



The United States Attorney's Office Middle District of Louisiana

17 August **FEMA Fraud - Two more Sentenced**

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TWO MORE SENTENCED IN BATON ROUGE, LOUISIANA, ON DISASTER RELIEF FRAUD CHARGES

BATON ROUGE, LA – United States Attorney David R. Dugas announced that two more Louisiana residents were sentenced last week on fraud charges related to a hurricane disaster relief program.

HERMAN SHROPSHIRE, age 56, of Baton Rouge, Louisiana, pled guilty on January 7, 2009, to making a false claim with the Federal Emergency Management Agency (FEMA) for Hurricane Katrina disaster assistance benefits. According to the factual basis in his plea agreement, SHROPSHIRE filed an application for Hurricane Katrina disaster assistance benefits on or about September 2005, falsely claiming that his primary residence at the time of the storm was in New Orleans, Louisiana. In fact, SHROPSHIRE was living in Baton Rouge, Louisiana, at the time. The fraudulent application caused the Federal Emergency Management Agency (FEMA) to disburse two checks for disaster assistance totaling \$4,358. SHROPSHIRE was sentenced on Thursday, August 13, 2009, by Chief U.S. District Court Judge Ralph E. Tyson to a term of imprisonment of six months, three years of supervised release, \$4,358 in restitution, and a special assessment of \$100. The U.S. Department of Homeland Security's Office of Inspector General conducted the investigation of this matter.

ANDREW J. EALY, III, age 40, of Gonzales, Louisiana, pled guilty on December 10, 2008, to wire fraud in connection with the filing of applications for loans from the Small Business Administration (SBA). The SBA provided assistance to the victims of disasters through low interest loans to fund the repair and restoration of storm damaged homes and businesses. EALY was charged with causing an application for a home repair loan to be submitted to the SBA on or about October 21, 2005; and on or about April 18, 2008, causing an application for a business loan to be submitted to the SBA. EALY was charged with causing false and fraudulent receipts and invoices to be sent via facsimile to the SBA to support the claims of repairs being performed, when in fact no such work had been done. The submission of the fraudulent receipts and invoices caused the SBA to approve and issue a home repair loan totaling approximately \$94,000 and a business loan totaling approximately \$125,500. EALY was sentenced on Thursday, August 13, 2009,

by U.S. District Court Judge James J. Brady to three years of probation, a \$1,500 fine, and a \$100 special assessment. The U.S. Small Business Administration's Office of Inspector General, the U.S. Department of Housing and Urban Development's Office of Inspector General, and the U.S. Department of Homeland Security's Office of Inspector General conducted the investigation of this matter.

The number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds stands at one hundred seventy-five.

<u>DHS OIG Case Number:</u>	I06-FEMA-DAL-01107
<u>DHS OIG Case Number:</u>	I08-FEMA-BTN-14280
<u>DHS OIG Case Name:</u>	Herman Shropshire
<u>DHS OIG Case Name:</u>	Tinika Ealy
<u>DHS OIG Case Agent:</u>	SA – Jason Teddy
<u>DHS OIG Case Agent:</u>	SA – Rick Perry