



Department of Justice

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

Donald J. DeGabrielle • United States Attorney

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TWO MORE PLEAD GUILTY TO FEMA FRAUD

Brings to 76 the number of persons convicted for committing Katrina and Rita Fraud in SDTX

(HOUSTON, Texas) - Two more convictions for FEMA fraud brings the total convicted for fraud relating to Hurricanes Katrina and Rita in the Southern District of Texas to 76, United States Attorney Don DeGabrielle announced today.

At a hearing before U.S. District Judge Lee H. Rosenthal this morning, James Martin 58, pleaded guilty to mail fraud in connection with his filing of a false claim with FEMA for Hurricane Katrina disaster assistance. At a hearing before Judge Rosenthal this afternoon, Elgin Mathis, 43, pleaded guilty in a separate case to submitting a false document to FEMA in connection with his claim for Katrina assistance.

"As in the case of Hurricanes Katrina and Rita, a number of federal programs have been established in the aftermath of Hurricane Ike to provide necessary assistance to those most in need in the Gulf Coast region impacted by Ike," DeGabrielle said. "I want to remind everyone that there is zero tolerance for those who seek to take advantage of the situation and engage in government-benefit fraud."

The charges against Martin stemmed from a review of FEMA records which revealed that more than 10 applications for Hurricanes Katrina and Rita disaster assistance use a current mailing address of the same house on Wiley Road in Houston. Though the applications listed different names, they listed similar damaged primary residences, many of which did not exist. Evidence provided that Rhonda Stykes resided at the Wiley Road home and she had filed a number of the

applications on behalf of others, had the checks mailed to her home and then split the proceeds with the listed applicant. James Martin is Rhonda Stykes's cousin. Martin's application was filed on Sept. 18, 2005, and claims a damaged address in New Orleans which does not exist. Based on the false claim, a \$2,000 expedited assistance check was mailed to Stykes's Houston home. Martin admitted receiving and cashing the check. Martin's sentencing is scheduled for Feb. 20, 2009. He faces up to 20 years in prison and a \$250,000 fine for the mail fraud conviction and subject to paying restitution in the amount of \$9,200. The other four defendants charged in his case, including Rhonda Stykes, have pleaded guilty and are awaiting sentencing in January 2009.

In the case of Mathis, who currently resides in California, evidence proved that on Sept. 6, 2005, Mathis filed an online application with FEMA for Hurricane Katrina disaster assistance listing a primary residence in Marrero, La. While Mathis had family in New Orleans, he never lived in New Orleans during 2005. Beginning in June 2005, he was working as a contractor at the University of Houston. Based on his false application, Mathis initially received \$2000 in expedited assistance. In January 2006, Mathis faxed FEMA documents complaining about the denial of his claim for rental assistance, including a letter in which he discusses evacuating from New Orleans. After submissions of these additional documents, FEMA sent Mathis two rental assistance payments during 2006. On Feb. 2, 2007, Mathis submitted additional false documents including an altered IRS 1099 MISC form to FEMA purporting to show he was living and working in New Orleans, claiming he still needed rental assistance. He received another \$2970 in rental assistance. Mathis faces a maximum of five years in prison, a \$250,000 fine and is subject to pay up to \$7,800 in restitution. Sentencing has been set for Feb. 20, 2009.

The Martin case was investigated by the United States Postal Inspection Service with assistance from the Department of Homeland Security Office of Inspector General (DHS-OIG). DHS-OIG investigated the Mathis case. Both cases are 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 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 1-800-CALL-FBI, 24 hours a day, seven days a week until further notice. Information can also be e-mailed to the inspector general at dhsorghotline@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

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