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Federal indictments for corruption have risen dramatically since '02

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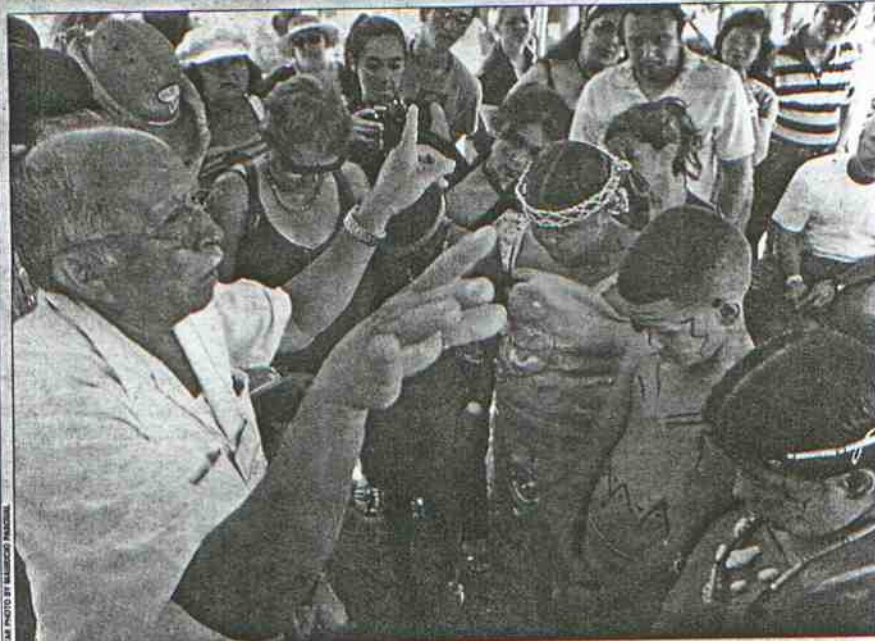
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Caguas hosts Indigenous Encounter of the Americas



STAR PHOTO BY ELLIENOR PARRALES
Ildelfonso Ake Cocom, right, of a delegation from México, blesses a group of youths from Guayama dressed as Tainos, during the 10th annual Indigenous Encounter of the Americas on Sunday at the Botanical and Cultural Garden in Caguas.



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High-profile corruption cases part of trend

Experts: Federal actions in P.R. similar to U.S. cases

BY XAVIRA NEGGERS CRESCIONI
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OF THE STAR STAFF

While Gov. Acevedo Vilá has cried foul over federal authorities' assumption of jurisdiction in its case against him, critics and defenders say their tactics have been similar in previous corruption cases against his political opponents.

In fact, they say the high-profile corruption cases involving government officials here is part of a trend across the United States. Federal indictments and convictions against public officials have been skyrocketing throughout the United States, with 1,083 indictments and 931 convictions in 2007, versus 566 indictments and 485 convictions in 2001, the FBI reported.

Since 2002, the FBI has put fighting public corruption as its fourth most important priority, behind the agency's mission to protect the United States against cyber-based attacks and high-technology crimes, crimes involving foreign intelligence operations and espionage and its top priority of protecting against terrorist attack, FBI spokesman Harry Rodríguez said.

"People think that federal authorities act differently here, but if you look at the big picture this is not true. All federal cases start from a core issue — such as attacking public corruption. When federal authorities see allegations of this sort, they look for how federal law can be applied to prosecute," attorney and political commentator Alfredo Castellanos said.

Both opponents and supporters say federal authorities on the island have always prosecuted — either rightly or wrongly — matters they consider high-priority, such as public corruption.

Federal statutes cover a plethora of crimes, so the federal government can assume jurisdiction whenever it wants and usually does so in high-priority matters, they add.

The U.S. Criminal Code has 237 Chapters detailing 3,771 sections or offenses, giving federal authorities ample room to prosecute just about any crime they consider a priority.

However, attorneys differ as to what motivates the U.S. government's priorities. Some, like former Puerto Rico Bar Association President Julio Fontanet, say many times the U.S.



Gov. Acevedo Vilá, second from left, turns himself in on March 28 to FBI Assistant Agent in Charge José Figueroa, right, at U.S. District Court in Hato Rey.

Justice Department opts to selectively prosecute "people or groups who hold progressive views contrary to established interests," while others such as Castellanos say prosecutions are driven by public policy, such as making government more transparent.

Questioning jurisdiction

Acevedo Vilá and his attorney Thomas Green have said that his indictment is an "unwarranted intrusion" by the federal government into Puerto Rico affairs. But questioning federal jurisdiction in local corruption cases is nothing new.

In fact, the governor's complaints about jurisdiction mirror those of his political opponents René Vázquez Botet and Marcos Morell Corrada, who were convicted of soliciting \$2.4 million in bribes from four contractors in the Superaqueduct corruption case. U.S. Justice Department Public Integrity Division attorney Mary K. Butler, who is a career employee, reviewed the evidence leading to the indictments in both cases.

