



Department of Justice

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Southern District of Mississippi

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DEFENDANTS PLEAD GUILTY TO BRIBERY RELATED TO KATRINA

HATTIESBURG, MS—Mitchell Kendrix of Memphis, Tenn., and Paul Nelson of Lisbon, Maine, pled guilty to conspiracy to commit bribery involving debris removal in Perry County, Miss., U.S. Attorney Dunn Lampton today announced. Kendrix was employed as a quality assurance representative for the U.S. Army Corp of Engineers. Nelson was a contractor responsible for debris removal in Perry County, Miss. following Hurricane Katrina. Kendrix accepted cash bribes in exchange for creating false load tickets for loads that Nelson did not haul or dump. Federal agents recorded conversations between Nelson and Kendrix in which Nelson paid Kendrix \$100 for five false load tickets. Nelson and Kendrix admitted to at least 14 additional false load tickets.

“It is despicable, particularly in the aftermath of our nation’s greatest natural disaster, for a public official, at any level, to violate the public trust by accepting bribes,” said U.S. Attorney Lampton. “Those who pay bribes in order to perform the work they have been contracted to do are equally repugnant. This type of conduct will not be tolerated.”

Kendrix and Nelson are scheduled to be sentenced on June 8, 2006 before U.S. District Judge Keith Starrett in Hattiesburg.

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 such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force - chaired by Assistant Attorney General of the Criminal Division Alice S. Fisher - includes members from the FBI, the Federal Trade Commission, the Postal Inspector’s Office and the Executive Office of United States Attorneys, among others.

Pursuant to the Justice Department initiative, a local Katrina Fraud Task Force was formed. Recognizing the significance of this event, over twenty federal, state and local law enforcement agencies have come together to jointly pursue and prosecute individuals who file false and fraudulent claims. The joint task force has also been working with county and local law enforcement in this effort.

The Katrina Fraud Task Force members responsible for this joint investigation are the Federal Bureau of Investigation, Department of Defense Criminal Investigative Service and the United States Army Criminal Investigation Division.

If anyone has information concerning possible fraud being committed during the post-Katrina recovery effort, please call either the DHS-OIG Fraud Hotline at 1-866-720-5721 or the FBI Fraud Hotline at 1-800-225-5324.

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