



Department of Justice

United States Attorney's Office Southern District of Texas

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FOUR MORE CHARGED WITH HURRICANE KATRINA AND RITA FRAUD

New charges brings to 83 the number of persons charged with Katrina and Rita Fraud in SDTX

(HOUSTON, TX) - A federal grand jury recently returned two separate indictments charging Jacob Phillip Seyfried, 32, and Shannon Rene Blair, 30, both of Brazoria County; Jeremy Dale Hutson, 32, of Spring; and Karen Haneline, 25, of Splendora, with filing false FEMA claims for Hurricane Katrina and Rita disaster assistance, United States Attorney Donald J. DeGabrielle, Jr. announced today. With the return of these two indictments, a total of 83 individuals have been charged in the Southern District of Texas with fraud relating to Hurricane Katrina or Hurricane Rita.

Seyfried, Blair and Hutson are charged together in an indictment returned on July 8 which alleges that during Sept. and Oct. 2005, the three defendants filed claims with FEMA in their own names for both Katrina and Rita disaster assistance, listing supposed damaged primary residences in Metairie, Louisiana for the Katrina claims and in Cameron or Lake Charles, Louisiana for the Rita claims. According to the indictment, all three actually resided in Texas during 2005. The indictment further alleges that Seyfried and Blair then filed more than twenty additional FEMA claims using the names and Social Security numbers of other individuals. Seyfried and Blair allegedly listed their own residences or post office boxes as the current mailing address where the checks for these claims would be mailed. Seyfried and Blair, according to the indictment, created fraudulent Louisiana identification cards which included their photos but the names of the individuals they listed in the fraudulent FEMA claims, and used these fraudulent identification cards to cash the FEMA checks made out to the individuals listed in the applications.

Seyfried is charged with seven counts of mail fraud and three counts of aggravated identity theft while Blair is charged with four counts of mail fraud and one count of aggravated identity theft. Hutson is charged with one count of mail fraud. A conviction for mail fraud carries a maximum punishment of twenty years in prison. The aggravated identity theft counts carry a mandatory two-year prison term which must be served consecutive to any other sentence imposed. All counts allow for a fine of up to \$250,000. Trial in this case is scheduled for August 25, 2008 before United States District Judge Sim Lake.

Inspectors of the U. S. Postal Inspection Service, who investigated this case, arrested Hutson on July 11, 2008. He was released on a \$50,000 unsecured bond. Seyfried and Blair, who had been in state custody on unrelated state charges, made their initial appearances in federal court on July 21 and have been ordered held without bond pending trial.

In a second and unrelated case, Karen Haneline was also indicted on July 8. That indictment accuses Haneline of filing a false claim alleging that on October 11, 2005, Haneline filed a claim with FEMA for Hurricane Rita assistance which falsely claimed that her primary residence was a trailer in Splendora, that Rita damaged the trailer, and that Rita damaged her personal property. The false claim count carries a punishment of up to five years in prison and a fine of up to \$250,000.

Haneline surrendered to the FBI on July 15, and has been ordered released on a \$30,000 unsecured bond pending trial..

The Seyfried, Blair and Hutson case was investigated by the United States Postal Inspection Service. The Haneline case was investigated by the FBI. The cases are being prosecuted by Assistant United States Attorney Gregg Costa

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 the Attorney General to deter, detect and prosecute unscrupulous individuals who try to take advantage of the Hurricane Katrina and Hurricane Rita disasters. 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.

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 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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