



U.S. Department of Justice

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## **PRESS RELEASE**

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### **8½ Year Prison Sentence Given in \$100,000 FEMA** **Hurricane Relief Fund Fraud Scheme**

**Washington, D.C.** - A 59-year-old man, Jeffrey Alan Rothschild, also known as "Jeffrey Zahler," has been sentenced to 102 months in prison in connection with a scheme to defraud the Federal Emergency Management Agency ("FEMA") of more than \$100,000 in relief funds intended for victims of Hurricanes Katrina and Rita, U.S. Attorney Jeffrey A. Taylor announced today.

Rothschild, who has no fixed address, received his sentence earlier today in the U.S. District Court for the District of Columbia before the Honorable Colleen Kollar-Kotelly. In August 2006, Rothschild pled to a three-count information charging bank fraud, mail fraud and money laundering from September to December of 2005.

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.

Starting in early September 2005, FEMA made available money transfers of \$2,000 to victims of Hurricanes Katrina and Rita. Eligible parties could apply for emergency relief funds in person, by calling a toll-free phone number, or on-line by providing, among other information, a name, a Social Security number, and an address of a location affected by Hurricane Katrina or Hurricane Rita. Following this process, an applicant

received \$2,000 in the form of a check, electronic transfer, or debit card.

According to the government's evidence in this case, between about September 13, 2005 and December 31, 2005, Rothschild applied for emergency FEMA funds using the names, birth dates, and Social Security numbers of other individuals, none of whom had given him permission to apply for such benefits on their behalf. Rothschild obtained most of this information through the Martindale-Hubble legal directory and various other public databases, as well as through his previous job at a construction company. Rothschild admitted that on the portion of the application that asked for the address of a property damaged by Hurricane Katrina or Hurricane Rita, he would fill in addresses that he found on the Internet or that he made up.

As a result of this scheme, FEMA mailed 38 U.S. Treasury checks, made out to the individuals Rothschild specified, to motels where Rothschild was staying or private mailboxes that Rothschild had rented in the names of other individuals, using false identification in the names of those individuals, but bearing his own photograph. Rothschild then forged the signatures of the payees and deposited the checks into bank accounts that he had opened in the names of other people without their permission, but that he controlled. In particular, Rothschild opened an account at an E\*Trade Financial Corporation Branch in Northwest Washington, D.C., into which he deposited five of the fraudulently obtained checks, intending to withdraw the money and convert it to his own use at a later date. In addition, Rothschild submitted 14 applications, including one in his alias, Jeffrey Alan Zahler, for which he did not receive a check.

Rothschild also admitted engaging in a number of other fraudulent schemes, including check kiting and credit card fraud in the District of Columbia, Virginia, New York, Florida, and elsewhere. After Rothschild was arrested, investigators found identification documents in the names of eight other real people, but bearing Rothschild's photograph, in his possession.

In announcing the sentence, U.S. Attorney Taylor praised the work of Special Agent Kevin P. Aurand of the U.S. Secret Service; Postal Inspector Deborah L. Epps of the U.S. Postal Inspection Service; Special Agent Jason R. Weber of the U.S. Department of the Treasury Office of the Inspector General; Law Enforcement Liaison Jeffrey D. Powers of the Federal Emergency Management Agency; Deputy U.S. Marshal Stephen Tacco of the Southern District of New York; and Special Agent Charles D. Zimmerman of

the U.S. Department of Homeland Security Office of the Inspector General. In addition, he commended Legal Assistant Phaylyn M. Hunt and former Interns Andrew Bowen, Leif Dautch, and Judith Mandel. Lastly, he praised Assistant U.S. Attorneys Barbara E. Kittay and Jessie K. Liu, who investigated and prosecuted the case.

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