



Department of Justice

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FIVE CHARGED IN CONSPIRACY TO FILE MORE THAN 100 FRAUDULENT FEMA CLAIMS FOR HURRICANE DISASTER ASSISTANCE

Brings to 43 the number of persons charged in SDTX with Hurricane Katrina and Rita Fraud

(HOUSTON, TX) - Five Houston area residents have been indicted for conspiring to file more than 100 fraudulent claims for hurricane disaster assistance, United States Attorney Don DeGabrielle announced today.

Octavia Caldwell, 33, Brandy Gollatt, 29, Lester Lee Patterson, 36, Judy Patterson, 53, and Elizabeth Caldwell, 52, have all been named in an 11-count indictment for their roles in a scheme in which 103 false and fraudulent claims for emergency hurricane assistance seeking assistance for essential needs even though all of the applicants resided in Harris County, TX before, during and after the natural disasters. The indictment was returned in Houston on January 10, 2007.

Inspectors of the United States Postal Inspection Service, and Special Agents of the Department of Homeland Security Office of Inspector General (OIG), and Social Security Administration Office of Inspector General arrested Octavia Caldwell, Gollatt, Lester Lee Patterson, and Judy Patterson on Wednesday, January 24, 2007. Each is expected to appear in federal court before a United States Magistrate Judge later today. Elizabeth Caldwell is not yet in custody.

According to the indictment, the five defendants, along with co-conspirators Curtis Caldwell and Ernest Tutt, Jr., who have previously been charged with mail fraud in connection with their filing of fraudulent FEMA claims, conspired to file 103 fraudulent FEMA claims for Hurricane Rita and Katrina disaster assistance between September 5, 2005 and June 14, 2006. Octavia Caldwell allegedly provided the other defendants with addresses in New Orleans and Lake Charles—addresses that sometimes did not exist—to use in filing numerous FEMA claims even though all the defendants resided in Harris County when Katrina and Rita made landfall. The defendants used social security numbers belonging to other individuals, who had no knowledge of the scheme, in their claims to avoid detection. The alleged scheme also involved the defendants using different middle initials when filing their claims, and directing funds be delivered via the U. S. Mail to the “current mailing address” included in the claim, which was frequently changed in an attempt to conceal the filing of multiple claims by the same person.

The indictment further alleges the defendants used fraudulent Louisiana drivers licenses when cashing the fraudulently obtained assistance checks at various Houston area locations.

The conspiracy charge against all five defendants carries a statutory maximum punishment of five years imprisonment.

Octavia Caldwell is also charged with seven counts of mail fraud relating to specific claims filed during the course of the scheme. Brandy Gollat, who is allegedly related to Caldwell, is charged along with Caldwell in three of the seven counts of mail fraud. Lester Lee Patterson, who according to the indictment resides with Octavia Caldwell, is charged one of the seven counts of mail fraud. Each count of mail fraud carries a statutory maximum punishment of twenty (20) years imprisonment.

Octavia Caldwell is also charged with three counts of aggravated identity theft arising from the use of social security numbers belonging to other individuals. Each of these counts carries a mandatory two-year sentence the first of which must run consecutive to any other sentences imposed, upon conviction. In addition to the prescribed prison terms, each of the eleven counts also carry a maximum fine of \$250,000.

The indictment also provides notice to each defendant of its intent to seek a judgment ordered each to forfeit a total of approximately \$145,438 derived from their alleged illegal conduct.

Elizabeth Caldwell and Judy Ann Patterson are the mothers of Octavia Caldwell and Lester Lee Patterson, according to the indictment.

With the return of this indictment, a total of 43 individuals have been charged in the Southern District of Texas with fraud relating to Hurricane Katrina or Hurricane Rita.

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 in September 2005 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.

This case was investigated by the United States Postal Inspection Service with assistance from the Department of Homeland Security Office of Inspector General and the Social Security Office of Inspector General. The case is being 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 emailed to the inspector general at dhsoighotline@dhs.gov or sent by surface mail, with as many details as possible, to:

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

An indictment or superseding indictment is a formal accusation of criminal conduct, not evidence. A defendant is presumed innocent unless and until convicted through due process of law.

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