



Department of Justice

U.S. Attorney's Office
Southern District of Texas

Tim Johnson • Acting United States Attorney

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SIX SENTENCED FOR FEMA FRAUD

Brings to 40 the number of persons sentenced to fraud relating to Hurricanes Katrina and Rita in SDTX

(HOUSTON) – Six defendants convicted of FEMA fraud relating to Hurricanes Katrina and Rita were sentenced this week, with three receiving prison terms in excess of a year, acting United States Attorney Tim Johnson announced today.

At a hearing this afternoon, United States District Judge Sim Lake sentenced three defendants who were convicted of engaging in a mail fraud scheme to falsely file FEMA claims for Hurricanes Katrina and Rita benefits. Judge Lake sentenced Jacob Phillip Seyfried, 32, of Brazoria County to 35 months in federal prison and ordered him to pay \$33,520 in restitution; sentenced Shannon Rene Blair, 31, of Brazoria County, to 18 months in prison and ordered her to pay \$29,520 in restitution; and sentenced Jeremy Dale Hutson, 32, of Spring, Texas, to three years probation and ordered him to pay \$4,358 in restitution. Seyfried has been in federal custody since his initial appearance in this case, while Blair will be ordered to surrender to federal prison at a future date.

The convictions arose from a scheme in which Seyfried and Blair filed more than 20 fraudulent claims for FEMA assistance during September and October 2005 using false damaged primary residences in Metairie, La., for the Katrina claims and in Cameron or Lake Charles, La., for the Rita claims. The claims listed the names and Social Security numbers of various individuals, but Seyfried and Blair would list their own Texas residences or post office boxes as the current mailing address where the checks for these claims would be mailed. Seyfried and Blair created fraudulent Louisiana identification cards which included their photos but the names of the individuals they listed in the fraudulent FEMA applications. They then used these fraudulent identification cards to cash the FEMA checks made out to the individuals listed in the applications. Hutson participated in the scheme by providing his identification

information to Seyfried who then filed a false claim in Hutson's name, resulting in two FEMA checks being mailed to Hutson's residence. Seyfried, Blair and Hutson were all living in Texas during 2005 when the claims were filed listing Louisiana residences.

At hearings on Wednesday and Thursday, United States District Judge Lee Rosenthal sentenced three Houston residents who were convicted of mail fraud in another FEMA fraud scheme. Judge Rosenthal sentenced Rhonda Stykes, 43, to 15 months in prison and ordered her to pay \$59,726.03 in restitution; sentenced Jesse L. Smith, 58, to time served after he had spent 11 months in federal custody and ordered him to pay \$4,000 in restitution; and sentenced Alexis Nicole Hines, 23, to three years probation and ordered her to pay \$7,195.96 in restitution. Stykes has been in federal custody since March 2008.

In imposing the sentences, Judge Rosenthal found Stykes was a leader in organizing a scheme in which more than 15 fraudulent FEMA applications were filed for Katrina and Rita benefits by Houston residents who falsely claimed residences in New Orleans and Beaumont. After filing her own claim, Stykes began filing claims in the names of her friends and relatives. The claims used similar false damaged residences, many of which did not exist and most were mailed to the Houston home where Stykes was living during the summer and fall of 2005. A number of the applicants listed in the applications stated that Stykes would then accompany them when they went to cash the checks and would split the proceeds with her. Hines and Smith were two of the applicants listed in the false claims and both cashed two FEMA checks obtained through the fraudulent scheme.

These cases were investigated by the United States Postal Inspection Service and were prosecuted by Assistant United States Attorney Gregg Costa

Forty individuals convicted of fraud relating to Hurricanes Katrina and Rita in the Southern District of Texas have now been sentenced to prison terms. Eighty-nine individuals have been charged with such crimes in the district.

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 to deter, detect and prosecute unscrupulous individuals who try to take advantage of the Hurricane Katrina and Hurricane Rita disasters. 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 or contacting the Disaster Fraud Fax at 1-225-334-4707 or the Disaster Fraud e-

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

National Center for Disaster Fraud

Baton Rouge, LA 70821-4909

or

Department of Homeland Security

Washington, DC. 20528

Attn: Office of Inspector General, Hotline

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