



# Department of Justice

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

Tim Johnson • Acting United States Attorney

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## **LEADERS OF "FISHERS OF MEN" CHURCH CHARGED WITH STUDENT LOAN AND FEMA FRAUD**

*Pastors and church officials charged with defrauding banks of millions in student loans  
and hundreds of thousands in FEMA disaster relief funds*

(HOUSTON) – A sealed indictment charging the two pastors of "Fishers of Men Worship Center," Eric Washington, 55, and Sheila Washington, 48, as well as the Treasurer of Fishers of Men, Tony Overstreet, 43, with bank fraud relating to student loan applications has been unsealed, acting United States Attorney Tim Johnson announced today. Eric Washington and Fishers of Men Secretary Felicha Williams, 39, are also charged with conspiring to defraud FEMA of funds related to a program that reimbursed shelters for housing Hurricane Katrina evacuees.

The sealed indictment returned by a federal grand jury Nov. 17, 2008, was automatically unsealed following the arrest of the four defendants at their residences last night by special agents of the United States Secret Service. Each is expected to make an initial appearance in federal court this afternoon before United States Magistrate Judge Stephen Wm. Smith.

The indictment alleges that between January 2003 and November 2004, the Washingtons and Overstreet recruited church members who were students to provide their identification information so applications for millions of dollars in student loans could be submitted in their names to various banks. The Washingtons and Overstreet, according to allegations in the indictment, directed that the student loan funds be

turned over to the church to fund a new building, even though the proceeds of the loans were to be used only for educational expenses. The Washingtons and Overstreet would typically allow the applicants to keep \$2,000 of the loans which were in the amounts of \$25,000 or \$30,000 and promised that Fishers of Men would repay the loans within a short period of time such as six months, according to the indictment. Many of the applications listed the Washingtons' home address so the Washingtons would receive the checks directly. The indictment further alleges that the Washingtons and Overstreet recruited other church members to serve as co-signers on the loans and caused false paystubs and other documents to be created and submitted to the lenders which falsely showed the co-signers had significant income as Fishers of Men employees.

After exhausting the supply of church members who were actually students, the Washingtons and Overstreet allegedly began to enroll other church members in community colleges, use the class schedule as support for student loan applications and then withdraw the church members as students once the loans were funded.

The scheme allegedly resulted in more than 90 applications being filed through American Education Services (AES), seeking more than \$2.75 million in student loans. Bank One was the lender for these loans. After AES discovered the fraud, the Washingtons and Overstreet used the same scheme to submit more than 50 applications for loans totaling \$1.5 million to Wells Fargo.

Eric Washington and Williams are also charged with conspiring to file fraudulent claims with FEMA on behalf of Fishers of Men for expenses supposedly related to sheltering Katrina evacuees. The claims involve a FEMA-funded program that the Harris County Office of Homeland Security and Emergency Managements and Community and Economic Development Department administered. Various organizations operating shelters, including Fishers of Men, entered into contracts in which they could be reimbursed \$30 per day for each evacuee being housed during September and October 2005 following Hurricanes Katrina and Rita. The indictment alleges that Eric Washington and Williams submitted claims stating that 250 evacuees stayed at Fishers of Men every single day in September and then 118 evacuees stayed at Fishers of Men every single day in October, which resulted in FEMA paying the church \$320,580. The indictment alleges these numbers were inflated either by continuing to list evacuees as staying at the shelter long after they had left or by creating fictitious first names and combining them with the actual last names and addresses of people who had stayed at the shelter.

The program reimbursing shelters allowed for actual expenses to be reimbursed during November and December 2005. The indictment alleges Eric Washington and Williams submitted false claims for actual expenses, including inflating the number of hours worked by Fishers of Men employees, falsely claiming that evacuees damaged property, and falsely stating that Fishers of Men incurred more than \$60,000 in electricity expenses during those months. After the \$320,580 in FEMA funds has been deposited in Fishers of Men bank accounts, the indictment alleges Eric Washington withdrew more

than \$100,000 during December 2005 for personal use including the expenses of a cruise and a child's wedding instead of paying Fishers of Men employees who actually did assist evacuees.

The Washingtons and Overstreet are charged with one count of conspiracy to commit bank fraud and nine counts of bank fraud based on the student loan scheme. Each of these charges carries a maximum punishment of 30 years imprisonment and a \$250,000 fine. With respect to the FEMA fraud, Eric Washington and Williams are charged with conspiring to defraud the United States, which carries a maximum punishment of five years in prison and a \$250,000 fine.

The charges are the result of a two-year investigation conducted by the United States Secret Service and the Texas Department of Public Safety. The case is being prosecuted by Assistant United States Attorney Gregg Costa.

The FEMA-fraud charges against Eric Washington and Williams bring to 89 the number of persons charged in the Southern District with fraud relating to Hurricanes Katrian and Rita. 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](mailto: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 [dhsoghline@dhs.gov](mailto:dhsoghline@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

**An indictment is a formal accusation of criminal conduct, not evidence. A defendant is presumed innocent unless convicted through due process of law.**

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