



Department of Justice

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FOUR INDICTED FOR DEFRAUDING FEMA OF HURRICANE DISASTER FUNDS

(HOUSTON, TX) - United States Attorney Chuck Rosenberg today announced the recent return of four indictments against individuals charged with filing false claims to obtain Federal Emergency Management Agency's (FEMA) disaster relief assistance. With these four indictments, a total of five persons have been charged in the Southern District of Texas with various offenses relating to the defrauding of FEMA of Hurricane Disaster Funds. The first person charged in the district was Barney Spears, 38, of Houston. Spears was indicted on September 21, 2005, and charged with filing a false claim against the United States and making false statements to the Federal Emergency Management Agency (FEMA). He is pending trial.

Today, November 16, 2005, a Houston grand jury indicted LaToya Harris, 33, and Jimmie Williams, 27, both of Houston, Texas, in separate indictments. Harris was charged in a two count indictment with filing a false claim in violation of 18 U.S.C. § 287 and mail fraud in violation of 18 U.S.C. § 1341. Williams was charged in a single count indictment with filing a false claim in violation of 18 U.S.C. § 287. On November 7, 2005, a Houston grand jury indicted Robert Foster, 39, of Galveston, Texas, and Royce Allen, 39, of College Station, Texas, in separate two count indictments charging each with filing a false claim in violation of 18 U.S.C. § 287 and mail fraud in violation of 18 U.S.C. § 1341.

FEMA makes available to eligible households up to \$26,200 in disaster assistance. In response to Hurricanes Katrina and Rita, FEMA provided eligible households with an expedited payment of \$2,000 to assist victims with immediate food, shelter and clothing needs. To be eligible for FEMA assistance based on housing needs, the damaged home in the disaster area must be where the applicant usually lives and where the applicant was residing at the time of the disaster.

The indictment against Foster alleges that on September 20, 2005, Foster submitted a claim with FEMA for Hurricane Katrina disaster relief benefits falsely listing 2700 Whitney Avenue in Harvey, Louisiana, as his permanent residence. Based on that claim, the Department of Treasury mailed Foster a disaster assistance check to his Galveston address.

Allen is accused by indictment of submitting a claim with FEMA for Hurricane Katrina disaster relief benefits falsely on September 6, 2005, listing 201 Lewis in New Orleans, Louisiana, as his permanent residence. Based on that claim, the Department of Treasury mailed Allen a disaster assistance check to his College Station address.

The indictment accuses Harris of submitting a claim with FEMA for Hurricane Katrina disaster relief benefits on September 18, 2005, falsely listing 275 Reynoir Street in Biloxi, Mississippi, as her permanent address. Based on that claim, the Department of Treasury mailed Harris a disaster assistance check to her Houston address.

Lastly Williams stands charged by indictment of submitting a claim with FEMA for Hurricane Rita disaster benefits on October 3, 2005, falsely stating that Hurricane Rita damaged his primary residence in Houston and caused him to lose work.

Foster, Williams and Harris were arrested on October 19, 2005, following the filing of a criminal complaints. Harris was released on bond on October 20 th . Foster and Williams have been ordered detained without bond pending trial of their respective cases. They will be arraigned on the charges on a date to be set by the court. Royce Allen, who was also initially charged by criminal complaint, was arrested on October 26, 2005, and ordered detained without bond pending trial of his case. Allen entered a plea of not guilty at an arraignment held yesterday, November 15, 2005.

The false claim counts alleged against all four defendants carry a maximum statutory punishment range of five (5) years imprisonment, without parole, and \$250,000 fine, upon conviction. The mail fraud counts against Foster, Allen, and Harris carry a statutory maximum punishment of 20 years imprisonment, without parole, and a \$250,000 fine, upon conviction.

The United States Attorney's Office for the Southern District of Texas is a member of the Department of Justice's Hurricane Katrina Fraud Task Force, created by Attorney General Alberto R. Gonzales to deter, detect and prosecute unscrupulous individuals who try to take advantage of the Hurricane Katrina and Hurricane Rita disasters. Headed by Assistant Attorney General Alice S. Fisher, the Task Force is comprised of federal, state, and local law enforcement investigating agencies and the United States Attorney's Offices in the Gulf Coast region and nationwide. These cases were investigated by the Department of Homeland Security's Office of Inspector General and will be prosecuted by Assistant United States Attorney Gregg Costa.

An indictment is a formal accusation of criminal conduct, not evidence. A defendant is presumed innocent unless and until convicted through due process of law.

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