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## **HURRICANE KATRINA FRAUD TASK FORCE RELEASES REPORT ON FIRST YEAR OF ACTIVITIES**

WASHINGTON – Over 170 members of federal, state and local law enforcement met today in New Orleans for the first annual conference of the Hurricane Katrina Fraud Task Force, a multi-agency national task force led by the Department of Justice to deter, detect and prosecute cases of fraud in the aftermath of Hurricanes Katrina, Rita and Wilma.

In its first-year report given to Attorney General Alberto R. Gonzales at the conference today, the Hurricane Katrina Fraud Task Force reported that more than 400 people have been federally charged with hurricane-related fraud since the Attorney General created the Task Force on Sept. 8, 2005. Those federal charges were filed in 30 federal districts in all regions of the United States. State and local prosecutors' offices have also continued to bring criminal cases involving hurricane-related fraud.

The Task Force is chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division. In addition to prosecutors from the Department's Criminal Division, U.S. Attorney's Offices in the Gulf Coast region and throughout the country, and the Antitrust and Civil Divisions, members of the Task Force include the Federal Bureau of Investigation (FBI), the Internal Revenue Service Criminal Investigation Division, the U.S. Postal Inspection Service, the U.S. Secret Service, the U.S. Inspector General community (under the leadership of the Homeland Security Roundtable of the President's Council on Integrity and Efficiency), the Federal Trade Commission, and representatives of state and local law enforcement, such as the National Association of Attorneys General and the National District Attorneys Association.

"To take advantage of the devastation and recovery efforts in the Gulf Coast is both shameful and illegal," said Attorney General Gonzales. "We must ensure that the criminals who have exploited this time of human suffering are brought to justice, and that their crimes do not undermine the programs intended to rebuild the homes, businesses, and communities destroyed by Hurricanes Katrina, Rita and Wilma. The Department of Justice will continue to vigorously investigate and prosecute fraud, in whatever form it may take, and work with our partners to prevent fraud in the future."

The Task Force reported that as of Aug. 17, 2006, the Federal Emergency Management Agency (FEMA) had received more than 2.5 million applications for disaster assistance relating to Hurricanes Katrina and Rita. While the vast majority of those applicants had legitimate need for the assistance they sought, the Task Force found that numerous people committed fraud in seeking benefits to which they were not entitled, and that "fraud follows the money" – meaning that criminals tended to exploit any situation with the prospect of personal financial gain. That included, in the first cycles immediately following the hurricane – charity fraud schemes,

emergency assistance schemes such as the false applications for FEMA benefits, and procurement and insurance fraud.

The Task Force is looking at several types of fraud in order to protect the billions of dollars going into the effort to rebuild the hurricane-ravaged region. That focus includes investigations into government-contract and procurement fraud, public corruption, government and private-sector benefit fraud, identity theft and false charities.

The Task Force's Joint Command Center, established in Baton Rouge, La., following Hurricanes Katrina and Rita and headed by U.S. Attorney David R. Dugas of the Middle District of Louisiana, has reviewed and analyzed more than 6,000 fraud-related tips and complaints in the one year since Katrina. Thirty-three agencies and DOJ components have representatives assigned to the Joint Command Center or designated as points of contact to fully integrate and coordinate the national law enforcement response to fraud and corruption. The Task Force reported indications that the prosecution of Katrina fraud cases was having a deterrent impact, with FEMA and the American Red Cross reporting the return of more than \$18.2 million in funds by receptions of individual-assistance benefits.

The Task Force's First Year Report also included recommendations for suggested best practices for law enforcement after future disasters. These recommendations included pre-disaster preparation such as standardized training in disaster relief programs and the fraud typically associated with those programs, public outreach to prevent and deter fraud in the event of a natural disaster, the creation of district and multi-district working groups, protocols for data sharing and data management, and the establishment of Joint Command Centers to gather data, share information and coordinate fraud investigations.

Members of the public are encouraged to continue reporting instances of possible hurricane-related fraud. Reports can be sent to the FBI through a tipline at 1-800-CALL-FBI (800-225-5324), the Hurricane Fraud Hotline by phone at 1-866-720-5721 or by fax at 225-334-4704, by mail to the Hurricane Fraud Task Force, Baton Rouge, La., 70821-4909, or by email to [HKFTF@leo.gov](mailto:HKFTF@leo.gov). Charity, benefit and other types of consumer fraud can be reported to the Federal Trade Commission at 1-877-FTC-HELP (1-877-382-4357), or by e-mail to the Internet Crime Complaint Center at <http://ic3.gov>. The FTC has an Identity Theft Hotline at 1-877-ID-THEFT (1-877-438-4338).

*The Hurricane Katrina Fraud Task Force's First Year Report to the Attorney General is available online at [http://www.usdoj.gov/katrina/Katrina\\_Fraud/docs/09-12-06AGprogressrpt.pdf](http://www.usdoj.gov/katrina/Katrina_Fraud/docs/09-12-06AGprogressrpt.pdf).*

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