

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

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UNITED STATES OF AMERICA,  
Plaintiff,

v.

MIGUEL G. ORTIZ VÉLEZ,  
a/k/a "Papín"  
Defendant.

INDICTMENT

CRIMINAL NO. 18-424 (PAD)

CRIMINAL VIOLATIONS:  
18 U.S.C. §§ 641, 1341, 1349, 1957

SIX COUNTS &  
FORFEITURE ALLEGATIONS

CLERK'S OFFICE  
U.S. DISTRICT COURT  
SAN JUAN, PR

INDICTMENT

THE GRAND JURY CHARGES:

INTRODUCTION

At all times material to this Indictment:

PUERTO RICO DEPARTMENT OF EDUCATION

1. The Departamento de Educación de Puerto Rico ("Puerto Rico Department of Education") (hereinafter "PR DOE") was organized under Article V, section 6 of the Constitution of the Commonwealth of Puerto Rico. The PR DOE is responsible for the planning and administration of all public elementary, secondary and some post-secondary education throughout Puerto Rico.
2. The PR DOE administers various federal financial assistance programs funded by the United States Department of Education (hereinafter "US ED") intended for students in public and private schools. The PR DOE receives funds under the Title I, Part A (commonly known as "Title I funds") of the Elementary and Secondary Education Act of 1965, as amended (ESEA) to provide financial assistance to local education agencies and schools with high numbers or high

percentages of children from low-income families to help ensure that all children meet challenging state academic standards. The PR DOE receives funds under Title II, Part A (commonly known as “Title II funds”) to provide financial assistance to local education agencies to increase the academic achievement of all students by helping schools and districts improve teacher and principal quality and ensure that all teachers are highly qualified.

3. The PR DOE was permitted to use the Title I and Title II funds allocated to them to pay for, among other things, educational projects to carry out its mission following federal and state policies and regulations.
4. Within the PR DOE, the Unidad de Adjudicacion de Fondos y Planes de Trabajo (“Adjudication of Funds and Work Plans Unit”) operated a web-based platform known as the “UPT System,” which was utilized to submit, evaluate, and approve work plans to be funded by the US ED.
5. In order to submit a work plan through the UPT System, an applicant was required to register a user name and password. The user profile information includes the name of the requestor, name of the PR DOE unit or government entity, and a valid email account.
6. The UPT System generated an email with a confirmation code sent to the email account provided by the requestor. The requestor finalized the registration process by entering the confirmation information in the UPT System.
7. Once registered, the requestor submitted a work plan and uploaded supporting documents for review by the PR DOE.
8. The servers operating the PR DOE’s UPT System were located in Puerto Rico.

**ADMINISTRATIVE, ENVIRONMENTAL AND SPORTS CONSULTANTS CORP.**

9. Administrative, Environmental and Sports Consultants Corp. (“AESC”) was a domestic for-profit corporation organized under the laws of Puerto Rico on or about January 28, 2009.

10. Irving Riquel Torres Rodriguez (“Torres”) was the president and treasurer of AESC in or about 2010-2012 and in or about 2015.
11. At all times, Torres controlled and operated AESC as well as AESC’s bank accounts.

**ADDITIONAL ENTITIES**

12. The Municipality of Sabana Grande was a local governmental entity responsible for administering municipal finances and governmental services within the city and area recognized as Sabana Grande, Puerto Rico.
13. Defendant **MIGUEL G. ORTIZ VÉLEZ** was the mayor of the Municipality of Sabana Grande and responsible for executing certain agreements and administering funds on behalf of the Municipality of Sabana Grande.
14. The Puerto Rico Departamento de Hacienda (“Department of Treasury” hereinafter “Hacienda”) is a governmental agency responsible for administering the finances for the Commonwealth of Puerto Rico and executing monetary transactions on behalf of government agencies, including but not limited to, PR DOE.
15. Google was a for-profit corporation with headquarters in Mountain View, California that operated electronic mail services, known as Gmail, via servers located outside of Puerto Rico.

