



Department of Justice

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Southern District of Texas

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TWO HOUSTON RESIDENTS CHARGED WITH OPERATING FRAUDULENT WEBSITE TO ACCEPT DONATIONS FOR HURRICANE KATRINA RELIEF

HOUSTON, TX – Steven Anyanwu Stephens, 23, and Bartholomew Stephens, 26, both of Houston, have been charged in a nine-count indictment with conspiracy, wire fraud, and aggravated identity theft in connection with their operation of a <mailto:www.salvationarmyonline@yahoo.com>, website that falsely purported to raise money for a “Salvation Army Relief Fund” for Hurricane Katrina victims, United States Attorney Don DeGabrielle announced today.

Both men were arrested by special agents with the Federal Bureau of Investigation at separate locations in Houston this morning, and are expected to appear before United States Magistrate Judge Calvin Botley later today.

According to allegations in the indictment, on September 4, 2005, Steven and Bartholomew Stephens registered www.salvationarmyonline.org, a website that was represented as “The Salvation Army International Home Page” and falsely purported to solicit charitable donations for Hurricane Katrina, and later Hurricane Rita, relief. The site provided a link directing those wishing to donate to PayPal, a service that allows for online money transfers. The defendants allegedly created numerous accounts with PayPal, such as salvationarmyonline@yahoo.com, and registered those accounts using the names and identification information, including social security numbers, of other individuals not involved in the fraudulent scheme. However, the PayPal accounts were linked to bank accounts belonging to one or both of the defendants. According to the indictment, to deceive PayPal into believing the linked bank accounts belonged to the registered persons named on the PayPal accounts, the defendants submitted copies of their bank statements to PayPal that had the names and addresses of the other individuals pasted over the defendants’ information.

The defendants are accused of transferring to their personal bank accounts more than \$48,000 donated via the www.salvationarmyonline.org website through the fraudulently obtained PayPal accounts.

The Stephens are charged with conspiring to commit wire fraud and aggravated identity theft, six counts of wire fraud, and two counts of aggravated identity theft based on their use of others’ social security numbers to register the PayPal accounts involved in the scheme. Upon conviction, the conspiracy count carries a punishment of up to five (5) years of imprisonment. Each of the six wire fraud counts carries a punishment of up to 20 years of imprisonment upon

conviction. The aggravated identity theft counts carry, upon conviction, a mandatory prison term of two (2) years that must run consecutive to any other sentence. Each of the nine counts carry a possible fine of up to \$250,000.

The investigation leading to the indictment of both defendants was initiated by the Federal Bureau of Investigation in late October 2005 upon receipt of a fraud allegation concerning the website received from the National Cyber Forensics and Training Alliance. The case will be prosecuted by Assistant United States Attorney Gregg Costa.

The return of this indictment brings the total number charged in the Southern District of Texas with offenses alleging fraud relating to Hurricane Katrina or Hurricane Rita to 26 individuals.

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.

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, 24 hours a day, seven days a week until further notice. Information can also be emailed to the inspector general at dhsoighotline@dhs.gov or sent by surface mail, with as many details as possible, to:

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

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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