



U. S. Department of Justice
U. S. Attorney's Office
Southern District of Texas
Chuck Rosenberg • United States Attorney

FOR IMMEDIATE RELEASE:

DATE: October 20, 2005

Nancy G. Herrera
Executive Assistant United States Attorney
Phone: 713/567-9301 Fax: 713/718-3415
or
John Yembrick
Public Affairs Specialist
Phone: 713/567-9388 Fax: 713/718-3389
E-Mail: usatty.txs@usdoj.gov
Website: www.usdoj.gov/usao/txs

THREE CHARGED WITH DEFRAUDING FEMA OF HURRICANE DISASTER FUNDS

(HOUSTON, TX) - United States Attorney Chuck Rosenberg today announced the unsealing of three (3) criminal complaints charging three (3) individuals with filing false claims to obtain Federal Emergency Management Agency's (FEMA) disaster relief assistance.

LaToya Harris, 33, and Jimmie Williams, 27, both of Houston, Texas; and, Robert Foster, 39, of Galveston, Texas, have all been arrested by agents with the Department of Homeland Security, Office of Inspector General (DHS OIG) with the assistance of Federal Protection Service officers. All three are scheduled to appear before United States Magistrate Judge Frances Stacy this afternoon at 2:00 p.m. at the federal courthouse in Houston.

"It is disturbing that there are individuals, driven by greed, who have sought to exploit the nation's efforts to assist those victimized by Hurricanes Katrina and Rita," said United States Attorney Chuck Rosenberg. "These cases stand as proof of our continued commitment to pursue and hold accountable those who would seek to profit from the suffering of others."

In response to Hurricane Katrina, FEMA made available to eligible households \$2,000 in expedited disaster assistance. The \$2,000 in expedited disaster assistance is intended to help Katrina evacuees 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.

According to complaint charging LaToya Harris with filing a false claim for disaster relief benefits, on September 18, 2005, Harris, submitted an application with FEMA for Hurricane Katrina disaster relief benefits listing 275 Reynoir Street in Biloxi, Mississippi, as her permanent address. The complaint alleges Harris has resided at an apartment located at the 1400 block of Redford in Houston, Texas, since August 1, 2004, with Jimmie Williams. In addition, Harris and Williams listed the same Biloxi address on their joint application for a Hurricane Rental

more

Assistance Voucher from the City of Houston and Harris County Joint Hurricane Housing Task Force. However, according to the complaint, investigating agents discovered that Harris and Williams have continuously resided at the Redford address since August 2004, and the homeowner and property manager of the address in Biloxi had never heard of Harris or Williams. Agents have further obtained employment records which purportedly indicated that on the day Hurricane Katrina came ashore Harris has been working in Houston.

Jimmie Williams is charged in a separate complaint accused of submitting a false claim to FEMA for Hurricane Rita disaster benefits on October 3, 2005, claiming his Houston apartment on Redford, his permanent address, had sustained damage and he had lost wages as the result of the hurricane. The DHS OIG investigation failed to find hurricane damage to the apartment or proof of lost wages.

The charges against Harris and Williams are the result of an investigation initiated by federal agents after being advised that Harris and Williams had attempted to pay their rent at the Redford apartment complex with the Hurricane Rental Assistance Voucher.

The third complaint unsealed today accuses Robert Foster of submitting an false claim to FEMA for \$2,000 in Hurricane Katrina disaster assistance. According to the complaint, Foster received \$2,000 from FEMA based upon his application which falsely claimed 2700 Whitney Avenue in Harvey, Louisiana, as his permanent residence. The DHS OIG investigation allegedly determined that Foster has been continuously living in Galveston since at least June 15, 2005.

The false claim count carries a statutory punishment range of up to 5 years imprisonment, without parole, and a fine of up to \$250,000, 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. The matters unsealed today in the Southern District of Texas are the result of the investigative efforts of the Department of Homeland Security's Office of Inspector General, and will be prosecuted by Assistant United States Attorney Gregg Costa.

Criminal complaints are accusation of criminal conduct, not evidence. A defendant is presumed innocent unless and until convicted through due process of law.

###

ATTACHMENT: Department of Justice Fact Sheet: Hurricane Katrina Fraud Task Force



Department of Justice

FOR IMMEDIATE RELEASE

CRM

THURSDAY, OCTOBER 20, 2005

(202) 514-2007

WWW.USDOJ.GOV

TDD (202) 514-1888

FACT SHEET: **HURRICANE KATRINA FRAUD TASK FORCE**

WASHINGTON, D.C. - On September 8, 2005, in the immediate aftermath of Hurricane Katrina, Attorney General Alberto R. Gonzales established the Hurricane Katrina Fraud Task Force. The Task Force is charged with deterring, detecting, and prosecuting unscrupulous individuals who try to take advantage of the Hurricane Katrina and Hurricane Rita disasters. The Task Force tracks referrals of potential cases and complaints, coordinates with law enforcement agencies to initiate investigations, and works with the appropriate United States Attorneys' Offices to ensure timely and effective prosecution of Katrina and Rita-related fraud cases. By casting a broad net and using the investigative assets of federal law enforcement agencies, federal Inspectors General, and state and local law enforcement-together with the prosecution resources of the 94 United States Attorneys' Offices-the Task Force is positioned to act quickly and aggressively to bring to justice those who would further victimize the victims of these natural disasters.

