

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 04, 2005 3:22 PM
To: USDOJ- Office of Public Affairs
Subject: TWO ARRESTED IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGES

NEWS RELEASE

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For Immediate Release

October 4, 2005

TWO ARRESTED IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGES

United States Attorney David R. Dugas announced that two Louisiana residents who applied for FEMA relief funds were arrested in Baton Rouge and charged with making false and fraudulent claims. JOHN PHILLIP DUGAN, age 19, a resident of Baton Rouge, Louisiana, and URSULA R. JOHNSON, age 33, a resident of Baker, Louisiana, were arrested by federal law enforcement agents after a judge signed criminal complaints and arrest warrants. A third Louisiana resident is being sought on similar charges.

The arrests resulted from an investigation conducted by the U.S. Department of Homeland Security, Office of the Inspector General, and the FBI. “Mr. Dugan made his initial appearance in U.S. District Court on Monday. Johnson is scheduled for her initial appearance this afternoon. Both cases will be presented to a grand jury

in Baton Rouge,” U.S. Attorney Dugas said. “Attempts to fraudulently obtain FEMA relief money will not be tolerated. My office will aggressively investigate and prosecute any person who fraudulently receives aid in connection with this terrible disaster that has befallen the State of Louisiana.”

Relief officials received a registration request on a FEMA disaster assistance registration website from DUGAN. Based on the registration, FEMA mailed DUGAN a check that he deposited into his account at a local bank. Subsequent investigation revealed that DUGAN provided a false address from the affected area.

A similar registration request was received by FEMA from JOHNSON. A follow-up investigation revealed that JOHNSON filed a false claim in her brother’s name using her aunt’s address in New Orleans. When JOHNSON received a check, it is alleged that she forged her brother’s name and deposited the check into a joint account at a local bank.

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 the United States Attorneys, among others.

If convicted, these defendants face a maximum of five years imprisonment and a \$250,000 fine.

NOTE: A complaint is merely an accusation by a law enforcement official,

and the defendant is presumed innocent until and unless proven guilty at trial.

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