

NEWS RELEASE

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Hurricane Survivors Urged to be Aware of Fraud Attempts

WASHINGTON – The U.S. Small Business Administration urges those applying for disaster assistance in the aftermath of Hurricanes Katrina and Rita to be on the alert to scam artists posing as federal officials offering help, while trying to take advantage of those facing the daunting challenge of rebuilding their lives.

“The SBA will not tolerate the defrauding of those who have already lost so much in the aftermath of these devastating storms,” said SBA Administrator Hector V. Barreto. “Those who are found taking advantage of the disadvantaged will be prosecuted to the fullest extent that the law provides.”

The federal government has set up a “Hurricane Relief Fraud Hotline.” Residents and business owners who have knowledge of fraud can call 1-866-720-5721, send a fax to 1-703-604-8567, or email the hot line at katrinafraud@dodig.mil. Those without internet access can write to: Hurricane Relief Hotline, Washington, D.C. 20301-1900.

Disaster survivors have reported receiving calls from individuals claiming to represent SBA, asking for upfront payments of as much as \$3,000 to be considered for a disaster loan. Others are also using newspaper ads promoting help with disaster loan applications for “a small processing fee” of up to \$250. In Mississippi, residents and business owners have reported seeing roadside signs advertising help with disaster loan applications for a fee.

The SBA does not charge fees for the processing of disaster loans. Individuals and business owners in the region affected by Hurricanes Katrina and Rita should continue to beware of possible scams and misrepresentations by those claiming to be SBA officials.

For free help with the disaster loan application, visit one of Disaster Recovery Centers or SBA’s Business Assistance Centers located in Louisiana, Alabama, Mississippi, Florida and Texas, or the Small Business Development Centers. Disaster loan applicants may also call SBA’s customer service center at 1-800-659-2955 for questions about the loan applications process. Operators are taking calls 6 a.m. to 1 a.m., Eastern Daylight Time, daily. Questions can also be e-mailed to disastercustomerservice@sba.gov.

Homeowners, renters and businesses in the areas affected by Hurricanes Katrina and Rita are encouraged to apply for federal assistance by registering online with FEMA at www.fema.gov, or by calling 1-800-621-FEMA (3362), or 1-800-462-7585 (TTY) for the hearing and speech impaired. The toll-free numbers will operate 24 hours daily until further notice.

For more information about SBA’s disaster loan program, visit the Web site at www.sba.gov/disaster.