

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

UNITED STATES OF AMERICA

Plaintiff,

VS.

[1] ANIBAL ACEVEDO VILA,
[2] LUISA INCLAN BIRD,
[3] MIGUEL NAZARIO FRANCO

Defendants.

CRIMINAL NO. 08-297 (PJB)

COUNTS:

18 USC §§ 1343, 1346

18 USC § 1956(h)

18 USC § 2

(FIVE COUNTS)

INDICTMENT

THE GRAND JURY CHARGES:

At all times material to this Indictment:

GENERAL ALLEGATIONS APPLIED TO COUNTS ONE THROUGH FIVE

1. The defendant **ANIBAL ACEVEDO VILA** (hereinafter "defendant **ACEVEDO VILA**") was the Popular Democratic Party candidate for Governor of the Commonwealth of Puerto Rico. His candidacy was officially announced on July 24, 2003, while he was serving as Resident Commissioner for the Commonwealth of Puerto Rico. Defendant **ACEVEDO VILA** was elected Governor of the Commonwealth of Puerto Rico on November 2, 2004, and the results of the election were certified on December 28, 2004. Defendant **ACEVEDO VILA** was sworn in as Governor on January 2, 2005.

2. The "Comité Aníbal 2004, Inc." (hereinafter referred to as "Comité Aníbal") was a political committee authorized by defendant **ACEVEDO VILA** to serve as his principal campaign committee in connection with his 2004 campaign for Governor of the Commonwealth of Puerto Rico.

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3. Defendant **LUISA INCLAN BIRD** (hereinafter "defendant **INCLAN BIRD**"), was an attorney licensed to practice law in the Commonwealth of Puerto Rico. Defendant **INCLAN BIRD** was a Legal Advisor for the Resident Commissioner's Office in San Juan, Puerto Rico, during the **ACEVEDO VILA** administration. During Acevedo Vilá's gubernatorial campaign, **INCLAN BIRD** worked in the Finance Department for the Comité Aníbal. She was closely connected with fund-raising efforts on behalf of the Comité Aníbal, and handled sizeable cash contributions. After **ACEVEDO VILA** was elected governor, **INCLAN BIRD**, became one of his advisors.

4. Defendant **MIGUEL NAZARIO FRANCO** was the Director of the Finance Department for the Comité Aníbal. **NAZARIO FRANCO** was also on the Board of Directors of Collaborator 18's corporations.

5. Company A was a public relations and media production firm operating in San Juan, Puerto Rico. Company A had performed services for defendant **ACEVEDO VILA**'s Resident Commissioner campaigns. Company E was a corporation affiliated with Company A. Common principals owned and controlled both Company A and Company E. Company E was a separate corporate entity used to provide advertising and media production services for Comité Aníbal. Company E was used as a means to separate the account payables and receivables relating to the Comité Aníbal from other Company A business. Company A did business in interstate commerce.

6. Person A, a person known to the grand jury, was the Comptroller and Chief Financial Officer of Company A and Company E. Person F was one of the principals of Company A and Company E.

7. "Collaborator 18," whose identity is known to the Grand Jury, was the Director and co-owner of various Puerto Rico companies known to the Grand Jury. The companies

operated under the umbrella of a common trade name. These companies had financial interests in the tourism, aviation and food services industries, among others. These companies did business in interstate commerce.

8. Commonwealth of Puerto Rico Public Law 4 prohibited corporations from making campaign contributions. Public Law 115 set the individual contribution limit for political campaigns at \$1,000.

COUNTS ONE THROUGH FOUR

Honest Services Wire Fraud Title 18, United States Code, Sections 1343, 1346 and 2

1. From in or about January, 2003 through in or about October, 2006, in the District of Puerto Rico and elsewhere, the defendants,

[1] ANIBAL ACEVEDO VILA
[2] LUISA INCLAN BIRD,
and
[3] MIGUEL NAZARIO FRANCO,

and others known and unknown to the Grand Jury, aided and abetted by one another, devised and intended to devise, a scheme and artifice to defraud and deprive the Commonwealth of Puerto Rico and its citizens of their intangible right to the honest and faithful services of defendant **ACEVEDO VILA** as Governor of the Commonwealth of Puerto Rico, performed free from deceit, favoritism, bias, conflict of interest, concealment, and improper influence, and for the purpose of executing the scheme and artifice, and attempting to do so, did knowingly transmit and cause to be transmitted in interstate commerce, by means of wire communications, certain signs and signals, as more specifically set forth in Counts One through Four of this Indictment.

