



Department of Justice

U.S. Attorney's Office
Southern District of Texas

Donald J. DeGabrielle Jr. • United States Attorney

FOR IMMEDIATE RELEASE	ANGELA DODGE
FRIDAY, NOV. 16, 2007	PUBLIC AFFAIRS SPECIALIST
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HOUSTON RESIDENT SENTENCED TO PRISON FOR FILING MORE THAN 100 FRAUDULENT FEMA CLAIMS

Longest sentence to date in district for Hurricane Katrina and Rita fraud

(HOUSTON, Texas) - Octavia Caldwell, 33, was sentenced to 57 months in federal prison for her role in filing more than 100 fraudulent FEMA claims for Hurricane Katrina and Rita, United States Attorney Don DeGabrielle announced today.

At a hearing this afternoon, U.S. District Judge Sim Lake sentenced Caldwell to a 33-month term of imprisonment on her mail fraud conviction, finding she should be held accountable for the filing of 107 fraudulent claims and that she was an organizer of the FEMA fraud conspiracy in which six others have been convicted. Lake also sentenced Caldwell to a two-year sentence on her aggravated identity theft conviction, which must run consecutive to the mail fraud sentence. Lake also ordered Caldwell to pay the government \$143,438 in restitution and serve a three year-term of supervised release upon completion of her prison term. Lake allowed Caldwell to remain free on bond pending her surrender date at a Bureau of Prisons facility.

Caldwell came to the attention of federal law enforcement after a General Accounting Office review of Hurricane Katrina and Rita FEMA claims revealed more than forty claims were filed under different names using the Houston mailing address of Octavia Caldwell. Investigation revealed the names used in these claims were friends or relatives of Caldwell and that all of these people resided in Houston, not New Orleans or Lake Charles as stated in the claims, during 2005 when Katrina and Rita struck. Indeed, some of the "damaged addresses" in New Orleans and Lake Charles listed in these claims did not even exist. After investigators searched the FEMA

database to determine whether other Houston mailing addresses had been used to file claims using the names listed in the claims listing Octavia Caldwell's residence, they discovered approximately 107 claims filed using names tied to the conspiracy. FEMA mailed checks totaling more than \$140,000 based on these claims, mostly in the form of the \$2,000 expedited assistance payments which was sent before inspectors visited the listed damaged addresses to verify residency and damage. Thirteen of the claims listed Octavia Caldwell as the first and last names but used different middle initials. Caldwell used different social security numbers, without the knowledge or authority of the true assignees, in the claims filed under her name.

A total of 60 individuals have been charged in the Southern District of Texas with fraud relating to Hurricane Katrina or Hurricane Rita. Of the 40 defendants sentenced to date, 22 have been sentenced to prison terms.

The United States Attorney's Office for the Southern District of Texas is a member of the Department of Justice's Hurricane Katrina Fraud Task Force, created by Attorney General Alberto R. Gonzales to deter, detect and prosecute unscrupulous individuals who try to take advantage of the Hurricane Katrina and Hurricane Rita disasters. Headed by Assistant Attorney General Alice S. Fisher, the Task Force is comprised of federal, state and local law enforcement investigating agencies and the United States Attorney's Offices in the Gulf Coast region and nationwide.

This case was investigated by the United States Postal Inspection Service with assistance from the Department of Homeland Security-Office of Inspector General (OIG), Social Security-OIG, and the General Accounting Office. The case was prosecuted by Assistant United States Attorney Gregg Costa

Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24 hours a day, seven days a week until further notice. Information can also be e-mailed to the Inspector General at dhsorghotline@dhs.gov or send by surface mail, with as many details as possible, to:

Department of Homeland Security
Washington, DC. 20528
Attn: Office of Inspector General, Hotline