

Woman admits to submitting false disaster relief applications resulting in \$620,000 loss

Tuesday, September 17, 2024

For Immediate Release

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

HOUSTON – A 34-year-old former Houston resident has pleaded guilty to conspiracy to commit wire fraud, announced U.S. Attorney Alamdar S. Hamdani.

From March 2020 until March 2021, Cora Chantail Custard conspired with others to submit false and fraudulent loan applications for financial assistance both personally and on behalf of others.

The co-conspirators submitted false applications to the Small Business Administration (SBA), Federal Emergency Management Agency (FEMA) and multiple state unemployment insurance agencies.

Over the course of the conspiracy, Custard resided in both Houston and San Antonio.

As part of her plea, Custard admitted to using her Facebook account to advertise her services to file fraudulent disaster relief applications. Custard's posts repeatedly described the scheme to her social media followers as "doing apps," with the ability to obtain between \$6,000 and \$8,000 for an application within four to seven days of filing.

Custard submitted or caused the submission of over 100 fraudulent Economic Injury Disaster Loan applications, at least 36 of which resulted in advance payments totaling \$345,000.

Further investigation revealed Custard filed at least 30 fraudulent FEMA Disaster Benefit applications related to Hurricane Laura in August 2020 and Hurricane Sally in September 2020. At least 16 of those fraudulent applications resulted in payouts totaling approximately \$75,000.

Additionally, Custard committed several other fraudulent acts like filing over 100 false unemployment insurance applications in Michigan, Illinois and several other states for her own and others' benefits. At least 20 of those fraudulent applications resulted in payments totaling approximately \$200,000.

Due to her actions, multiple agencies lost a total of \$620,000.

U.S. District Judge David Hittner will impose sentencing in January 2025. At that time, Custard faces up to five years in federal prison and a possible \$250,000 maximum fine.

She was permitted to remain on bond pending that hearing.

The Department of Homeland Security-Office of Inspector General (OIG), IRS-Criminal Investigation, Treasury Inspector General for Tax Administration, Social Security Administration-OIG, SBA-OIG and Department of Labor-OIG conducted the investigation.

Assistant U.S. Attorney Karen M. Lansden is prosecuting the case.

Updated September 17, 2024