



Department of Justice

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FORMER U.S. ARMY CORPS OF ENGINEERS CONTRACT EMPLOYEE CHARGED WITH BRIBERY ON A NEW ORLEANS LEVEE RECONSTRUCTION PROJECT

WASHINGTON — A former contract employee of the U.S. Army Corps of Engineers has agreed to plead guilty to bribery in connection with a \$16 million hurricane protection project for the reconstruction of the Lake Cataouatche Levee, south of New Orleans, the U.S. Department of Justice announced today.

Raul Miranda of Houston was a construction official in the New Orleans office of the U.S. Army Corps of Engineers. He reviewed construction projects in the aftermath of Hurricane Katrina. Between August and October of 2006, Miranda agreed to accept approximately \$299,000 from a sand and gravel subcontractor in exchange for providing confidential information used by the Corps to evaluate bids.

Miranda, who was assigned to the Army Corps' source selection board on the Lake Cataouatche Levee reconstruction bid, gave his technical evaluation of a prime contractor's bid and other confidential documents to another Army Corps contract employee, with knowledge that this information would be given to the subcontractor. Miranda agreed to accept in return 25 cents per cubic yard of sand and gravel sold by the subcontractor under the contract.

The Lake Cataouatche Levee project will improve an eight-mile section of the levee system. This section currently represents the levee's lowest and most vulnerable stretch, which protects the citizens of Jefferson and St. Charles parishes.

Under the plea agreement, which is subject to court approval, Miranda has agreed to cooperate with the ongoing investigation.

"The Department will prosecute anyone who subverts the competitive process, particularly where public monies are involved," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The Antitrust Division is steadfast in its commitment to work closely with the Hurricane Katrina Fraud Task Force and hold accountable individuals who engage in anticompetitive practices."

Today's charge is the result of an ongoing investigation of fraud in the procurement of levee reconstruction contracts let by the U.S. Army Corps of Engineers being conducted by the Antitrust Division's Dallas Field Office, the U.S. Attorneys' Office for the Eastern District of Louisiana, the U.S. Army Criminal Investigation Division, and the Department of Defense's Criminal Investigative Service through the Hurricane Katrina Fraud Task Force.

“Today's guilty plea is further compelling evidence of the absolute commitment of the U.S. Department of Justice and our partners in federal law enforcement to maintain a zero tolerance for any public corruption in the Eastern District of Louisiana, which is so critical to our rebuilding in the wake of the devastation wrought by Hurricane Katrina,” said U.S. Attorney Jim Letten. “This office and our law enforcement partners will continue to stand guard over this region, its people, and our rebuilding process.”

“The critically important task of rebuilding the levee system in the New Orleans area must not be vulnerable to corrupt contractors,” said Assistant Attorney General Alice S. Fisher of the Criminal Division. “Nearly two years after the tragedy that devastated the Gulf Coast region, the Hurricane Katrina Fraud Task Force stands ready to prosecute those who choose illegal financial gain for themselves over the improvement of the community. The Department of Justice will continue to protect the money that goes into rebuilding New Orleans from fraud and corruption.”

The bribery charge carries a maximum penalty of 15 years imprisonment and a maximum fine of not more than three times the amount of the bribe. Miranda may also be disqualified from holding any position in the U.S. government.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes. To date, the Hurricane Katrina Task Force has charged 764 defendants in 680 cases filed in 41 judicial districts around the country. Anyone with information concerning anti-competitive conduct, fraud, or other allegations of illegal activity is urged to call the Hurricane Katrina Fraud Hotline at 866-720-5721, the Antitrust Division's Dallas Field Office at 214-661-8600, or the Atlanta Field Office at 404-331-7100.

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