**CONSPIRACY AND SCHEME TO DEFRAUD**

16. In or about February 2013, Defendant **MIGUEL G. ORTIZ VÉLEZ** met with and agreed with Torres and others known and unknown to the Grand Jury that Torres and others would draft and submit proposals on behalf of the Municipality of Sabana Grande to the PR DOE to obtain federal funding for certain projects.
17. On or about February 14, 2013, members of the conspiracy used Defendant **MIGUEL G. ORTIZ VÉLEZ**’ name and created an email address (munsabgde@gmail.com) in order to

authenticate registration in the PR DOE's UPT system on behalf of the Municipality of Sabana Grande and Defendant **MIGUEL G. ORTIZ VÉLEZ**.

18. On or about February 14, 2013, Defendant **MIGUEL G. ORTIZ VÉLEZ** was welcomed to the UPT system via email sent by the UPT system to munsabgde@gmail.com, which contained a code to confirm registration.
19. Members of the conspiracy, who were not municipal employees, drafted proposals to be submitted on behalf of the Municipality of Sabana Grande and Defendant **MIGUEL G. ORTIZ VÉLEZ** to the PR DOE.
20. From in or about 2013 to in or about 2016, AESC and Torres made monetary payments to other members of the conspiracy, including but not limited to, cash contributions given to and hospitality expenses paid for the benefit of Defendant **MIGUEL G. ORTIZ VÉLEZ**.
21. From in or about 2013 to in or about 2016, Defendant **MIGUEL G. ORTIZ VÉLEZ** received approximately twenty-two thousand nine hundred dollars (\$22,900), in cash contributions from AESC and Torres.

#### **VERANO EDUCATIVO PROJECT**

22. On or about February 15, 2013, work plan PTV-13-022 entitled "Verano Educativo: Integracion de las Artes y la Educacion Fisica como estrategia educativa para fomentar el aprovechamiento academico, la formacion de caracter, y la prevencion de violencia" ("Verano Educativo") was submitted via the UPT system on behalf of the Municipality of Sabana Grande and Defendant **MIGUEL G. ORTIZ VÉLEZ** to the PR DOE.
23. On or about March 8, 2013 Defendant **MIGUEL G. ORTIZ VÉLEZ** and a conspirator agreed to attend the PR DOE orientation meeting on "How to Prepare 'Planes de Trabajo'".
24. On or about May 10, 2013, Defendant **MIGUEL G. ORTIZ VÉLEZ** received a one thousand

five hundred dollar (\$1,500.00) cash payment from AESC funds and a one thousand five hundred dollar (\$1,500.00) cash payment from a Torres' personal funds.

25. On or about May 13, 2013, the PR DOE approved the Verano Educativo work plan and assigned federal funds from the Title I, Part A Program.
26. In or about May 2013, Torres and AESC took steps to prepare for and administer the Verano Educativo project based on the understanding that Defendant **MIGUEL G. ORTIZ VÉLEZ** and the Municipality of Sabana Grande would contract with AESC to provide all of the Verano Educativo services.
27. On or about May 22, 2013, the Municipality of Sabana Grande sent request for proposal invitation letters for the Verano Educativo project containing a June 3, 2013 due date, to five companies. The request for proposal invitation letter indicated that the Verano Educativo project would be provided during the summer of 2013. Torres and a conspirator coordinated the request for proposal process for the Municipality of Sabana Grande by drafting the invitation letters to the companies and preparing the required request for proposal paperwork.
28. On or about June 4, 2013, AESC submitted a proposal for the Verano Educativo project. No other proposals were submitted.
29. On or about June 28, 2013, Defendant **MIGUEL G. ORTIZ VÉLEZ** and the PR DOE executed covenant 2013-AF0365 wherein the Municipality of Sabana Grande, represented by Defendant **MIGUEL G. ORTIZ VÉLEZ**, agreed to carry out the Verano Educativo project.
30. As a part of covenant 2013-AF0365, Defendant **MIGUEL G. ORTIZ VÉLEZ** represented that the Municipality of Sabana Grande had the preparation, capacity, experience, and necessary resources to comply with the obligations and responsibilities of the covenant.
31. As a part of covenant 2013-AF0365, Defendant **MIGUEL G. ORTIZ VÉLEZ** agreed that the

Municipality of Sabana Grande would not transfer or subcontract the services to a third party without the prior written consent of the PR DOE.

