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**Dallas Man Sentenced to More than 10 Years in Federal Prison
for Running FEMA Fraud Scheme**

Defendant Recruited Homeless People in Dallas to Assist in the Scheme

Kenneth Reven McClain, who was found guilty of running a scheme to defraud the Federal Emergency Management Agency (FEMA), was sentenced late yesterday to 126 months imprisonment, announced United States Attorney Richard B. Roper. McClain, a/k/a Roosevelt Hicks, a/k/a Lonnie Smith, a/k/a Keith Perry, a/k/a Paul Linder, a/k/a Corey Arness and a/k/a Jessie, was convicted by a federal jury in Dallas in May on all 14 counts of a superseding indictment that charged him with various federal crimes relating to a FEMA fraud scheme he ran from August 2005 until his arrest on November 30, 2005 by federal authorities.

U.S. Attorney Roper said, "This sentence is the stiffest sentence imposed to date in a hurricane fraud case and the defendant deserves every one of the 126 long months he received. This office will continue to work with the Hurricane Fraud Task Force and use the full weight of federal law enforcement to investigate and prosecute any hurricane fraud case --- large or small." Roper continued, "In the aftermath of these devastating hurricanes, we saw the best of human nature exhibited in the number of charitable contributions made by millions. However, we also saw the worst of human behavior in the greed, fraud and corruption exhibited by those taking advantage of others' misfortunes for their own self-serving benefit."

Specifically the jury found McClain, age 33, of Dallas, guilty of one count of conspiracy to defraud the United States by aiding in the filing of false claims; two counts of filing false claims against an agency of the United States; four counts of mail fraud; three counts of using a postal fictitious name or address in connection with unlawful activities; and four counts of aggravated identity theft.

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 the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for United States Attorneys, and others.

“The mission of the United States Postal Inspection Service is to secure the nation's mail system from criminal misuse,” said Fort Worth Division Inspector in Charge Daniel S. Cortez. “Any fraud related to Hurricanes Katrina and Rita is a priority for Fort Worth Division Postal Inspectors. This case should be a strong reminder that the U. S. Postal Inspection Service and the Department of Justice have a no tolerance policy for those individuals who choose to try and profit from the devastation inflicted on the Gulf Coast.”

McClain and others conspired to defraud the United States by obtaining, and aiding one or more individuals to obtain, disaster relief funds from FEMA by submitting false claims representing that their primary residences, located in areas damaged by Hurricanes Katrina and Rita, suffered property damage as a result of the hurricanes. The Court ruled that McClain intended to defraud FEMA out of \$655,000.00.

The government presented evidence during trial that on October 21, 2005 McClain, or an unknown conspirator, applied for immediate disaster assistance from FEMA by telephoning the FEMA emergency assistance hotline, representing that his name was Roosevelt Hicks, that his apartment in New Orleans suffered property damage as a result of Hurricane Katrina, and that his current address was 3478 Catclaw Drive in Abilene, Texas. That address however, was a United Parcel Service (UPS) store. Using a slight variation of the same alias, he also claimed a different residential address was damaged by Hurricane Rita.

In October or November of 2005, Georgan Jordan, or an unknown female using that alias, contacted a UPS store in Huntsville, Texas, regarding mailed correspondence from FEMA and requested that mail addressed to her from FEMA be forwarded to 12121 Coit Road, Dallas, Texas, which in fact was a Homestead Studio Suites Hotel. During that same time frame, McClain, or an unknown conspirator, faxed an application to the UPS store on Catclaw Drive in Abilene authorizing the forwarding of United States mail addressed to Roosevelt Hicks to 12121 Coit Road in Dallas, the Homestead Studio Suites Hotel.

On November 17, 2005, McClain, using the alias “Jessie,” approached an individual at a homeless shelter in Dallas and hired him to stay at the Homestead Studio Suites Hotel and receive packages for “Jessie.” Daily, from November 17, 2005 to November 30, 2005, McClain had phone conversations with this individual about the number and type of packages that had arrived from various UPS stores or other commercial receiving agencies. Each day McClain would travel

to the Homestead Studio Suites Hotel and pay the person he had hired approximately \$60.00 for the room and \$15.00 - \$20.00 for expenses and recover the various packages, normally from four to eight per day.

On November 30, the individual that McClain had hired, called McClain and told him that three packages had arrived: (1) a United States Postal Service Express Package from the UPS Store in Abilene, Texas, addressed to Roosevelt Hicks, which included six letters from FEMA, two letters from the U. S. Small Business Administration, and one letter from Partnership for Response and Recovery--all regarding disaster relief assistance relative to an FEMA application submitted in the name of Roosevelt Hicks; (2) a Federal Express Package from the UPS store in Huntsville, Texas, addressed to Georgan Jordan, which included five letters from FEMA and one letter from the U.S. Small Business Administration, and one U.S. Treasury check payable to Georgan Jordan in the amount of \$2358.00 for "Disaster Assistance"; and (3) a United States Postal Service Priority Package from an UPS store in Houston, Texas, addressed to Keith Perry, which included five letters from FEMA and two letters from the U. S. Small Business Administration, and one U. S. Treasury check payable to Keith Perry in the amount of \$2000.00 for "Disaster Assistance." When McClain traveled to the Homestead Suites to pick up the three packages noted above, he attempted to flee the Homestead Suites but was apprehended by law enforcement near the hotel parking lot after a brief foot chase. Multiple identification cards were in McClain's wallet, including a North Carolina Drivers license for "Keith Perry." McClain was identified by his fingerprints to be Kenneth Reven McClain, had several active warrants for his arrest, and NCIC records revealed that he has at least 27 known aliases. His cell phone records indicated that he had contacted 21 different UPS stores in three different states.

U.S. Attorney Roper praised the investigative efforts of the U.S. Postal Inspection Service and the Department of Homeland Security - Office of Inspector General. The case was prosecuted by Assistant United States Attorneys Chad E. Meacham and Charles Brown.