



Department of Justice

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TEN CHARGED WITH CONSPIRING TO FILE MORE THAN 70 FRAUDULENT FEMA CLAIMS

Indictment brings to 59 the number of persons charged with Katrina and Rita Fraud in SDTX

(HOUSTON, TX) - An indictment charging ten Houston-area residents with conspiring to file more than 75 fraudulent FEMA claims for Hurricane Katrina and Hurricane Rita assistance was unsealed today, United States Attorney Don DeGabrielle announced.

Special agents of the Department of Homeland Security Office of Inspector General (OIG), the Department of Housing and Urban Development (HUD) OIG, and the Federal Bureau of Investigation (FBI) this morning arrested five of the ten defendants charged. They are Erica Prince, 28; Rachel Carley, 48; Sandra Shields, 41; Linda Prince, 49; and Carroll Ashton, 33. Warrants remain outstanding for Patrick Babers, 25; Tawana Chevis, 25; Roland Dixon, 21; Daniel Ellis, 36; and Tarrance Manning, 31. The indictment, returned under seal in Houston on August 8, 2007, charges all ten defendants with one count of conspiring to file false claims, stealing from the federal government, and committing mail fraud. The defendants presently in federal custody appeared before U. S. Magistrate Judge Frances Stacy this afternoon and have been ordered released on bond.

According to allegations in the indictment, which was unsealed today following the arrest of the defendants, Erica Prince filed online FEMA claims in her name and the names of the other nine defendants. In addition, Shields, Chevis and Dixon allegedly obtained Social Security numbers and dates of birth from residents of apartment complexes in Houston and provided that information to Erica Prince who then filed FEMA claims in those persons names even though they were living in Houston when Katrina and Rita struck. A number of the individuals listed in the claims, including Erica Prince, were living in HUD Section 8 housing in Houston prior to Katrina and Rita. The claims for emergency hurricane disaster assistance falsely listed damaged addresses in New Orleans (for the Katrina claims) and Beaumont (for the Rita claims) as the residence of the claimant. In all, the indictment alleges that Erica Prince filed more than 75 claims and that FEMA paid \$92,958 in response to those claims.

The indictment alleges Erica Prince had the FEMA checks mailed to her address or to the address of a mailbox for which she had obtained the key from Carley. After receiving the checks, Erica Prince allegedly would take the check to the individual listed in the claim, go with that individual to a business where the check could be cashed, and then Erica Prince collected a portion of the cash for herself and for the person who had recruited that applicant.

“The Hurricane Katrina/Rita Task Force is alive and well as seen by today’s indictment,” said United States Attorney Don DeGabrielle. “Taxpayer assistance is necessary for natural disasters but must be limited to those who are truly in need-not for those who prey upon the good will of our government.”

Kenneth M. Donohue, Inspector General of the Department of Housing and Urban Development, stated, "Today represents an important point in the efforts to uncover those who seek to defraud disaster assistance program benefits. In the aftermath of the devastating effect of the gulf coast hurricanes, crucial life improving assistance was given to those in desperate need for relief. To scheme to file fraudulent applications only hurts those who are the most vulnerable in our society and to charge a fee is all the more pernicious. I applaud the efforts of the DHS OIG and the FBI as we work together to counter those who seek to receive undeserved benefits."

In addition to the arrests, investigating agents also executed warrant and seized a Lincoln Navigator based upon allegations that the Navigator was purchased using proceeds that Erica Prince obtained from the FEMA fraud scheme.

The conspiracy charge carries a statutory maximum punishment of five years and a fine of up to \$250,000, upon conviction.

With the return of this indictment, a total of 59 individuals have been charged in the Southern District of Texas with fraud relating to Hurricane Katrina or Hurricane Rita. This case was investigated by DHS OIG, HUD OIG, and the FBI, 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 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 dhsorghotline@dhs.gov or sent by surface mail, with as many details as possible, to:

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

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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