32. As a part of covenant 2013-AF0365, the PRDOE agreed to pay the Municipality of Sabana Grande a maximum of one million one hundred fifty-two thousand dollars (\$1,152,000.00) for the Verano Educativo project.
33. Defendant **MIGUEL G. ORTIZ VÉLEZ** misrepresented the cost of the project and failed to inform the PR DOE that the actual cost of the project was significantly less.
34. On or about July 8, 2013, Defendant **MIGUEL G. ORTIZ VÉLEZ** sent a letter to AESC notifying the company that it was selected to provide the services for the Verano Educativo project. By subcontracting the project through the Municipality of Sabana Grande, AESC was not subject to any scrutiny by the PR DOE.
35. On or about July 9, 2013, Torres sent a draft subcontract to the Municipality of Sabana Grande which was executed on or about July 10, 2013 by Defendant **MIGUEL G. ORTIZ VÉLEZ**.
36. Prior written consent to subcontract AESC was not obtained from PR DOE.
37. The contract between the Municipality of Sabana Grande and AESC for the Verano Educativo project provided that AESC was to be paid a maximum of seven hundred ninety-four thousand eight hundred eighty dollars (\$794,880).
38. On or about August 19, 2013, AESC sent an email to the Municipality of Sabana Grande attaching an invoice for the Verano Educativo project in the amount of one million one hundred fifty-two thousand dollars (\$1,152,000.00) which was then submitted by the Municipality of Sabana Grande to the PR DOE for payment. The invoice does not disclose that project services were performed by AESC.
39. On or about August 20, 2013, AESC submitted an invoice to the Municipality of Sabana Grande

for the Verano Educativo project in the amount of seven hundred ninety-four thousand eight hundred eighty dollars (\$794,880).

40. On or about October 25, 2013, Hacienda issued check 00431003 to the Municipality of Sabana Grande in the amount of one million one hundred thirty-four thousand seven hundred twenty dollars (\$1,134,720.00) for the Verano Educativo project and sent the check via mail through the United States Postal Service to the Municipality of Sabana Grande.
41. On or about October 30, 2013, the Municipality of Sabana Grande deposited check 00431003 into Banco Popular de Puerto Rico account XXXXXX8764 held by the Municipality of Sabana Grande.
42. On or about December 18, 2013, the Municipality of Sabana Grande issued check number 001793 payable to AESC in the amount of seven hundred thirty-nine thousand two hundred thirty-eight dollars and forty cents (\$739,238.40) for the Verano Educativo project.
43. On or about December 19, 2013, the Municipality of Sabana Grande issued check number 001795 payable to AESC in the amount of thirty-one thousand seven hundred ninety-five dollars and twenty cents (\$31,795.20) for the Verano Educativo project.
44. On or about December 19, 2013, AESC deposited check number 001793 in Banco Popular de Puerto Rico account XXXXX5329, held by AESC.
45. On or January 17, 2014, AESC deposited check number 00001795 in Banco Popular de Puerto Rico account XXXXX5329, held by AESC.
46. The Municipality of Sabana Grande comingled the net proceeds from the Verano Educativo project with other municipal funds, which were utilized for general purposes.
47. The conspiracy and scheme to defraud resulted in the following approximate costs, payments, and net profits related to the Verano Educativo project:

Actual Cost of Verano Educativo Project	Amount Paid by Hacienda to the Municipality of Sabana Grande	Amount Paid by the Municipality of Sabana Grande to AESC	Net Profit to the Municipality of Sabana Grande	Net Profit to AESC
\$221,747.50	\$1,134,720	\$771,033.60	\$363,686.40	\$549,286.10

### **DESARROLLO CONTINUO PROJECT**

48. On or about February 19, 2013, work plan PTV-13-19 entitled “Desarrollo Profesional Continuo y Sosteniendo” (“Desarrollo Continuo”) was submitted via the UPT system on behalf of the Municipality of Sabana Grande and Defendant **MIGUEL G. ORTIZ VÉLEZ** to the PR DOE.
49. On or about March 27, 2013, a member of the conspiracy met with the PR DOE regarding changes to the Desarrollo Continuo proposal.
50. On or about June 4, 2013, the PR DOE approved the Desarrollo Continuo work plan and assigned federal funds from the Title II, Part A Program.
51. In or about 2013, Torres told Defendant **MIGUEL G. ORTIZ VÉLEZ** that they could do the Desarrollo Continuo project through Company F because Torres had worked similar projects through Company F with other municipalities. Defendant **MIGUEL G. ORTIZ VÉLEZ** agreed and told Torres that an RFP process was not required because Company F was a non-profit organization.
52. In or about September 2013, members of the conspiracy drafted a letter which Defendant **MIGUEL G. ORTIZ VÉLEZ** sent to Company F to request that Company F submit a proposal to perform the services of the Desarrollo Continuo project.
53. In or about late 2013 or early 2014, Defendant **MIGUEL G. ORTIZ VÉLEZ** met with Torres and the president of Company F to discuss the possibility of Company F contracting to perform services for the Municipality of Sabana Grande on contracts awarded by the PR DOE to the



Municipality of Sabana Grande.

