

NEWS

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**FEMA OFFICIALS INDICTED BY A FEDERAL GRAND JURY IN NEW ORLEANS**

NEW ORLEANS, LOUISIANA - Jim Letten, United States Attorney for the Eastern District of Louisiana, James Bernazzani, Special Agent in Charge, Federal Bureau of Investigation, New Orleans Division, and Michael Brannan, Resident Agent in Charge, Louisiana Office, Office of the Inspector General, United States Department of Homeland Security, announced today that a federal grand jury returned an indictment charging two FEMA officials working in New Orleans-Andrew Rose and Loyd Holliman-both residents of Colorado, for soliciting bribes as public officials.

According to the indictment, Rose and Holliman are FEMA Disaster Assistance employees who were charged with managing the FEMA base camp located in Algiers, Louisiana (a section of New Orleans on the west bank of the Mississippi River), and are public officials in their capacity as employees of FEMA, an agency of the United States Government.

Letten said that the defendants face a maximum penalty of 15 years imprisonment, a fine of \$250,000 or not more than three times the monetary equivalent of the thing of value, whichever is greater, both fine and imprisonment.

Letten reiterated that a grand jury indictment is merely a method of charging a defendant and that the defendant's guilt must be proven beyond a reasonable doubt at trial.

Further, according to the affidavit in support of the complaint filed by FBI Special Agents, Rose and Holliman were arrested on January 27, 2006 at the FEMA base camp in New Orleans after taking two envelopes containing \$10,000 each as illegal bribe payments.

The indictment states the investigation began on or about December 14, 2005. Rose and Holliman approached a local contractor and solicited a bribe from the contractor in exchange for inflating the headcount for a \$1 million meal service contract at the Algiers, Louisiana base camp. During this meeting, Rose and Holliman allegedly told the contractor that they could inflate the "headcount" for meals served and would require the contractor to kickback to them (Rose and Holliman) \$20,000.

During a subsequent meeting on January 19, 2006, Rose demanded \$20,000 from the contractor to be split evenly between him (Rose) and Holliman; and indicated that Holliman would continue to intentionally inflate the occupancy number at the base camp falsely.

During a following meeting on January 24, 2006, the \$20,000 bribe which had been demanded was further discussed, and during the same meeting, Rose and Holliman allegedly discussed various ways and means which the contractor could use to inflate the meal service count. During the same meeting and a subsequent one on the same day, both charged defendants allegedly continued to discuss various ways and means to inflate the

invoices for meal service counts, and made a further bribery demand for \$2,500 per week for each of them.

Finally, on the morning of their arrest at the base camp, Rose and Holliman each took one envelope containing \$10,000 from the contractor after confirming that these two payments were for the inflated meal service count from December 3, 2005 through January 15, 2006. Thereafter, according to the indictment, both defendants and the contractor continued to discuss the mechanics of how to continue to fraudulently inflate the meal service count numbers. Federal agents arrested both immediately thereafter on the scene.

"The government will be vigorous in its pursuit of those who would try to unlawfully benefit from the tragedy of Hurricane Katrina," said U.S. Attorney Letten.

This matter is being investigated by Special Agents of the Federal Bureau of Investigations and Agents of the DHS Inspector General's Office. This case is being prosecuted by Assistant U. S. Attorneys James R. Mann and Salvador Perricone.

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