach him for comment were unsuccessful. His court file does not list an attorney.

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