



Department of Justice

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HOTEL OWNERS FACE CHARGES FOR KATRINA FRAUD

Defendants Continuously Billed FEMA For Hurricane Katrina Evacuees Who Were Never There Or Had Long Left The Hotel

Atlanta, GA - RAMESH PATEL, 51, and CHIRAG PATEL, 26, both of Union City, Georgia, were arraigned today before United States Magistrate Linda T. Walker on federal charges of mail fraud, related to a scheme to defraud the Federal Emergency Management Agency (FEMA) of funds allocated for victims of Hurricane Katrina.

“These defendants allegedly billed FEMA by claiming that Hurricane Katrina evacuees stayed at their hotel on certain nights, when in fact they did not stay at their hotel. The defendants took advantage of the chaos created by Hurricane Katrina and bilked the taxpayers of tens of thousands of dollars earmarked for emergency housing. Such conduct simply will not be tolerated.”

According to Nahmias, the indictment and information presented in court: Since October 2005, RAMESH and CHIRAG PATEL, who are father and son, respectively, owned and operated the “Comfort Inn” hotel located at 6800 Shannon Parkway in Union City, Georgia. The Comfort Inn housed several Katrina evacuees in several pre-designated rooms. Once the evacuee checked in, the defendants submitted periodic requests for payment to FEMA for housing the evacuees. FEMA paid the hotel by mailing checks. An investigation into the requests for payment revealed, however, that the hotel had billed FEMA for guests who either did not stay at the hotel, or had left the hotel and found a permanent residence. The rooms that were supposedly occupied by these evacuees were rented out to non-evacuee guests, or were occupied by the defendants’ family members. Nevertheless, the defendants billed FEMA for those rooms.

By current estimates, the defendants allegedly fraudulently billed FEMA of more than \$20,000.

The defendants were indicted by a federal grand jury on June 19, 2007.

Members of the public are reminded that the indictment only contains charges. The defendants are presumed innocent of the charges and it will be the government's burden to prove the defendants' guilt beyond a reasonable doubt at trial.

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 from the FBI, the Federal Trade Commission, the Postal Inspector's Office and the Executive Office of United States Attorneys, among others.

This case is being investigated by Special Agents of the Federal Bureau of Investigation.

Assistant United States Attorney BJay Pak is prosecuting the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.