

The United States Attorney's Office

Eastern District of Louisiana

Press Release

FORMER ST. TAMMANY PARISH COUNCILMAN JOSEPH IMPASTATO AND FORMER MANDEVILLE PUBLIC WORKS DIRECTOR SENTENCED IN FEDERAL COURT

May 13, 2009

FOR IMMEDIATE RELEASE

JOSEPH ANTHONY IMPASTATO, former St. Tammany Parish Councilman, age 37, and **JOSEPH MISTICH**, age 47, former Public Works Director for the City of Mandeville, were sentenced today in federal court by U. S. District Court Judge Stanwood R. Duval, Jr., announced U. S. Attorney Jim Letten.

IMPASTATO, who pled guilty on April 3, 2008 to one count of illegal solicitation in connection with a Hurricane Katrina debris removal contract in St. Tammany Parish funded by federal money, and one count of making false statements to the Internal Revenue Service on his 2001 personal income tax return, was sentenced to eighteen (18) months imprisonment. In addition, Judge Duval ordered that the defendant be placed on two (2) years of supervised release following the term of imprisonment, during which time the defendant will be under federal supervision and risks an additional term of imprisonment should he violate any terms of his supervised release. Additionally, Judge Duval ordered the defendant to pay restitution in the amount of \$3,500 to the Internal Revenue Service and a \$200 special assessment to the Court.

MISTICH, who pled guilty on December 13, 2006 to one count Bill of Information with knowing about former St. Tammany Parish Councilman Joseph Impastato extorting a constituent, was sentenced to five (5) years probation. In addition, Judge Duval ordered that the defendant pay a \$20,000 fine. Judge Duval granted a request by the Government and because of the **MISTICH**'s cooperation, imposed a reduced sentence.

According to court documents filed in the record, within two weeks following Hurricane Katrina, **IMPASTATO** obtained a debris removal contract on behalf of Pontchartrain Chipping Yard, Inc., based in Lacombe, Louisiana, with Omni-Pinnacle, the company exclusively contracted with St. Tammany Parish to remove hurricane debris from the parish. That debris removal contract provided for the removal of millions of cubic yards of wood debris from thousands of hurricane-downed trees in St. Tammany Parish.

After Pontchartrain Chipping Yard, Inc. contracted with Omni-Pinnacle, **IMPASTATO** then solicited Pontchartrain Chipping Yard, Inc. for a portion of the revenues it would receive from the Omni-Pinnacle contract. However, Pontchartrain Chipping Yard, Inc. refused to pay **IMPASTATO** any portion of the contract revenues.

After the owners of Pontchartrain Chipping Yard, Inc. reported **IMPASTATO'S** demands to the federal authorities, federal agents obtained evidence and tape-recorded conversations of meetings, in which, according to **IMPASTATO'S** instructions, portions of an initial \$165,000 payment to Pontchartrain Chipping Yard, Inc. from Omni-Pinnacle were planned to be routed through **JOSEPH MISTICH**, former Mandeville Public Works Director, for the purpose of concealing **IMPASTATO'S** share.

Relative to the income tax false statement charge, **IMPASTATO** admitted that in April 2002, he electronically filed a 2001 income tax return which falsely reported that he had received a total income of approximately \$34,000, when in truth and in fact, his taxable income amounted to \$52,000 representing an under-reporting of approximately \$18,000. His willful failure to report this \$18,000 on his tax return resulted in a material false statement to the IRS.

Speaking to today's developments, U. S. Attorney Jim Letten stated:

“With the great work of the FBI and IRS, the U. S. Attorney's Office will continue to seek prosecutions of corrupt public officials who harm our communities through personal profiteering. Public money is meant to improve the quality of the lives of our citizens and not to line the pockets of greedy individuals.”

David W. Welker, Special Agent in Charge of the Federal Bureau of Investigation, added:

“Combating public corruption is the number one priority of the New Orleans Division of the FBI. This case demonstrates the FBI's commitment, along with that of our partners at IRS and the U. S. Attorney's Office, to rid the state of public corruption which tears at the fabric of society. Public corruption hinders the full recovery of the New Orleans area and slows the advancement of our fundamental core structure such as education and law enforcement.”

Michael J. De Palma, Special Agent in Charge of Internal Revenue Service Criminal Investigation stated:

"Crimes committed by public officials violate the public trust. This violation was particularly egregious due to the local community's vulnerable circumstances surrounding the aftermath of Hurricane Katrina. It is the goal of IRS Criminal Investigation to work with the Department of Justice to ensure that those engaged in illegal activities are brought to justice. Special Agents of IRS CI are highly skilled investigators who will work tirelessly with other federal and state agencies to stop those individuals who scheme and conspire with each other to benefit themselves to the detriment of other citizens and their government.”

The investigation was conducted by the Federal Bureau of Investigation, the Department of Homeland Security Office of Inspector General, and the Criminal Investigation Division of the Internal Revenue Service. The case was prosecuted by Assistant United States Attorneys Peter M. Thomson, Carter K. D. Guice, Jr, and Matthew Coman.