



# Department of Justice

## United States Attorney Dunn Lampton Southern District of Mississippi

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### **SIX ARRESTED FOLLOWING EIGHT INDICTMENTS FOR FRAUD IN THE HOMEOWNER ASSISTANCE PROGRAM FOR KATRINA VICTIMS**

JACKSON, Miss. – Six people have been arrested following indictments returned by a federal grand jury alleging false claims and statements to the Mississippi Development Authority, FEMA, the Small Business Administration and the Department of Agriculture for Hurricane Katrina disaster assistance funds, U.S. Attorney Dunn Lampton and Mississippi State Auditor Phil Bryant announced today.

**Christina D. Moses** of Ocean Springs, Mississippi, was charged in a nine count indictment with filing a false claim for government benefits, theft of government funds, making false statements to FEMA and the Mississippi Development Authority, and mail fraud. If convicted of each count, Moses faces up to 100 years imprisonment and up to \$5,000,000.00 in fines.

**Vincent W. Pempeit** of Ocean Springs, Mississippi, was charged in a five count indictment alleging filing a false claim with FEMA, making a false statement to FEMA, making a false statement to a Special Agent of Homeland Security, making a false statement to the Mississippi Development Authority, and stealing of U.S. government funds. If convicted of each count, Pempeit faces up to 30 years imprisonment and up to \$1,250,000.00 in fines.

**Phillip A. Winchester** of Long Beach, Mississippi, was charged in a twelve count indictment alleging filing a false claim with FEMA, making a false statement to the Mississippi Development Authority, making a false statement to the Small Business Administration, making a false statement to the U.S. Department of Agriculture through the Mississippi Department of Human Services for disaster food stamps, stealing of U.S. government funds, and wire fraud. If convicted of each count, Winchester faces up to 115 years imprisonment and up to \$2,875,000.00 in fines.

**Jerry A. Wiegand**, of Metairie, Louisiana, was charged in a four count indictment alleging filing a false claim with FEMA, making a false statement to FEMA, making a false statement to the Mississippi Development Authority, and stealing of U.S. government funds. If convicted on each count, Wiegand faces up to 25 years of imprisonment and up to \$1,250,000.00 in fines.

**William K. Palmer and Deane Palmer**, of Lakeland, Florida, were charged in a seven count indictment alleging filing a false claim with FEMA, making a false statement to the Mississippi Development Authority, making a false statement to the Small Business Administration, and stealing of U.S. government funds. If convicted on each count William Palmer faces up to 40 years imprisonment and \$1,500,000.00 in fines; Deane Palmer faces up to

15 years imprisonment and \$500,000.00 in fines. In addition, a forfeiture count has been filed requesting the Palmer's forfeit any property derived from, or constituting proceeds of the alleged violations.

**Dominic T. Leperi** of Rockville, Maryland, was charged in a nine count indictment with filing a false claim for government benefits, theft of government funds, making false statements to FEMA, the Small Business Administration and the Mississippi Development Authority, and wire fraud. If convicted of each count, Leperi faces a maximum of 115 years imprisonment and up to \$4,750,000.00 in fines. Leperi is scheduled to be arraigned on April 23, 2007 in Gulfport, Mississippi.

U.S. Attorney Lampton and State Auditor Bryant also announced the indictments of three other individuals who are expected to appear in federal court later this week.

"It has been 18 months since Hurricane Katrina, and the Katrina Fraud Task Force continues to actively pursue fraud in the Katrina Recovery Programs. Zero tolerance remains our policy. With billions of tax dollars being dispersed, theft, fraud and corruption will be aggressively prosecuted, and these arrests are an example of that effort" said U.S. Attorney Lampton.

"The Auditor's Katrina Fraud Prevention and Detection Unit appreciates the assistance of the OIG of HUD, The F.B.I. and the U.S. Attorney's Office in the investigation and prosecution of these fraud cases. As I have said all along, OSA agents will be ruthless in our search for fraud and abuse of the Homeowner Assistance Program. We will not tolerate fraud against the very programs that have been designed to rebuild the homes of those citizens ravaged by Katrina. This is a strong stand that should be a message to anyone who believes they can get away with these criminal acts. We will be ever vigilant and will not tolerate any abuse," said Auditor Phil Bryant, "If anyone has information related to Homeowner's Assistance fraud, they may contact our office at 1-(800)-956-1846 or any other toll free number provided by the Hurricane Katrina Fraud Task Force."

In September, 2005, Attorney General Alberto R. Gonzales created the national 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 for the Criminal Division, Alice S. Fisher, includes members from the FBI, the Federal Trade Commission, the Department of Labor Office of Inspector General, along with other members of the Inspectors General community, 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, consisting of over 20 Federal and State law enforcement agencies, was formed in the Southern District of Mississippi to pursue and prosecute individuals who engage in fraud associated with the hurricanes.

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

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