54. On or about January 22, 2014, members of the conspiracy drafted a letter which Company F submitted to Defendant **MIGUEL G. ORTIZ VÉLEZ** indicating that Company F had experience administering projects for the PR DOE.
55. On or about March 11, 2014, Defendant **MIGUEL G. ORTIZ VÉLEZ** and the PR DOE executed covenant 2014-AF0248 wherein the Municipality of Sabana Grande, represented by Defendant **MIGUEL G. ORTIZ VÉLEZ**, agreed to carry out the Desarrollo Continuo project.
56. As a part of covenant 2014-AF0248, Defendant **MIGUEL G. ORTIZ VÉLEZ** represented that the Municipality of Sabana Grande had the preparation, capacity, experience, and necessary resources to comply with the obligations and responsibilities of the covenant.
57. As a part of covenant 2014-AF0248, Defendant **MIGUEL G. ORTIZ VÉLEZ** agreed that the Municipality of Sabana Grande could not subcontract the services identified in the covenant and Defendant **MIGUEL G. ORTIZ VÉLEZ** agreed that the Municipality of Sabana Grande would not transfer or subcontract the services to a third party without the prior written consent of the PR DOE.
58. As a part of covenant 2014-AF0248, the PRDOE agreed to pay the Municipality of Sabana Grande a maximum of one million nine hundred eighteen thousand six hundred forty-two dollars (\$1,918,642.00) for the Desarrollo Continuo project.
59. Defendant **MIGUEL G. ORTIZ VÉLEZ** misrepresented the cost of the project and failed to inform the PR DOE that the actual cost of the project was significantly less.
60. On or about April 10, 2014, Defendant **MIGUEL G. ORTIZ VÉLEZ** received a one thousand nine hundred dollar (\$1,900.00) cash payment from AESC funds and a one thousand nine hundred dollar (\$1,900.00) cash payment from Torres' personal funds.

61. On or about April 24, 2014, members of the conspiracy drafted a proposal which was submitted by Company F to the Municipality of Sabana Grande for Company F to administer the Desarrollo Continuo project.
62. On or about May 6, 2014, a subcontract between the Municipality of Sabana Grande and Company F was executed by Defendant **MIGUEL G. ORTIZ VÉLEZ** for the Desarrollo Continuo project. By subcontracting the project through the Municipality of Sabana Grande, Company F was not subjected to any scrutiny by the PR DOE.
63. The contract between the Municipality of Sabana Grande and Company F for the Desarrollo Continuo project provided that Company F was to be paid a maximum of one million three hundred ninety-nine thousand two hundred dollars (\$1,399,200).
64. Prior written consent to subcontract Company F was not obtained from PR DOE.
65. On or about April 21, 2014, Company F contracted with Torres and agreed that Torres would earn 40% net profit from any project that he brought to and financed for Company F.
66. Company F subcontracted and utilized AESC and Torres to administer the Desarrollo Continuo project. AESC and Torres financed the project by transferring funds for project expenses to Company F. As a result, Company F did not utilize any personnel or financial resources for the Desarrollo Continuo project. By further subcontracting, AESC was not subjected to any scrutiny by the PR DOE.
67. Prior written consent to subcontract AESC was not obtained from PR DOE.
68. On or about September 8, 2014, Company F submitted an invoice to the Municipality of Sabana Grande in the amount of one million three hundred ninety-nine thousand two hundred dollars (\$1,399,200) for the Desarrollo Continuo project.
69. In or about October 2014, the Municipality of Sabana Grande submitted an invoice for the

Desarrollo Continuo project to the PR DOE in the amount of one million seven hundred seventy thousand two hundred dollars (\$1,770,200.00). The invoice does not disclose that project services were performed by Company F or AESC.

