



U.S. Department of Justice

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PRESS RELEASE

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**Guilty plea in \$100,000 FEMA hurricane
relief fund fraud scheme**

Washington, D.C. - A 59-year-old man, Jeffrey Alan Rothschild, has pled guilty 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 Kenneth L. Wainstein announced today.

Rothschild, who has no fixed address, pled guilty today in the U.S. District Court for the District of Columbia to a three-count information charging bank fraud, mail fraud, and money laundering from September to December of 2005. When sentenced, Rothschild faces up to 30 years of imprisonment on the bank fraud count; 30 years on the mail fraud count; and 20 years on the money laundering count. Under the federal sentencing guidelines, he faces between 84 and 105 months in prison. Sentencing for Rothschild is scheduled for December 1, 2006, before the Honorable Colleen Kollar-Kotelly.

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, between about September 13, 2005, and about 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 United States 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 guilty plea, U.S. Attorney Wainstein praised the work of Special Agent Kevin P. Aurand, of the United States Secret Service; Postal Inspector Deborah L. Epps, of the United States Postal Inspection Service; Special Agent Jason R. Weber, of the United States Department of the Treasury Office of the Inspector General; Law Enforcement Liaison Jeffrey D. Powers, of the Federal

Emergency Management Agency; and Special Agent Charles D. Zimmerman, of the United States 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. Finally, he praised Assistant U.S. Attorneys Barbara E. Kittay and Jessie K. Liu, who investigated and prosecuted the case.

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