



Katrina wallops coast

Massive hurricane kills scores, displaces millions on gulf

THE AFTERMATH



AP photo by John Bazemore
Garron Lenaz recovers an American flag on Monday from his destroyed home in Gulfport, Miss.

'Camille was not this bad'

Remembering the killer storm that ravaged Biloxi in 1969, many are stunned by Katrina's ferocity

By Wes Smith, Erin Ailworth and John Kennedy
Tribune Newspapers

BILOXI, Miss. — You could call it ground zero—except that there was precious little ground to be had.

Much of Biloxi was underwater Monday night, including the town's famed waterfront casinos.

The same scene played out in varying degrees all along the Gulf Coast, from New Orleans to Pensacola, Fla., after Hurricane Katrina stormed ashore with 145 m.p.h. winds Monday. In Mobile, Ala., much of downtown was flooded and whole neighborhoods were swamped by Mobile Bay. Pensacola seemed to avoid serious damage, but streets were flooded and trees toppled.

But no places appeared to be hit harder than Biloxi and nearby Gulfport, towns that 36 years ago endured another horrific hurricane named Camille that assaulted Mississippi in nearly the exact same place.

"I had no idea it would be this bad," said Greg Bankston, 27, of Biloxi, who owns a paint store. "My parents, who were here for Camille, said Camille was not this bad."

Biloxi police said they knew of fa-



St. Petersburg Times photo by Douglas R. Clifford
Residents waded through floodwater Monday after winds and rain from Hurricane Katrina struck New Orleans.

By Howard Witt and Dahleen Glanton
Tribune correspondents

NEW ORLEANS—Hurricane Katrina struck a fearsome blow across a wide swath of the Gulf Coast on Monday, flooding tens of thousands of homes in three states, displacing millions of residents who sought higher ground and marooning uncounted victims who ignored warnings to evacuate and were left clinging to balconies and rooftops praying for rescue.

At least 55 deaths were blamed on the massive Category 4 storm, and officials in Louisiana, Alabama and Mississippi were bracing for the death count to go even higher once rescuers reach scores of neighborhoods cut off by the massive flooding. Nearly a million homes in the region were without power or clean water and officials warned it might take weeks to restore both.

"Some of them, it was their last night on Earth," said Terry Ebbert, chief of homeland security for New Orleans, referring to those who failed to evacuate the city of 480,000 in advance of the storm. "That's a hard way to learn a lesson."

Downtown New Orleans escaped the worst of the hurricane when the storm weakened slightly and veered eastward shortly before making landfall at daybreak near the Louisiana town of Buras. The storm then battered the Mississippi coast, slamming into Biloxi and Gulfport. Thirty people were killed in an apartment complex in Biloxi.

Refugees from the hurricane, who made a hasty evacuation from the New Orleans region on Sunday, were crammed into every available hotel room and temporary shelter all the way west to Houston and officials cautioned it would be many days before it was safe for them to return home.

"Please, I'm begging for your patience," Louisiana Gov. Kathleen Blanco asked her fellow citizens during a news conference. "Stay where you are until the professionals can assess the situation. If you try to get in now it will make their jobs more difficult."

Even when it is safe, many will be returning to ruins: The cities of Metairie and Kenner along Interstate Highway 10 west of New Orleans were under at least 4 feet of water, with

MORE INSIDE

■ The storm veers and postpones New Orleans' day of reckoning. **PAGE 11**

■ Oil prices surged but the full impact remains unclear.

IN BUSINESS

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PLEASE SEE HURRICANE, BACK PAGE

IN LOUISIANA

- 40,000 homes flooded in St. Bernard Parish, east of New Orleans.
- Single-story homes south of Lake Pontchartrain flooded to rooflines.
- Storm surges of 15 feet reported in New Orleans.
- At least 370,000 without power in southeast Louisiana.
- Wind tears two holes in roof of New Orleans' Superdome, where 9,000 gather for shelter.
- A broken water main makes New Orleans' tap water unsafe; city issues boil order.
- Several arrests for looting.



IN MISSISSIPPI

- 53 killed, including 30 at an apartment complex in Biloxi.
- 22-foot storm surge reported in Bay St. Louis.
- Several beachfront casinos flooded.

IN ALABAMA

- Two killed in a storm-related traffic accident.
- At least 265,000 customers without power, mostly in the Mobile area.

IN FLORIDA

- At least 82,000 without power.

'They want us to spend more money, but they aren't writing any checks.'

—Chicago Public Schools attorney Sherri Thornton, on Justice Department allegations

Schools back in court on race

By Lori Olszewski
Tribune staff reporter

Days before Chicago Public Schools starts a new year, the U.S. Justice Department is taking the district back to court for not spending enough money on black and Latino children in its most racially isolated schools.

Further, federal attorneys say the district's 2005-06 budget moves money it already plans to

spend on at-risk children into accounts earmarked for desegregation, artificially inflating its efforts.

U.S. District Court Judge Charles P. Kocoras is scheduled Tuesday to hear federal attorneys argue that the district is in contempt of court for violating recent rulings related to the latest version of its 25-year-old desegregation agreement. Federal attorneys say Chicago needs to

find another \$18 million to provide extra academic help for the vast majority of the city's 426,000 students in segregated neighborhood schools whose makeup mirrors the city's housing patterns.

Late last year, Kocoras ordered the school district to spend more money on extra help for those children.

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KPMG admits to \$2.5 billion tax fraud

By Leon Lazaroff and Andrew Zajac
Tribune staff reporters

NEW YORK—Sparing itself from a potentially lethal criminal indictment, KPMG LLP, the nation's fourth-largest accounting firm, admitted Monday to setting up fraudulent tax shelters for its wealthiest clients that cost the U.S. billions of dol-

lars in revenue.

While the firm avoided prosecution, Justice Department officials in New York filed tax fraud charges against eight former employees of the accounting firm and one outside lawyer for

allegedly conspiring to defraud the Internal Revenue Service through the scheme.

Appearing in a Lower Manhattan courtroom, KPMG lawyers admitted that "a number of KPMG tax partners engaged in conduct that was unlawful and fraudulent."

In sidestepping prosecution,

PLEASE SEE KPMG, PAGE 12

Weather: Cloudy and increasingly windy; high 78, low 66
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