70. On or about November 14, 2014, Hacienda issued check 00522754 to the Municipality of Sabana Grande in the amount of one million seven hundred seventy thousand two hundred dollars (\$1,770,200.00) for the Desarrollo Continuo project and sent the check via mail to the Municipality of Sabana Grande.
71. On or about December 1, 2014, the Municipality of Sabana Grande deposited check 00522754 into Banco Popular de Puerto Rico account XXXXX8764 held by the Municipality of Sabana Grande.
72. On or about December 8, 2014, the Municipality of Sabana Grande issued check 001799 payable to Company F in the amount of one million three hundred seventy-eight thousand two hundred twelve dollars (\$1,378,212) for the Desarrollo Continuo project.
73. On or about December 10, 2014, Company F deposited check 001799 into Banco Popular de Puerto Rico account XXXXX3601, held by Company F.
74. The Municipality of Sabana Grande comingled the net proceeds from the Desarrollo Continuo project with other municipal funds, which were utilized for general purposes.
75. On or about December 15, 2014, I.R.T.R. sent Company F invoice number 28-2014 for the Desarrollo Continuo project. The invoice listed the amount Company F received from the Municipality of Sabana Grande via check (\$1,378,212.00), the cost of the project (\$439,587.55), the gross profit for Company F and AESC (\$938,624.45), and the net profit for AESC calculated as 40% of the gross profit (\$375,449.78).
76. On or about December 17, 2014, Company F issued check number 006229 and 006230 to AESC

in the amount of approximately three hundred seventy-six thousand five hundred ninety-four dollars and forty-nine cents (\$376,594.49) in expenses and approximately three hundred seventy-five thousand four hundred forty-nine dollars and seventy-eight cents (\$375,449.78) in profit for the Desarrollo Continuo project.

77. On or about December 18, 2014, AESC deposited check number 006229 and 006230 into Banco Popular de Puerto Rico account XXXXX5329, held by AESC.

78. On or about January 16, 2015, Defendant **MIGUEL G. ORTIZ VÉLEZ** received a one thousand three hundred dollar (\$1,300.00) cash payment from AESC funds.

79. The conspiracy and scheme to defraud resulted in the following approximate costs, payments, and net profits related to the Desarrollo Continuo project:

Actual Cost of Desarrollo Continuo Project	Amount Paid by Hacienda to the Municipality of Sabana Grande	Amount Paid by the Municipality of Sabana Grande to Company F	Net Profit to the Municipality of Sabana Grande	Net Profit to Company F	Net Profit to AESC
\$439,587.55	\$1,770,200.00	\$1,378,212.00	\$391,988.00	\$563,174.67	\$375,449.78

**COUNT ONE**  
**(Theft of Government Money and Property)**  
**18 U.S.C. §§ 641, 2**

80. Paragraphs 1-79 are hereby re-alleged as if set forth herein.

81. On or about October 30, 2013, in the District of Puerto Rico and within the jurisdiction of this Court,

**MIGUEL G. ORTIZ VÉLEZ,**

the defendant herein, aiding and abetting others, willfully and knowingly did steal, purloin, and convert to the use of another a thing of value of the United States in an amount over \$1,000, that is approximately one million one hundred thirty-four thousand seven hundred twenty dollars

(\$1,134,720.00) in federal funding from the United States Department of Education. All in violation of 18 U.S.C. §§ 641, 2.

**COUNT TWO**  
**(Theft of Government Money and Property)**  
**18 U.S.C. §§ 641, 2**

82. Paragraphs 1-79 are hereby re-alleged as if set forth herein.

83. On or about December 1, 2014, in the District of Puerto Rico and within the jurisdiction of this Court,

**MIGUEL G. ORTIZ VÉLEZ,**

the defendant herein, aiding and abetting others, willfully and knowingly did steal, purloin, and convert to the use of another a thing of value of the United States in an amount over \$1,000, that is approximately one million seven hundred seventy-two thousand two hundred dollars (\$1,772,200.00) in federal funding from the United States Department of Education. All in violation of 18 U.S.C. §§ 641, 2.

