NEWS RELEASE

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TWO EVACUEE IMPOSTERS PLEAD GUILTY TO FEMA FRAUD

Shreveport, Louisiana . . . Two Florida residents who came to Louisiana and posed as Hurricane Katrina evacuees in order to fraudulently obtain FEMA relief funds both pled guilty today to theft of public money, United States Attorney Donald W. Washington announced. KENNETH M. HODGE, age 33, and VERONICA JAEGER, age 22, entered their pleas before U.S. District Judge Tom Stagg in Shreveport, Louisiana. Sentencing is scheduled for February 2, 2006 beginning at 2:30 p.m.

U.S. Attorney Washington stated: "Those who steal public funds meant for true victims of Hurricanes Katrina and Rita will pay dire consequences for their reprehensible conduct. We will aggressively seek federal felony convictions, prison time and large fines for stealing funds that are intended to bring some level of comfort to the victims of these storms."

Relief officials received a registration request on the FEMA Disaster Assistance registration website from HODGE claiming that his residence and personal belongings in Slidell, Louisiana had been destroyed by Hurricane Katrina. Based on the registration, FEMA mailed HODGE a check in care of a local shelter in the amount of $2,000 for emergency food, shelter, clothing and medical assistance. A similar registration request was received by FEMA from JAEGER, also listing an address in Slidell, Louisiana. JAEGER also received a $2,000 check from FEMA at the shelter. HODGE and JAEGER had registered at the shelter using a completely different address in Slidell. None of the Slidell addresses actually exist.

Follow-up investigation by federal and parish authorities revealed that HODGE and JAEGER are from Florida, not the New Orleans area, did not lose their home and belongings in Hurricane Katrina, and used a portion of the FEMA relief money to buy cocaine.

HODGE and JAEGER each face a sentence of up to ten years in prison, a fine of $250,000, or both. Sentencing in federal court is determined by the discretion of federal judges and the governing statute. United States Sentencing Guidelines established by the United States Congress and the United States Sentencing Commission are only used as guidelines by the judge in determining the appropriate sentence. Parole has been abolished in the federal system.

This case is being prosecuted by Assistant U.S. Attorney C. Mignonne Griffing and

was a joint investigation by the U.S. Department of Homeland Security, Office of Inspector General, the U.S. Postal Inspector, and the Caddo Parish Sheriff's Office.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force - chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division - includes members from the FBI, the Federal Trade Commission, the Postal Inspector's Office and the Executive Office of United States Attorneys, among others.

If anyone has information concerning possible fraud being committed during the post-Katrina recovery effort, please call either the DHS-OIG Fraud Hotline at 1-866-720-5721 or the FBI Fraud Hotline at 1-800-225-5324.

For further information, please contact United States Attorney Donald W. Washington at 337-262-6618 or First Assistant U.S. Attorney Bill Flanagan at 318-676-3600.

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