



Department of Justice

United States Attorney Stephen J. Murphy
Eastern District of Michigan

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CONTACT: GINA BALAYA
PH: (313) 226-9758
FX: (313) 226-4609

SEVEN INDIVIDUALS CHARGED WITH FEMA
FRAUD IN CONNECTION WITH HURRICANE KATRINA

DETROIT – Seven individuals appeared before a U.S. Magistrate Judge in Detroit today on three criminal complaints charging them with various fraud offenses for their participation in filing for and receiving assistance from the Federal Emergency Management Agency (FEMA) in connection to Hurricane Katrina, U.S. Attorney Stephen J. Murphy announced today. U.S. Attorney Murphy was joined in the announcement by U.S. Postal Inspector in Charge Gregory Campbell.

The supporting affidavit alleges that the defendants conspired to obtain benefits from FEMA totaling over \$13,000 based upon applications that contained false and fraudulent representations for assistance in connection to Hurricane Katrina.

The following individuals were named in the complaint: Patricia A. Hubbard of Bude, Miss.; Andrea J. Johnson Reason of Bloomington, Ind.; Pamela L. Reason of Detroit; Krystal P. Hubbard of Southfield, Mich.; Dwight V. Reason of Bloomington, Ind.; Curtistine Ingram of Detroit; and Krystal J. Young of Detroit.

The affidavit also alleged that defendants Patricia Hubbard and Andrea Reason conspired to provide addresses for the areas affected by Hurricane Katrina to the other co-defendants. None of the defendants lived in the Gulf Coast area nor had suffered any loss due to the hurricane and were therefore not eligible for FEMA benefits. The defendants allegedly used the money they received to purchase items such as clothes, cars and in some instances drugs.

Krystal J. Young was also charged in a complaint of mail fraud due to an application submitted to FEMA for assistance. Like the other defendants, Young never lived in the New Orleans or Louisiana area and had not suffered any loss due to the hurricane. Young received two checks totaling approximately \$12,700 which she used to purchase a car and for living expenses.

“The Department of Justice has signaled that those who fraudulently benefit from the tragedy of Hurricane Katrina -- be it in New Orleans, Louisiana or Detroit, Michigan -- will be prosecuted to the full extent of the law,” stated U.S. Attorney Murphy. “Today's charges evidence my office's full support of that prosecution effort. Scam artists who steal federal Katrina relief funds to satisfy their greed not only defraud the American taxpayer, they also re-injure the real victims of the hurricane's tragic devastation by unlawfully taking money intended to help those in need. I applaud the excellent work of the Postal Inspection Service which led to this case and the strong efforts of the Assistant U.S. Attorneys who prosecuted it.”

A conviction for the offense of conspiracy carries a maximum penalty of five years in prison, a \$250,000 fine, or both. A conviction for the offenses of wire fraud and mail fraud each carry a maximum penalty of 20 years in prison and/or a \$250,000 fine.

A complaint is only a charge and is not evidence of guilt. When the investigation is completed a determination will be made whether to seek a felony indictment.

This case is being investigated by the U. S. Postal Inspection Service.

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