Acevedo Vilá was charged with 19 criminal counts related to alleged campaign finance violations. The governor, and the other 12 people also named in the March 27, 27-count indictment, are charged with illegally camouflaging \$3.3 million in excess of campaign limits. He began raising the money while resident commissioner for his re-election campaign, but when Gov. Sila Calderón decided to retire from politics, the funds rolled over into his 2004 gubernatorial run.

The governor allegedly did this by reimbursing third parties to make so-called straw donations, collecting cash under the table and having local businessmen pay fake invoices for services rendered by ad agencies working on Acevedo Vilá's campaigns.

The indictment also accuses the governor of misusing campaign funds. He allegedly used more than \$75,000 to augment his salary as resident commissioner, pay for family vacations and buy expensive clothing and make other personal purchases.

Federal charges

Acevedo Vilá faces one count of conspiring to commit offense or defraud the United States, conspiring to violate federal campaign laws and conspiring to lie to the Federal Election Commission. He also faces 12 counts of wire fraud and one

count of federal program fraud because he accepted \$7 million in public financing from Puerto Rico's Treasury, which receives federal funding, when he allegedly knew he did not qualify.

The governor also faces one count of conspiring to defraud the Internal Revenue Service for failing to report cash from illegal contributions, and two tax fraud counts for failing to report the income in 2003 and 2004.

The governor's complaints against federal authorities mirror those of attorneys for former Rosselló campaign manager Vázquez Botet and former New Progressive Party Secretary General Morell.

Like Acevedo Vilá, Vázquez Botet and Morell were accused of conspiracy to defraud the United States, under Title 18, U.S. Code, Section 371. In the Superaqueduct case, prosecutors argued the two defendants were defrauding the United States because they were interfering with interstate commerce by extorting kickbacks from contractors under color of official right, legal observers say.

And even though the ill-gotten gains should have been reported to the Puerto Rico Treasury Department, federal authorities assumed jurisdiction using a more general fraud statute charging the pair had undertaken "a fraud scheme to deprive Puerto Rico of income payments" by mailing in false tax returns. Vázquez Botet and Morell Corrada, respectively, were convicted of three counts and four counts of fraud under the federal statute because they mailed in their tax returns.

Each of the duo also was convicted of three counts of extortion because they allegedly threatened contractors they would not get Superaqueduct work unless they paid the kickbacks.

The power of jurisdiction

Federal authorities' use of e-mails in the Acevedo Vilá case and the mail in the Superaqueduct case show how "federal jurisdiction is stuck together with chewing gum in many instances," said one attorney working in the federal court, who requested anonymity.

In the Superaqueduct case, several of the fraud counts related to what should have been a local tax evasion case, the lawyer said.

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UNITED STATES DISTRICT COURT FOR THE DISTRICT OF PUERTO RICO

UNITED STATES OF AMERICA
Plaintiff,

VS.

CRIMINAL NO. 08-36 (RFB)

VS.	COUNTS:
(1) ANIBAL ACEVEDO VILA,	2 USC 4240E
(2) CARMELO HERRON BELLA,	2 USC 4379(a)(1)(A)
(3) SALVATORE AVANZATO,	2 USC 4414(a)(1)
(4) JORGE VELARCO BELLA,	2 USC 4419(a)
(5) ROBERT W. FELDMAN,	2 USC 4474
(6) MARVIN L. BLOCK,	2 USC 4411
(7) RUBEN VELARCO ESCOBARILLE,	19 USC 2
(8) EDWIN COLON RODRIGUEZ,	19 USC 271
(9) ENRIQUE CORBAO BALABANO,	18 USC 894(a)(1)(A)
(10) LUISA INCLAN BIRD,	18 USC 1571
(11) MIGUEL NAZARIO FRANCO,	18 USC 1801(a)(1)
(12) RICARDO COLON PARRILLA,	18 USC 1815(a)(2)
(13) JOSE GONZALEZ FREYRE,	28 USC 1343
	(28 USC 1346(1))

(TWENTY-SEVEN COUNTS)

SUPERSEDED INDICTMENT

THE GRAND JURY CHARGES:

At all times related to this superseding indictment:

GENERAL ALLEGATIONS APPLIED TO COUNTS ONE THROUGH NINE

Relevant Entities and Individuals Involved

1. The "Comité Acevedo Vilá Compendio 2002, Inc." (hereinafter referred to as "the Committee") was a political committee, formed in 1999 in Puerto Rico, that had been authorized by the defendant, ANIBAL ACEVEDO VILA, to serve as his principal campaign committee for his 2002 campaign for Resident Commissioner to the United

The federal 27-count indictment of Gov. Acevedo Vilá and 12 others