



# Department of Justice

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## **FEDERAL JURY CONVICTS DALLAS MAN IN FEMA FRAUD SCHEME**

Defendant Recruited Homeless People in Dallas to Assist in the Scheme United States Attorney Richard B. Roper announced that late yesterday a federal jury convicted Dallas resident, Kenneth Reven McClain, a/k/a Roosevelt Hicks, a/k/a Lonnie Smith, a/k/a Keith Perry, a/k/a Paul Linder, a/k/a Corey Arness and a/k/a Jessie, on all 14 counts of a superseding indictment that charged him with various federal crimes relating to a Federal Emergency Management Agency (FEMA) fraud scheme he ran from August 2005 until his arrest on November 30, 2005 by federal authorities.

Specifically the jury found McClain guilty of one count of conspiracy to defraud the U.S. by aiding in the filing of false claims; two counts of filing false claims against an agency of the U.S.; four counts of mail fraud; three counts of using a postal fictitious name or address in connection with unlawful activities; and four counts of aggravated identity theft. McClain, age 33, faces a maximum statutory sentence of 133 years imprisonment and several hundred thousand dollars in fines.

McClain and others conspired to defraud the United States by obtaining, and aiding one or more individuals to obtain, disaster relief funds from FEMA by submitting false claims representing that their primary residences, located in areas damaged by Hurricanes Katrina and Rita, suffered property damage as a result of the hurricanes. One or more conspirators submitted false and fraudulent claims totaling more than \$10,000.00 and the total amount of the fraud was several hundreds of thousands of dollars.

The government presented evidence during trial that on October 21, 2005 McClain, or an unknown conspirator, applied for immediate disaster assistance from FEMA by telephoning the FEMA emergency assistance hotline, representing that his name was Roosevelt Hicks, that his apartment in New Orleans suffered property damage as a result of Hurricanes Katrina and Rita, and that his current address was 3478 Catclaw Drive in Abilene, Texas. That address however, was a United Parcel Service (UPS) store.

In October or November of 2005, Georgan Jordan, or an unknown female using that alias, contacted an UPS store in Huntsville, Texas, regarding mailed correspondence from FEMA and requested that mail addressed to her from FEMA be forwarded to 12121 Coit Road, Dallas, Texas, which in fact was a Homestead Studio Suites Hotel. During that same time frame, McClain, or an unknown conspirator, faxed an application to the UPS store on Catclaw Drive in Abilene authorizing the forwarding of United States mail addressed to Roosevelt Hicks to 12121 Coit Road in Dallas, the Homestead Studio Suites Hotel.

On November 17, 2005, McClain, using the alias "Jessie," approached an individual at a homeless shelter in Dallas and hired him to stay at the Homestead Studio Suites Hotel and receive packages for "Jessie." Daily, from November 17, 2005 to November 30, 2005, McClain had phone conversations with this individual about the number and type of packages that had arrived from various UPS stores or other commercial receiving agencies. Each day McClain would travel to the Homestead Studio Suites Hotel and pay the person he had hired approximately \$60.00 for the room and \$15.00 - \$20.00 for expenses and recover the various packages, normally from four to eight per day.

On November 30, the individual that McClain had hired, called McClain and told him that three packages had arrived: (1) a United States Postal Service Express Package from the UPS Store in Abilene, Texas, addressed to Roosevelt Hicks, which included six letters from FEMA, two letters from the U. S. Small Business Administration, and one letter from Partnership for Response and Recovery--all regarding disaster relief assistance relative to an FEMA application submitted in the name of Roosevelt Hicks; (2) a Federal Express Package from the UPS store in Huntsville, Texas, addressed to Georgan Jordan, which included five letters from FEMA and one letter from the U.S. Small Business Administration, and one U.S. Treasury check payable to Georgan Jordan in the amount of \$2358.00 for "Disaster Assistance"; and (3) a United States Postal Service Priority Package from an UPS store in Houston, Texas, addressed to Keith Perry, which included five letters from FEMA and two letters from the U. S. Small Business Administration, and one U. S. Treasury check payable to Keith Perry in the amount of \$2000.00 for "Disaster Assistance." When McClain traveled to the Homestead Suites to pick up the three packages noted above, he attempted to flee the Homestead Suites but was apprehended by law enforcement near the hotel parking lot after a brief foot chase. Multiple identification cards were in McClain's wallet, including a North Carolina Drivers license for "Keith Perry." McClain was identified by his fingerprints to be Kenneth Reven McClain, had several active warrants for his arrest, and NCIC records revealed that he has at least 27 known aliases. His cell phone records indicated that he had contacted 21 different UPS stores in three different states.

U.S. Attorney Roper praised the investigative efforts of the U.S. Postal Inspection Service and the Department of Homeland Security - Office of Inspector General. The case is being prosecuted by Assistant United States Attorney Chad E. Meacham and Charles Brown.