



# Department of Justice

United States Attorney John L. Ratcliffe  
Eastern District of Texas

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## **INMATES GUILTY OF HURRICANE RELATED FRAUD**

*Jefferson County Residents in Prison when Hurricane Hit*

BEAUMONT TX – United States Attorney John L. Ratcliffe announced that two Jefferson County residents pleaded guilty today to separate charges of hurricane related fraud in the Eastern District of Texas.

**CRYSTAL MICHELLE MCELROY**, 32, of Beaumont, and **RORY ILES, JR.**, 29, of Port Arthur, each pleaded guilty to charges of mail fraud and making a materially false statement to FEMA in connection with applications they filed for federal disaster relief. McElroy and Iles were both indicted by a federal grand jury on May 2, 2007.

According to prosecutors, McElroy claimed she was displaced from her primary residence in Beaumont, due to damage to the home and personal property lost as a result of Hurricane Rita. The home was actually owned by her mother, who stated that the home had suffered no damage from the storm. McElroy was incarcerated in Huntsville, Texas, on September 23, 2005, the day Hurricane Rita hit, and was not released until September 28, 2005.

According to prosecutors, Iles claimed he was displaced from his primary residence in Port Arthur due to damage to the home as a result of Hurricane Rita. In fact, Iles was incarcerated with the Texas Department of Criminal Justice at that time and not released until October 6, 2005. The home in question was not owned by Iles.

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 of the FBI, the Federal Trade Commission, the U.S. Postal Inspection Service, and the Executive Office for United States Attorneys, among others.

These cases are being investigated by the Department of Homeland Security Office of Inspector General and prosecuted by Assistant United States Attorney Robert Hobbs.

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