
Contact: Thomas B. Heffelfinger, United States Attorney (612) 664-5600
Karen Bailey, Media Coordinator (612) 664-5610

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Minneapolis - A former Lino Lakes disaster recovery and clean-up company and three of its former officers were charged with engaging in a fraud scheme to enrich themselves by taking advantage of funds available for disaster relief efforts, including those for the clean-up efforts related to the June 2000 flooding in Eagan, the June 2001 tornado in Siren, Wisconsin, and the September 11, 2001 attack on the World Trade Center, and defrauding corporate customers by fraudulently inflating invoices for services performed.

A federal grand jury returned an indictment charging the company, Kieger Enterprises, Inc (KEI); Edward Kieger, Jr., age 46, from Shoreview, MN, former president and owner of KEI; Patrick Iwan, age 34, from Centerville, MN, former general manager at KEI ; and Joseph Dreshar, age 43, from Hugo, MN, former chief financial officer for KEI; with multiple counts of mail fraud, wire fraud, and money laundering in relation to those disaster recovery efforts.

In addition, the grand jury charged David Poindexter, age 42, from Isanti, MN, former national roofing manager for Target Corporation, with multiple counts of mail fraud, wire fraud, and money laundering related to KEI's work performed for Target Corporation.

According to the indictment, after a disaster affected a community or private entity, KEI contracted with the affected governments and entities including Siren Village, Dakota County, Target Corporation, and CP Rail, to provide disaster remediation and reconstruction services. KEI also contracted with private entities, including Target, to perform regular maintenance work such as snow removal and parking lot sweeping.

The grand jury alleged that the defendants sought to enrich themselves and defraud their customers by exaggerating and inflating the amount of work being performed. From 1998 to July 2002, KEI, Kieger, Iwan, and Dreshar routinely submitted bills and documents that falsely claimed that employees and equipment were being used on job sites when they were not and inflated the number of hours for employees and equipment. The indictment alleges that the bogus bills would also show an inflated amount of debris that required disposal at the disaster site that, in some instances, included debris and material that had been trucked in from other job sites.

In addition to fraud in relation to disaster recovery, KEI, Kieger, Iwan, Dreshar, and Poindexter are also alleged to have engaged in an orchestrated pattern of fraud that bilked corporate customers. According to the indictment, KEI, Kieger, Iwan, and Dreshar, on occasion, would pay bribes and kickbacks to employees of private companies. In return, those employees would use their influence to see that KEI was awarded contracts and that the employees' companies would pay the inflated bills submitted by KEI. The indictment alleges that Poindexter, who, as national roofing manager for Target Corporation regularly contracted with KEI for maintenance, emergency response services, and vehicle purchases, received in exchange numerous gifts and benefits from KEI. Poindexter left Target and later became an employee of KEI.

The grand jury also alleged in the indictment that in an attempt to conceal their conspiracy from law enforcement and customers, the defendants destroyed records which detailed the actual work performed by KEI, as compared to work claimed in bills submitted to customers.

Kieger, Iwan, Dreshar, and Poindexter were also charged with engaging in a RICO (Racketeer Influenced and Corrupt Organizations) conspiracy.

The RICO charge brought by the grand jury alleges that Kieger, Iwan, Dreshar, and Poindexter engaged in a conspiracy scheme from 1998 to July 2002 to defraud KEI's customers by fraudulently billing KEI's customers with inflated and false invoices; intentionally persuading KEI employees and others to withhold, alter, or destroy KEI's records to prevent them from being obtained during the course of the criminal investigation; attempting to conceal their illegal acts by destroying business records; and concealing the extent of their enrichment by causing KEI to pay out fraudulently obtained proceeds through disguised financial transactions.

U.S. Attorney Tom Heffelfinger commented, "Program fraud is a very important matter, these dollars are intended to help people and communities at the time of their greatest need. Theft of federal emergency funds amounts to double victimizing those impacted by natural and man-made disasters."

If convicted, Kieger Enterprises faces a maximum potential penalty of five years probation and/or a \$500,000 fine on each of the 47 counts charged. Kieger, Iwan, Dreshar, and Poindexter each face a maximum potential penalty of 20 years in prison and/or a \$250,000 fine for RICO conspiracy, up to five years in prison and/or a \$250,000 fine on each count of mail fraud and wire fraud, and up to 20 years in prison and/or a \$250,000 fine for money laundering. Kieger, Dreshar, and Iwan also face up to ten years in prison and/or a \$250,000 fine for obstruction of justice. Any sentences would be determined by a judge based on the federal sentencing guidelines.

The case is the result of an investigation by the Department of Homeland Security, Office of Inspector General, the U.S. Postal Inspection Service, and the Internal Revenue Service Criminal Investigation Division. The Loss Prevention Department of Target Corporation also provided assistance to the investigation. Assistant United States Attorneys John Marti and John Docherty are

prosecuting the case.

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Criminal indictments are only charges and not evidence of guilt. A defendant is presumed to be innocent unless and until proven guilty.