**COUNT THREE**  
**(Conspiracy to Commit Wire and Mail Fraud)**  
**18 U.S.C. § 1349**

84. Paragraphs 1-79 are hereby re-alleged as if set forth herein.

85. From in or about February 2013 through in or about December 2014, in the District of Puerto Rico and within the jurisdiction of this Court,

**MIGUEL G. ORTIZ VÉLEZ,**

the defendant herein, did knowingly and willfully combine, conspire, confederate, and agree with others known and unknown to the Grand Jury to commit an offense contained in Chapter 63, of Title 18, of the United States Code, that is mail fraud in violation 18 U.S.C. § 1341 and wire fraud in violation of 18 U.S.C. § 1343.

**OBJECT OF THE CONSPIRACY**

86. It was the common purpose and object of the unlawful conspiracy for **MIGUEL G. ORTIZ VÉLEZ** and others to conspire to engage in deceptive conduct designed to fraudulently obtain federal funds from the United States Department of Education and PR DOE and for those federal funds to be distributed to the Municipality of Sabana Grande, AESC, Torres and others.

**MANNER AND MEANS**

87. It was part of the manner and means of the unlawful conspiracy that an email address (munsabgde@gmail.com) was established with Google's Gmail service to authenticate registration in the UPT system.

88. It was part of the manner and means of the unlawful conspiracy that members of the conspiracy caused to be transmitted by means of wire communication in interstate commerce email and electronic communications to register an account with the UPT system and to electronically submit proposals to the PR DOE on behalf of the Municipality of Sabana Grande.

89. It was part of the manner and means of the unlawful conspiracy that the identity of the individuals creating and submitting proposals on behalf of the Municipality of Sabana Grande were concealed and disguised from the PR DOE.

90. It was part of the manner and means of the unlawful conspiracy that materially false representations were submitted via the UPT system to the PR DOE regarding the ability of the Municipality of Sabana Grande to administer the proposed projects utilizing municipal personnel.

91. It was part of the manner and means of the unlawful conspiracy that members of the conspiracy knowingly caused to be delivered by mail at the place at which it was directed to be delivered by the person to whom it was addressed, checks from Hacienda to the Municipality of Sabana

Grande totaling approximately two million nine hundred four thousand nine hundred twenty dollars (\$2,904,920.00).

92. It was part of the manner and means of the unlawful conspiracy that net proceeds were retained by the Municipality of Sabana Grande from the difference between the payment made by PR DOE to the Municipality of Sabana Grande and the payment made by the Municipality of Sabana Grande to the unauthorized subcontractor.

93. It was part of the manner and means of the unlawful conspiracy that participants in the conspiracy and scheme divided proceeds of the conspiracy and scheme between the entities they controlled. All in violation of 18 U.S.C. § 1349.

**COUNTS FOUR-FIVE**  
**(Mail Fraud)**  
**18 U.S.C. § 1341**

94. Paragraphs 1-79 are hereby re-alleged as if set forth herein.

**SCHEME AND ARTIFICE TO DEFRAUD**

95. It was part of the scheme and artifice to defraud that mail, identified below, containing payment checks were caused to be sent from Hacienda to the Municipality of Sabana Grande.

96. It was part of the scheme and artifice to defraud that the identity of the individuals creating and submitting proposals on behalf of the Municipality of Sabana Grande were concealed and disguised from the PR DOE.

97. It was part of the scheme and artifice to defraud that materially false representations were submitted via the UPT system to the PR DOE regarding the ability of the Municipality of Sabana Grande to administer the proposed projects utilizing municipal personnel.

98. It was part of the scheme and artifice to defraud that the Municipality of Sabana Grande failed to identify the actual entity providing services under the terms of the PR DOE covenants.

99. It was part of the scheme and artifice to defraud that net proceeds were retained by the Municipality of Sabana Grande from the difference between the payment made by PR DOE to the Municipality of Sabana Grande and the payment made by the Municipality of Sabana Grande to AESC and Company F.

100. It was part of the scheme and artifice to defraud for participants in the scheme to divide proceeds of the scheme.

101. It was part of the scheme and artifice to defraud for the Municipality of Sabana Grande to use net proceeds from the scheme for purposes outside the scope of the covenants reached with PR DOE.

102. From in or about February 2013, through in or about December 2014, in the District of Puerto Rico and elsewhere,

**MIGUEL ORTIZ VÉLEZ**

the defendant herein, with the intent to defraud, devised and willfully participated in, with knowledge of its fraudulent nature, the above described scheme and artifice to defraud and obtain money by materially false and fraudulent pretenses, representations, and promises.

