

Summary: Investigation of Irregularities Within the Coastal Impact Assistance Program in Mississippi

Report Date: February 2, 2015

We investigated the Coastal Impact Assistance Program (CIAP) in Mississippi in response to an audit conducted by our Office of Audit, Inspections, and Evaluations. The audit identified significant irregularities in how Mississippi officials spent Federal grant funds awarded under the Program.

The audit identified a residential property in Ocean Springs, MS that was part of a fraudulent scheme by William Walker, the now former executive director of the Mississippi Department of Marine Resources (DMR), a CIAP grantee. A joint investigation with the FBI determined that William Walker and his son, Scott Walker, misused funding as part of a conspiracy to defraud the Government.

We also determined that DMR employees conspired to divert Federal money to fraudulently purchase the Ocean Springs property, in which William Walker and Scott Walker had a financial interest.

In his position as executive director, William Walker had the ability to authorize and direct the expenditure of Federal funds under the control of DMR. He used this authority to later coordinate the sale of the Ocean Springs property to an organization that purchased it with those Federal funds.

In addition, we determined William Walker misused \$444,131, which he diverted from DMR to the Marine Resources Foundation, a private organization that he founded and controlled.

On November 5, 2013, a Federal Grand Jury indicted William and Scott Walker for Federal program fraud, mail fraud, and conspiracy to commit fraud. Both men pleaded guilty on March 10, 2014, and were sentenced in U.S. District Court in the Southern District of Mississippi. William Walker was sentenced on June 16, 2014, to a 5-year prison term, while Scott Walker was sentenced on July 23, 2014, to an 18-month prison term. In addition, the two men were ordered to pay joint restitution to multiple agencies, including \$100,000 to the National Park Service (NPS).

On July 10, 2014, OIG's Administrative Remedies Division also obtained Default Debarment Determinations for William and Scott Walker, which prohibit them both from conducting business with the Government until July 9, 2017.

This is a summary of an investigative report that was issued internally to the U.S. Department of the Interior. This summary was posted to the web on October 28, 2015.