The Task Force is combating all types of fraud relating to Hurricanes Katrina and Rita with a particular emphasis on the following areas:

- *Fraudulent Charities:* Cases in which individuals falsely hold themselves out as agents of a legitimate charity, or create a "charity" that is in fact not legitimate;
- *Identity Theft:* Cases in which the identities of innocent victims are stolen and assumed by criminals who convert the funds of, or otherwise defraud, the victims;
- *Government-Benefit Fraud:* Cases in which individuals file false applications seeking benefits to which they are not entitled;
- *Government-Contract and Procurement Fraud:* Cases in which individuals and companies engage in fraud related to federal funds provided for the repair and restoration of infrastructure, businesses, and government agencies in the affected region; and

- *Insurance Fraud*: Cases in which false or inflated insurance claims are filed.

TASK FORCE MEMBERS

The Attorney General appointed Alice S. Fisher, Assistant Attorney General of the Justice Department's Criminal Division, as the Chair of the Task Force.

The Task Force includes the following members:

- Federal Bureau of Investigation (FBI);
- The Criminal, Civil, and Antitrust Divisions of the Department of Justice;
- The Executive Office for the United States Attorneys;
- United States Attorney's Offices in the Gulf region and throughout the country;
- United States Postal Inspection Service;
- United States Secret Service;
- Federal Trade Commission;
- Securities and Exchange Commission;
- Internal Revenue Service;
- Department of Homeland Security;
- Inspectors General from 57 federal departments and agencies;
- Representatives of state and local law enforcement, including the National Association of Attorneys General, and the National District Attorneys Association.

ACCOMPLISHMENTS

In the six weeks since the Task Force was established, U.S. Attorneys' Offices and a variety of investigative agencies-including the FBI, the Postal Inspection Service, the Secret Service, and the Department of Homeland Security Office of Inspector General (DHS-OIG)-have already brought more than 40 prosecutions stemming from a diverse range of crimes related to Hurricanes Katrina and Rita.

The prosecutions announced thus far have come from districts as far as California and Georgia and places in between. With numerous cases pending, the Task Force will continue to work aggressively, focusing on these crimes and prosecuting wherever possible. A sampling of these prosecutions include the following:

California - Central District (U.S. Attorney Debra Wong Yang)

- On September 29, 2005, a federal grand jury returned an indictment against two individuals, charging them with violating the American Red Cross fraud statute by allegedly pretending to be American Red Cross volunteers and soliciting funds on behalf of the American Red Cross for Katrina relief. The FBI, with the cooperation of the Burbank Police Department, is investigating the case.

California - Eastern District (U.S. Attorney McGregor W. Scott)

- On October 13, 2005, a federal grand jury returned indictments against a total of 15 California residents, charging them with wire fraud for their alleged roles in a scheme to defraud the American Red Cross of funds intended for Hurricane Katrina victims. The indictments allege that the defendants participated in a plan or scheme to defraud the American Red Cross by submitting or causing others to submit a fraudulent claim through the American Red Cross call center located in Bakersfield. The complaint explains that the American Red Cross, in an attempt to expedite payments to actual victims of Hurricane Katrina, set up at least two call centers in the U.S., the largest of which is in Bakersfield. According to the indictments, seven of the defendants were employed at the Bakersfield call center, and the other eight were closely associated with someone employed at the call center. They were allegedly able to obtain false claim information and, using that information, obtain payment from Western Union. The FBI is continuing to investigate the case.

Florida - Southern District (U.S. Attorney R. Alexander Acosta)

- On September 29, 2005, a federal grand jury returned a four-count indictment against an individual, charging him with wire fraud for allegedly using the website airkatrina.com to fraudulently solicit donations to help Katrina victims. This is the first federal case in the country involving a fraudulent charity website related to Katrina. The FBI is investigating this case.

Texas - Eastern District (U.S. Attorney Matthew D. Orwig)

- On October 4, 2005, a federal grand jury returned a two-count indictment against an individual for allegedly making a false claim to FEMA for hurricane relief funds. The FBI and the Tyler, Texas Police Department are investigating the case.

Mississippi - Southern District (U.S. Attorney Dunn O. Lampton)

- As of October 7, 2005, the U.S. Attorney's Office for the Southern District of Mississippi had filed criminal complaints against four individuals for allegedly making false claims to FEMA for hurricane relief funds. The DHS-OIG, the Postal Inspection Service, and the FBI are investigating the cases.

Oregon (U.S. Attorney Karin J. Immergut)

- On October 12, 2005, a federal grand jury returned an indictment against a Portland, Oregon man under the mail fraud statute for allegedly making a false claim to FEMA. The indictment alleges that the defendant falsely represented that he suffered hurricane-related damage to a property located in Baton Rouge, Louisiana. The Postal Inspection Service with the DHS-OIG, the FBI, and the Secret Service are investigating the case.

PUBLIC AWARENESS TO REPORT FRAUD

The Task Force has been proactive in engaging in extensive public education and awareness about fraudulent activities through print advertisements, radio public service announcements, flyers, and websites.

Ways to report hurricane-related fraud:

Charity Fraud, Emergency-Benefit Fraud, and other Types of Consumer Fraud:

- Call the FTC's Consumer Response Center, toll-free at 1-877-FTC-HELP (1-877-382-4357), or
- File an online complaint with the Internet Crime Complaint Center (a joint project of the FBI and the National White Collar Crime Center) at <http://www.ic3.gov>

Identity Theft:

- Call the FTC's Identity Theft Hotline, toll-free, at 1-877-ID-THEFT (1-877-438-4338), or
- File an online complaint with the FTC at <http://www.consumer.gov/idtheft>

Government Fraud and Public Corruption:

- Call the FBI's tipline, 1-800-CALL-FBI (1-800-225-5324)
- Call the DHS Katrina Hurricane Relief Hotline at 1-866-720-5721

For more information, please visit the following websites:

- U.S. Department of Justice: www.usdoj.gov
- Federal Bureau of Investigation: www.fbi.gov
- U.S. Postal Inspection Service: www.uspis.gov
- Federal Trade Commission: www.ftc.gov

###