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## **HOUSTON MAN CHARGED WITH DEFRAUDING FEMA OF KATRINA DISASTER FUNDS**

(HOUSTON, TX) - United States Attorney Chuck Rosenberg today announced the unsealing of a two-count indictment charging Barney Spears, 38, of Houston, with filing a false claim against the United States and making false statements to the Federal Emergency Management Agency (FEMA). The indictment was returned by a Houston grand jury on Wednesday, September 21, 2005.

Agents from the Department of Treasury's Office of Inspector General for Tax Administration, assisted by deputies of the St. John Parish Sheriff's Department, arrested Spears on Thursday, September 29, 2005, at a residence in LaPlace, Louisiana. Spears' first court appearance will be this morning before a United States Magistrate Judge in Baton Rouge, Louisiana . At that time, the United States will ask the court to hold Spears in federal custody without bond pending his return to Houston and trial.

“In the wake of the Hurricane Katrina disaster, millions of Americans dug into their pockets to help those in need,” said United States Attorney Chuck Rosenberg. “A few, sadly, tried to profit from the misfortune of others. Given the immense suffering occasioned by this storm, these crimes are disturbing and disappointing.”

In response to Hurricane Katrina, FEMA made available to eligible households \$2,000 in expedited disaster assistance. The \$2,000 in expedited disaster assistance is intended to help Katrina evacuees with immediate food, shelter, and clothing needs. To be eligible for FEMA assistance based on housing needs, the damaged home in the disaster area must be where the applicant usually lives and where the applicant was residing at the time of the disaster.

According to allegations in the indictment, on September 5, 2005, Spears filed an online application with FEMA for Hurricane Katrina disaster assistance in which he falsely claimed that his primary residence was an address on Port Street in New Orleans, Louisiana, and further claimed that Hurricane Katrina caused him to have essential needs for food, shelter, and clothing. On September 8, 2005, as directed in the online application, FEMA disbursed \$2000 to a New Orleans credit union. According to the indictment, Spears has been working full time in Houston, Texas, since August 2004, and had been residing in Houston since October 2004.

Both the false claim count and the false statement count carry a punishment of up to 5 years imprisonment, without parole, and a fine of up to \$250,000.

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, which includes federal, state, and local law enforcement agencies cooperating to combat all types of Katrina related fraud. This matter was investigated by the Department of the Treasury Inspector General for Tax Administration with assistance from the Department of Homeland Security's Office of Inspector General. The case will be prosecuted by Assistant United States Attorney Gregg Costa.