OBJECT OF THE SCHEME

2. The object of the scheme and artifice to defraud and deprive was to secretly obtain approximately \$250,000 paid by Collaborator 18 for the benefit of defendant **ACEVEDO VILA** and Comité Anibal, and to use the authority and influence of the office of the Governor to benefit Collaborator 18 and his companies.

3. It was a further object of the scheme to conceal defendant **ACEVEDO VILA's** financial relationship with Collaborator 18 and his corporations from the people of Puerto Rico.

Manner and Means of the Scheme and Artifice to Defraud and Deprive

4. The manner and means of the scheme and artifice to defraud and deprive included:

a. In or about 2004 and 2005, defendants **ACEVEDO VILA, INCLAN BIRD** and **NAZARIO FRANCO** and others known and unknown to the Grand Jury, aided and abetted by each other, obtained approximately \$200,000 from Collaborator 18.

b. The defendants and Collaborator 18 concealed the \$200,000 in payments by fraudulently disguising them as *bona fide* payments for services to Company E supported by fraudulent invoices. Collaborator 18 provided the \$200,000 in separate checks from his corporations to Company E and Company E would then apply the disguised payments to the campaign debt of defendant **ACEVEDO VILA** and Comité Anibal. These payments were never disclosed to the public at any time.

c. After being sworn in as governor in 2005, defendant **ACEVEDO VILA** provided direct and personal assistance to Collaborator 18's business interests by meeting directly with Collaborator 18 to discuss Collaborator 18's business concerns and proposals

as they related to the Puerto Rico government, and then directing defendant **INCLAN BIRD** as well as other aides and subordinates to provide official assistance to Collaborator 18 in his dealings with the government of Puerto Rico. Defendant **ACEVEDO VILA** would at times, while directing such assistance, inform some such aides that Collaborator 18 had helped his campaign.

d. In or about February of 2006, defendant **INCLAN BIRD** invited Collaborator 18 to an event with defendants **ACEVEDO VILA, NAZARIO FRANCO** and others. At that event, campaign supporters solicited an additional \$50,000 in funds from Collaborator 18 for defendant **ACEVEDO VILA** and Comité Aníbal or his political party.

e. The additional \$50,000 in funds were thereafter provided by Collaborator 18 and applied by Company E in the same manner as described in paragraph (b) above. These funds were paid in installments ending in October, 2006. These funds were never disclosed to the public.

f. After the additional \$50,000 was solicited and before the payments were completed, defendants **ACEVEDO VILA** and **INCLAN BIRD** continued to provide official assistance to Collaborator 18 in his business dealings with the government of Puerto Rico.

Use of Wires for Execution of the Scheme

5. On or about the date of each count listed below, in the District of Puerto Rico and elsewhere, defendants **ACEVEDO VILA and INCLAN BIRD** aided and abetted by other individuals known and unknown to the Grand Jury, for the purpose of executing and attempting to execute the above described scheme and artifice to defraud and deprive the Commonwealth of Puerto Rico and its citizens of their intangible right to the honest and

faithful services of defendant **ACEVEDO VILA** as Governor of the Commonwealth of Puerto Rico, transmitted and caused to be transmitted by means of wire communications in interstate commerce, certain writings and signals, as more specifically described below:

