



# Department of Justice

U.S. Attorney's Office  
Southern District of Texas

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**FOURTH INDIVIDUAL PLEADS GUILTY TO FRAUDULENTLY  
OBTAINING DISASTER ASSISTANCE AFTER PURCHASING  
NEW HOME THROUGH OPRAH'S ANGEL NETWORK,  
HABITAT FOR HUMANITY AND THE CITY OF HOUSTON**

*Brings to 89 total of those convicted in the Southern District of Texas in  
relation to Hurricanes Katrina, Rita and Ike*

(HOUSTON) - Kiesha Murphy, 34, of Houston, has pleaded guilty to two counts of making false statements to FEMA and to one count of theft of government property in connection with Hurricane Katrina, United States Attorney Tim Johnson announced today.

Murphy entered her plea this afternoon before United States District Judge Lee H. Rosenthal, at which time she admitted to submitting fictitious rental receipts and other false documents to FEMA, fraudulently claiming to be entitled to rental assistance when she had previously purchased a new, fully-furnished home that was financed by Oprah's Angel Network, Habitat for Humanity and the City of Houston. Despite having received more than \$19,000 in legitimate disaster assistance from FEMA after the storm, Murphy's fraud enabled her to wrongfully obtain additional rental assistance payments totaling \$10,500.

In August and September 2005, Hurricanes Katrina and Rita made landfall on the Louisiana and Texas Gulf Coast. Under FEMA's Individuals and Households Program (IHP), FEMA made available an initial rental assistance payment to individuals who were displaced from their homes as a result of Katrina and Rita. Displaced individuals could potentially obtain additional rental assistance payments by submitting a declaration of continuing need for rental assistance. Under FEMA's IHP, individuals who purchased a home after a disaster ceased to be entitled to rental

assistance as they were no longer making rental payments and now maintained a new primary residence.

In light of the devastation caused by Katrina and Rita, the charitable organization, Oprah's Angel Network, partnered with Habitat for Humanity to build and furnish homes for approximately 65 families forced to relocate to Houston as a result of the storms. The bulk of these homes were built on Asheburton Springs Drive in Houston, which was subsequently re-named Angel Lane. The aim of the Angel Lane Housing Development was to allow individuals who had been displaced by Katrina or Rita to purchase brand new homes under extremely favorable financing terms. Specifically, with the funding provided by Oprah's Angel Network, Habitat would use its expertise to construct and furnish the new homes and would act as an interest-free lender to the purchasers of the homes. Further, the City of Houston would provide purchasers with generous down payments from its Housing and Community Development Department program. All of these charitable efforts combined would enable the selected victims of Katrina and Rita to purchase new homes in Houston at deeply discounted prices.

In addition to her deception concerning rental assistance, Murphy also admitted she fraudulently obtained nearly \$2,000 in disaster unemployment assistance (DUA) by claiming to still be unemployed as a result of Katrina, when she was actually working at Memorial Hermann Hospital. At her sentencing before Judge Rosenthal on Feb. 9, 2010, Murphy faces up to five years in prison on her two counts of making false statements and up to 10 years imprisonment for theft of government property in connection with the DUA program. She also faces a fine of up to \$250,000.

Three other defendants charged with similar conduct in August 2009 have already pleaded guilty. In the first case, Darlene McGruder Poole, 30, of Houston, and her sister, Lashona McGruder Victor, 37, of LaPlace La., pleaded guilty last month before United States District Judge Ewing Werlein Jr. to conspiring to defraud FEMA of more than \$14,000 in a similar scheme. During the time of their fraudulent submissions, Poole had previously received more than \$23,000 in legitimate disaster assistance as a result of displaced by Katrina from her home in New Orleans and she was employed as a Harris County probation officer. Both she and Victor are set for sentencing before Judge Werlein on Jan. 15, 2010, at 10:30 a.m., at which time they face up to face up to 20 years imprisonment and a \$250,000 fine.

Angela Payne aka Angela McKinnies, 38, of Houston, pleaded guilty earlier this month to making false statements to FEMA during an identical fraudulent scheme. Specifically, Payne also purchased a home on Angel

Lane through the same charitable programs and she similarly submitted bogus rental receipts in order to fraudulently obtain nearly \$10,000 in additional disaster assistance from FEMA. Prior to making her fraudulent submissions to FEMA, Payne received more than \$16,000 in legitimate disaster assistance as a result of being displaced from New Orleans by Katrina. She will be sentenced by United States District Judge Lynn N. Hughes on Jan. 4, 2010, at 1:30 p.m., when she faces up to five years imprisonment and a \$250,000 fine.

The investigation for these cases was conducted by the Department of Homeland Security - Office of Inspector General, the Department of Labor - Office of Inspector General and the Federal Protective Service. The cases are being prosecuted by Assistant United States Attorney Jason Varnado.

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