103. On or about the dates listed below, in the District of Puerto Rico and within the jurisdiction of this Court, for purposes of executing or attempting to execute the above described scheme and artifice to defraud and deprive,

**MIGUEL ORTIZ VÉLEZ**

the defendant herein, knowingly caused to be delivered by mail at the place at which it was directed to be delivered by the person to whom it was addressed, the following matters:



Count	Description of Item Caused to be Mailed	Date	Mailed To
4.	Check 00431003 in the amount of \$1,134,720.00 and payable to "Municipio de Sabana Grande"	October 25, 2013	PO Box 356 Sabana Grande, PR 00637 United States
5.	Check 00522754 in the amount of \$1,770,200.00 and payable to "Municipio de Sabana Grande"	November 14, 2014	PO Box 356 Sabana Grande, PR 00637 United States

All in violation of 18 U.S.C. § 1341.

**COUNT SIX**  
**(Engaging in Monetary Transactions in Property**  
**Derived from Specified Unlawful Activity)**  
**18 U.S.C. § 1957**

104. Paragraphs 1-79 are hereby re-alleged as if set forth herein.

105. On or about the dates set forth below, in the District of Puerto Rico and within the jurisdiction of this Court,

**MIGUEL G. ORTIZ VÉLEZ,**

the defendant herein, did knowingly engage and attempt to engage in the following monetary transactions by through or to a financial institution, affecting interstate or foreign commerce, in criminally derived property of a value greater than \$10,000, that is the deposit, withdrawal, and transfer of U.S. currency, funds, and monetary instruments, such property having been derived from a specified unlawful activity, that is, theft of government funds in violation of 18 U.S.C. 641, mail fraud in violation of 18 U.S.C. § 1341, and conspiracy to commit mail fraud and wire fraud in violation 18 U.S.C. § 1349.

Count	Description	Date	Amount (USD)
6.	Check #001793 paid by the Municipality of Sabana Grande to "Administrative Environmen and Sports Consultant, Cor"	12/18/2013	\$739,238.40

All in violation of 18 U.S.C. § 1957.

### **FORFEITURE ALLEGATIONS**

The allegations contained in Counts One through Five of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeitures pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

Upon conviction of an offense in violation of 18 U.S.C. § 641 or 18 U.S.C. § 1341 as set forth in Counts One through Five of this Indictment, the defendant, **MIGUEL G. ORTIZ VÉLEZ**, shall forfeit to the United States of America, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses, including, but not limited to a money judgment in the amount of \$2,904,920.00.

If any of the property described above, as a result of any act or omission of the defendant (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c).

All pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

### **MONEY LAUNDERING FORFEITURE ALLEGATIONS**

The allegations contained in Count Six of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to 18 U.S.C. § 982(a)(1).

Pursuant to 18 U.S.C. § 982(a)(1), upon conviction of an offense in violation of 18 U.S.C. § 1957, the defendant, **MIGUEL G. ORTIZ VÉLEZ** shall forfeit to the United States of America any property, real or personal, involved in such offense, and any property traceable to such property. The property to be forfeited includes, but is not limited to, a money judgment in the amount of \$739,238.40.

If any of the property described above, as a result of any act or omission of the defendant (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c).

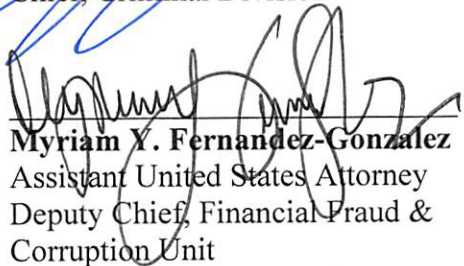
**TRUE BILL**

\_\_\_\_\_  
**FOREPERSON**

7/2/2018  
\_\_\_\_\_  
**Date**

**ROSA EMILIA RODRÍGUEZ-VÉLEZ**  
United States Attorney

  
\_\_\_\_\_  
**José Capó Ariarte**  
Assistant United States Attorney  
Chief, Criminal Division

  
\_\_\_\_\_  
**Myriam Y. Fernandez-Gonzalez**  
Assistant United States Attorney  
Deputy Chief, Financial Fraud &  
Corruption Unit

  
\_\_\_\_\_  
**Seth A. Erbe**  
Assistant United States Attorney