



U.S. Department of Justice

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NEWS RELEASE:

AVENTURA MAN SENTENCED ON HURRICANE KATRINA INTERNET SCAM

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Jonathan I. Solomon, Special Agent in Charge, Federal Bureau of Investigation (FBI), announced that defendant, **Gary S. Kraser**, was sentenced yesterday to 21 months in prison for fraudulently soliciting charitable donations supposedly intended for Hurricane Katrina relief. Kraser was sentenced based on his guilty plea to wire fraud, a violation of Title 18, United States Code, Section 1343. Kraser is scheduled to surrender to the Bureau of Prisons on June 23, 2006.

According to Indictment, Kraser falsely claimed in conversations on the Internet, and ultimately via the website at www.AirKatrina.com, that he was piloting flights to Louisiana to provide medical supplies to the areas affected by Hurricane Katrina and to evacuate children and others in critical medical condition. Kraser further claimed that he had organized a group of Florida pilots to assist him in his supposed relief efforts.

In one fraudulent Internet communication posted on August 30, 2005, Kraser pretended to have returned from Louisiana, and wrote, "I am shaking as I write this, as I just arrived home, and just now allowed my body and mind to accept what I saw tonight . . . I am crying as I read this . . . I saw people on their roofs, that had used axes more than likely to cut through the roof, waving at us, as they thought we were Air Rescue . . . I saw dogs wrapped in electrical lines still alive and sparks flying from their bodies being electrocuted, as well as some people dead already. If I had a helicopter, I would be there now rather than back in FL . . . I'm so sorry I couldn't do more . . . I'm crying and hugging my dog next to me now . . . I will hear these screams for the rest of my life. . ."

In another fraudulent communication posted on August 31, 2005, Kraser wrote, "I'm flying full loads out, and offering the empty plane on the outbound for Air Ambulance. If we didn't have the plane, I don't think the little baby would have survived . . . She is undergoing transplant surgery at this moment I am writing . . . 7 mos old, and smiling the whole way, as if she knew . . ." In yet another fraudulent posting, Kraser claimed that he "tipped wings" with AirForce One while over Louisiana.

According to the Indictment, Kraser claimed that he personally paid for these fictitious relief flights, and that he approved the creation of the website www.AirKatrina.com to solicit donations supposedly to purchase the fuel for his claimed humanitarian aid missions. According to the website, "every dollar, every nickel, [would] go directly into the tanks of these pilots planes on their mission of mercy."

The website allowed for donations to be made directly into Kraser's PayPal® account, a service that allows customers to send and receive money online for transactions conducted over the Internet. In addition, Kraser provided instructions for wiring contributions directly into his bank account. PayPal was among the first to cooperate with the investigation, and deserves our thanks. In just two days, Kraser received almost \$40,000 in donations from forty-eight (48) different victims from around the world.

Attorney General Alberto R. Gonzales recently created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft and insurance fraud. The Hurricane Katrina Fraud Task Force -- chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division -- includes members from the FBI, the Federal Trade Commission, the Postal Inspector's Office, and the Executive Office of the United States Attorneys, among others. Kraser's was the first Hurricane Katrina charity fraud case brought by the Department of Justice and is part of the Attorney General's nationwide efforts to prosecute those who seek to benefit from the Hurricane Katrina tragedy.

United States Attorney Acosta stated, "Hurricane Katrina destroyed the dreams, homes, and lives of thousands of families. Our goal with this prosecution, and with the creation of the Hurricane Katrina Fraud Task Force, is to help restore the hope and faith of the victims of Katrina in their fellow Americans' willingness to help."

Mr. Acosta commended the investigative efforts of the Federal Bureau of Investigation. In addition, Mr. Acosta encouraged anyone with information about Hurricane Katrina fraud to contact law enforcement. Several existing government websites and resources are available to obtain information about, and report instances of, Katrina-related fraud. The FBI website, www.fbi.gov, contains updated alerts about particular types of charity-related frauds. Members of the public can also report instances of fraud on the Website for the FBI's Internet Crime Complaint Center, at www.ic3.gov. The Federal Trade Commission provides additional information at its website, www.ftc.gov, and a toll-free FTC hotline, 1-877-FTC-HELP (1-877-382-4357, TTY/TDD: 202-326-2502), also allows consumers to report suspected fraud schemes, including Katrina-related fraud.

A copy of all press releases may be found on the website of the United States Attorney's Office for the Southern District of Florida at www.usdoj.gov/usao/fls <<http://www.usdoj.gov/usao/fls>>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at www.flsd.uscourts.gov <<http://www.flsd.uscourts.gov>> or on <<http://pacer.flsd.uscourts.gov>> <<http://pacer.flsd.uscourts.gov>>.