



Department of Justice

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

Donald J. DeGabrielle • United States Attorney

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HOUSTON RESIDENT CHARGED WITH ENGAGING IN FEMA FRAUD FOR HURRICANES KATRINA, RITA AND IKE

(HOUSTON, Texas) - Phyllis Ann Taylor, 28, of Houston, has been charged with filing multiple fraudulent claims with FEMA for Hurricanes Katrina, Rita and Ike disaster assistance, United States Attorney Don DeGabrielle announced today. Taylor is the first person charged in the district with fraud in connection with Hurricane Ike and the 86th person charged with fraud in the district in connection with Hurricanes Katrina and Rita.

"We have previously announced a zero-tolerance for crimes like these," DeGabrielle said. "Today's indictment should serve as a vivid reminder."

"We all suffer when federal programs are undermined by individuals who take advantage of U.S. taxpayers by fraud," said Ronald D. Moore, Special Agent in Charge of the Houston Office of the Department of Homeland Security-Office of Inspector General (DHS-OIG). "Today's indictment should send a clear message that DHS OIG-intends to aggressively pursue anyone who intends to break the law by FEMA fraud."

Agents from DHS-OIG and Housing and Urban Development-OIG arrested Taylor at her Houston home on Monday afternoon. A federal grand jury charged Taylor last week in an indictment which was automatically unsealed upon her arrest. Taylor is expected to make her initial court appearance today at 2:00 p.m. before United States Magistrate Judge Calvin Botley.

The indictment charges Taylor with filing a false claim with FEMA for Ike assistance on Sept. 13, 2008, the Saturday Ike made landfall. The indictment alleges Taylor falsely claimed a damaged residence on Pruitt Street in Galveston was her primary residence. For this claim, the

indictment charges Taylor with disaster-assistance fraud in violation of Title 18, United States Code, Section 1340. This new statute was enacted in January 2008 as part of the Emergency Disaster Assistance Fraud Penalty Enhancement Act of 2007. It is believed that Taylor is the first individual in the country charged with violating this new statute. The statute carries a maximum sentence of 30 years and a \$250,000 fine.

The indictment further alleges that in September 2005, Taylor filed a claim with FEMA for Katrina disaster assistance listing her actual primary residence at a public housing project in Marerro, La., even though Katrina did not damage that residence. Taylor then allegedly filed at least six more claims with FEMA for Katrina assistance, listing slight variations of her name, Social Security numbers belonging to other individuals and false primary residences in New Orleans, many of which do not even exist. The indictment further alleges that after Rita, Taylor filed five claims with FEMA also listing variations of her name and others' Social Security numbers and false primary residences in Lake Charles, many of which do not exist. The indictment alleges that Taylor obtained multiple residences in the Houston area by filing applications with hurricane housing programs using different Social Security numbers and using those different Houston-area residences as the mailing addresses for the FEMA claims.

Taylor faces eight counts of mail fraud and seven counts of aggravated identity theft in connection with the allegedly false Katrina and Rita claims. Each mail fraud count carries a maximum sentence of 20 years in prison, without parole, and a \$250,000 fine. The aggravated identity theft counts carry a mandatory sentence of two years imprisonment, the first of which must run consecutive to any other sentence imposed.

This case was investigated by DHS-OIG and is being 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.

A total of 466 reports of alleged fraud had been received for Hurricane Ike as of this morning, while 667 such reports have been received for alleged Hurricane Gustav fraud. 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 dhsorghotline@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

An indictment or superseding 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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