COUNT	DATE	PROVIDER	WIRES
ONE	February 13, 2004	Sender's provider - Hotmail.com	Electronic message from Person A to defendant MIGUEL NAZARIO FRANCO requesting payment towards the debt. The message provided balances for the reported and the miscellaneous accounts, and advised that the promise of \$50,000 was not enough. Person A requests NAZARIO FRANCO to call so that they can further discuss the matter.
TWO	March 2, 2004	Recipient's provider - Hotmail.com	Electronic message from Person A to defendant NAZARIO FRANCO in which Person A requires a payment for the Comité Aníbal's debt with Company E.
THREE	March 30, 2004	Recipient's provider - Hotmail.com	Electronic message from Person A to defendant NAZARIO FRANCO requiring a payment, and advising that the "first promise" had not yet been received.
FOUR	May 23, 2006	Recipient's provider - Yahoo.com	Electronic message from a person known to the Grand Jury to defendant LUISA INCLAN BIRD discussing issues that Collaborator 18 and his companies were experiencing with a Puerto Rico government agency.

All in violation of Title 18, United States Code, Sections 1343, 1346 and 2.

COUNT 5

**Conspiracy to Commit Money Laundering
Title 18, United States Code, Sections 1956(h)**

1. From in or about January, 2003 through in or about October, 2006, in the District of Puerto Rico and elsewhere, the defendants,

**[1] ANIBAL ACEVEDO VILA,
[2] LUISA INCLAN BIRD,
and
[3] MIGUEL NAZARIO FRANCO,**

did knowingly, and unlawfully combine, conspire, confederate, and agree with each other and with others known to the Grand Jury, to commit certain offenses under Title 18, United States Code, Section 1956(a)(1)(B)(i), to knowingly and willfully conduct and attempt to conduct financial transactions affecting interstate commerce, which involved the proceeds of specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343, as more specifically described in Counts One through Four, knowing that the transactions were designed in whole and in part to conceal and disguise, the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity, and that while conducting such financial transactions, knew that the property involved in the financial transactions, that is, funds and monetary instruments, represented the proceeds of some form of unlawful activity.

All in violation of Title 18, United States Code, Sections 1956(h) and 1956(a)(1)(B)(i).

Object of the Conspiracy

2. It was the purpose and object of the conspiracy that the defendants would conduct financial transactions with corporate checks issued by Collaborator 18 to Company

E, in order to disguise and conceal the receipt of illegal payments made for the benefit of Comité Aníbal, and credited to the campaign's unreported debt with Company E and other vendors.

Manner and Means of the Conspiracy

3. The manner and means used to accomplish the objectives of the unlawful conspiracy included:

a. Defendants engaged in a scheme and artifice to defraud as described in paragraphs One through Five of Counts One through Four of this Indictment.

b. Over the course of the conspiracy, Collaborator 18 delivered approximately \$250,000 which constituted the proceeds of the scheme to Company E. Such transactions were disguised as payments for services purportedly rendered. In fact, there were no such services rendered and the payments were always intended to be for the benefit of defendant **ACEVEDO VILA** and Comité Aníbal.

c. In order to disguise the payments, Company E provided Collaborator 18 with invoices created to substantiate the purported services rendered. Such invoices were fraudulent in that no such services were rendered.


d. Collaborator 18 reported such transactions as legitimate business transactions and paid taxes or fees which would be required for payments for services rendered.

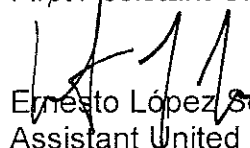
e. Company E then either canceled debt owed to Company E by defendant **ACEVEDO VILA** and Comité Aníbal in amounts equal to each payment received from Collaborator 18, or used parts of those payments to pay other campaign vendors for services provided to defendant **ACEVEDO VILA** and Comité Aníbal.

f. These payments were never disclosed in the various reports which legally required disclosure of all payments for the benefit of defendant **ACEVEDO VILA** and Comité Anibal.

All in violation of Title 18, United States Code, Sections 1956(h) and 1956(a)(1)(B)(i).

A TRUE BILL
FOREPERSON
Date: 8/19/02

ROSA EMILIA RODRIGUEZ-VELEZ
UNITED STATES ATTORNEY

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U. S. DEPARTMENT OF JUSTICE
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