



Department of Justice

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FOR IMMEDIATE RELEASE

Wednesday, January 31, 2007

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BLOOMINGTON MAN CHARGED WITH THEFT OF HURRICANE KATRINA FUNDS, LOAN FRAUD, FALSE USE OF SOCIAL SECURITY NUMBERS AND STUDENT FINANCIAL AID FRAUD

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that ALAN R. KING, JR., 29, recently of Bloomington, Indiana, was charged today with the following federal crimes: theft of government money (Hurricane Katrina FEMA relief funds); loan fraud; false use of Social Security Numbers; and Student Financial Aid Fraud (PELL Grant money). Today's charges follow an investigation by the Offices of Inspector General for the Department of Homeland Security (DHS), Social Security Administration (SSA) and Department of Education (DOE).

The information alleges that KING perpetrated numerous frauds against numerous people, financial institutions, and government agencies between March 2004 and July 2006. During October 2005, KING filed three totally fictitious applications for FEMA disaster assistance relating to the Katrina natural disaster. KING filed two applications in his own name and SSNs (KING actually had two SSNs issued to him by SSA, having fraudulently convinced SSA that he was the victim of fraud and that his original SSN had been compromised) and one in the name and SSN of a relative. At the time, KING was living in Bloomington, Indiana. On these claims, KING asserted that he and a family member lived at two different addresses in New Orleans and one in Biloxi at the time of the hurricane and flood. He claimed that their housing and two vehicles were destroyed. He also submitted false leases, rental receipts and other documents to substantiate the claims. As a result of these false claims, KING fraudulently obtained twelve (12) separate payments from FEMA totaling \$43,972.10.

Between June 2004 and July 2006, KING filed at least fourteen (14) separate fraudulent loan applications to obtain student loans thru The Education Resource Institute, a non-profit

organization that partners with federally insured financial institutions who issue the loans. KING submitted fraudulent documents showing he was a student, as well as fraudulent check stubs for people who were allegedly co-signing the loans for him. KING forged the alleged co-signers' names. KING fraudulently obtained and used the names and SSNs of three separate individuals as the alleged co-signers on the loans. Seven (7) of these loans were actually granted, and KING fraudulently received \$105,000.00 from them. KING deposited these monies to his bank accounts and spent the money for personal expenses. Six of the other loan applications, seeking another \$125,000.00, were denied for various reasons. The fourteenth loan was granted and checks for \$30,000.00 issued, but federal agents had learned of the scheme and were able to make a controlled delivery of one of those checks, and arrest KING. In addition, KING falsely obtained and attempted to obtain several loans, totaling over \$60,000.00, from financial institutions, relative to vehicle purchases. KING used another person's SSN to obtain approximately \$40,000.00 in loans, most of which he used to purchase a 2005 Mercedes Benz. Less than a year later, he created a fictitious letter from the lender, stating the vehicle was paid for. He took that letter to the Indiana BVM and obtained clear title to the vehicle. He then took that letter to two financial institutions to obtain loans in the amount of \$10,000.00. One financial institution gave him a loan; the other did not. KING also took the 2005 Benz to a Fishers auto dealer, who valued it at \$19,000.00; he traded it in on a Mercedes Benz convertible. When the financing fell thru on the trade, the car dealer gave KING a check for \$19,000.00 because they had already sold the 2005 Benz. Ultimately that \$19,000.00 was used to pay part of the loan to the financial institution who had granted the original loans.

In addition to the false SSNs used by KING as discussed above, KING also used the SSNs of other people to obtain credit from J.P. Morgan Chase, Target, Aaron's Rental, and Sears, and then charge personal items to those accounts in the amount of \$6,494.46.

In July 2004, KING also submitted false applications and other documents to obtain a Department of Education (DOE) insured loan, ie, a PELL Grant in the amount of \$2,025.00.

According to Assistant United States Attorney Susan Heckard Dowd, who is prosecuting the case for the government, KING faces a maximum possible prison sentence of fifty (50) years and a maximum possible fine of \$1,00,000.00. An initial hearing will be scheduled for KING before a U.S. Magistrate Judge in Indianapolis. KING was previously arrested on the charges and is currently in the Marion County Jail.

In documents filed today with the Information, KING has agreed to plead guilty to all of the charges against him.

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."

The information is an allegation only, and the defendant is presumed innocent unless and until proven guilty at trial or by guilty plea.

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