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TWO MEN SENTENCED TO PRISON FOR BRIBERY RELATED TO KATRINA

HATTIESBURG, MISSISSIPPI - United States Attorney Dunn Lampton announced today that MITCHELL KENDRIX of Memphis, Tennessee and PAUL NELSON of Lisbon, Maine were each sentenced by U.S. District Judge Keith Starrett to serve twelve months in prison and pay a \$5,000 fine, followed by a two-year term of supervised release.

Kendrix and Nelson previously pled guilty to Conspiracy to Commit Bribery involving debris removal in Perry County, Mississippi. Kendrix was employed as a Quality Assurance Representative for the Army Corp of Engineers. Nelson was a contractor responsible for debris removal in Perry County, Mississippi 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, and the two admitted to at least 14 additional false load tickets.

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 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 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 were 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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