



Department of Justice

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

Tim Johnson • Acting United States Attorney

FOR IMMEDIATE RELEASE
WEDNESDAY, NOV. 12, 2008
OFFICER

WWW.USDOJ.GOV/USAO/TXS

ANGELA DODGE
PUBLIC AFFAIRS

(713) 567-9388

DEFENDANT SENTENCED TO PRISON FOR RUNNING INVESTMENT SCAM INVOLVING SUPPOSED FEMA TRAILERS

HOUSTON – Christopher Brian McPherson was sentenced to five years in federal prison for operating a fraudulent investment scheme in which he falsely told investors he was using their money to purchase and refurbish FEMA trailers, Acting United States Attorney Tim Johnson announced today. McPherson is the 35th person sentenced to prison in the Southern District of Texas for fraud relating to Hurricanes Katrina and Rita.

United States District Judge Lee Rosenthal imposed the sentence this morning. McPherson was convicted of wire fraud after pleading guilty to the charge on April 17, 2008. Judge Rosenthal also ordered that McPherson pay restitution to the victims in the amount of \$278,428. The prison term is to be followed by a three year term of supervised release. McPherson was in state custody on an unrelated charge and transferred into federal custody following the return of the federal indictment.

McPherson has admitted that during the fall of 2006 he took out classified ads in the *Houston Chronicle* soliciting people to invest in a “real estate deal.” When readers contacted McPherson about the deal, he claimed that he was purchasing used FEMA trailers, refurbishing them, and then selling them to the Department of Housing and Urban Development for a significant profit. McPherson entered into contracts with some of the people who responded to his ads. Those contracts stated the investor would be providing McPherson a loan, listed specific trailers with vehicle identification numbers (VINs) that were to be purchased with

the money, and provide an amount that McPherson was supposed to repay in a short period of time after the supposed resale of the refurbished trailers. McPherson admitted he made up the VINs used in the contracts, never purchased any trailers, and used the money he obtained for personal expenses.

The case was investigated by the Offices of Inspector General of the Departments of Housing and Urban Development and Homeland Security and the Friendswood Police Department. The case was prosecuted by Assistant United States Attorney Gregg Costa.

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 to deter, detect and prosecute unscrupulous individuals who try to take advantage of the Hurricane Katrina and Hurricane Rita disasters. 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.

Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721 or contacting the Disaster Fraud Fax at 1-225-334-4707 or the Disaster Fraud e-mail at disaster@leo.gov, 24 hours a day, seven days a week until further notice. Information can also be e-mailed to the inspector general at dhsoghline@dhs.gov or sent by surface mail, with as many details as possible, to:

National Center for Disaster Fraud
Baton Rouge, LA 70821-4909

or

Department of Homeland Security
Washington, DC. 20528
Attn: Office of Inspector General, Hotline

#