

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

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UNITED STATES OF AMERICA,
Plaintiff,

v.

[1] VICTOR CRUZ QUINTERO,
Counts 1-8

[2] ANGEL ROBERTO SANTOS GARCIA,
Count 9-11

Defendants.

INDICTMENT

CRIMINAL NO. 18- 425 (DRD)

CRIMINAL VIOLATIONS:
Count 1: 18 U.S.C. § 666(a)(1)(A)
Counts 2-12: 18 U.S.C. § 641

**ELEVEN 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:

UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. The United States Department of Health and Human Services ("HHS") was comprised of certain operating divisions, including the Administration for Children & Family ("ACF") which administered the Office of Head Start ("OHS") and the Office of Child Care ("OCC").
2. The OHS managed grant funding and oversaw local agencies providing Head Start and Early Head Start services which promote school readiness of children under five from low-income families through education, health, social, and other services.
3. The OCC administered and oversaw child care programs to support low-income working families through child care financial assistance and to promote children's learning by improving the

quality of early care and education and afterschool programs.

4. In Puerto Rico, HHS provided federal funds to certain municipalities, including but not limited to the Municipality of Toa Baja, to administer Head Start, Early Head Start, and Child Care programs.
5. The Administration for Integral Child Care and Development (“ACUDEN”) is an agency within the Puerto Rico Family Department. ACUDEN receives funding annually under a Head Start grant award for the provision of Head Start services to children and families in Puerto Rico. ACUDEN also receives funding annually under a Child Care and Development Fund grant award and is the designated lead agency in the Commonwealth of Puerto Rico for the administration of the child care program.
6. All federal funds provided by HHS to the Municipality of Toa Baja were required by ACUDEN to be maintained in earmarked accounts and used only for purposes authorized by HHS.
7. At no time did HHS authorize the Municipality of Toa Baja or any municipal employees to utilize HHS federal funds to pay non-HHS program municipal employees or to otherwise pay non-HHS program municipal contracts.

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

8. The U.S. Department of Housing and Urban Development (“HUD”) operated the Housing Choice Voucher (“HCV”) program pursuant to Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. § 1437f) and the Community Development Block Grant (“CDBG”) program pursuant to Section 108 of the Housing and Community Development Act of 1974 (42 U.S.C. § 5308).
9. The HCV program is the federal government’s major program for assisting very low-income families, the elderly, and persons with disabilities to afford decent, safe, and sanitary housing in the private market. As a part of the program, a housing subsidy is paid directly to the landlord by

- the public housing agency (“PHA”) on behalf of the participating family. HCVs are administered locally by PHAs. The PHAs receive federal funds from HUD to administer the voucher program.
10. The CDBG program and Section 108 Loan Guarantee Program offered state and local governments a source of financing for certain community development activities, such as housing rehabilitation, economic development, and large-scale development projects with loans for up to twenty (20) years.
 11. HUD provided federal funds and financing to the Municipality of Toa Baja under the HCV program and the CDBG program to be utilized in compliance with the respective program.
 12. All federal funds and financing provided by HUD to the Municipality of Toa Baja were required to be used only for purposes authorized by HUD.
 13. At no time did HUD authorize the Municipality of Toa Baja or any municipal employees to utilize HUD federal funds or financing to pay non-HUD program municipal employees or to otherwise pay non-HUD program municipal contracts.

MUNICIPALITY OF TOA BAJA

14. The Municipality of Toa Baja was a local governmental entity, as that term is defined by 18 U.S.C. § 666(d)(3), responsible for administering municipal finances and governmental services within the city and area recognized as Toa Baja, Puerto Rico.
15. The Municipality of Toa Baja received federal assistance in excess of \$10,000 during the one-year periods beginning in July 1, 2014 and July 1, 2015.
16. Defendant [1] **VICTOR CRUZ QUINTERO** was the Director of Finance of the Municipality of Toa Baja and responsible for administering funds and authorizing monetary transactions on behalf of the Municipality of Toa Baja.
17. As Director of Finance for the Municipality of Toa Baja, Defendant [1] **VICTOR CRUZ**

QUINTERO was an agent, as that term is defined by 18 U.S.C. § 666(d)(1), of the Municipality of Toa Baja and was authorized to act on behalf of the Municipality of Toa Baja.

18. As Director of Finance for the Municipality of Toa Baja, Defendant [1] **VICTOR CRUZ QUINTERO** made unauthorized deposits and transfers of federal funds into the general account and payroll account of the Municipality of Toa Baja in order to pay the municipal payroll and to pay municipal contractors.

19. From in or about August 2015 to in or about September 2015, Defendant [2] **ANGEL ROBERTO SANTOS GARCIA** was the interim Director of Finance of the Municipality of Toa Baja and responsible for administering funds and authorizing monetary transactions on behalf of the Municipality of Toa Baja.

20. As interim Director of Finance for the Municipality of Toa Baja, Defendant [2] **ANGEL ROBERTO SANTOS GARCIA** was an agent, as that term is defined by 18 U.S.C. § 666(d)(1), of the Municipality of Toa Baja and was authorized to act on behalf of the Municipality of Toa Baja.

21. As interim Director of Finance for the Municipality of Toa Baja, Defendant [2] **ANGEL ROBERTO SANTOS GARCIA** made unauthorized deposits and transfers of federal funds into the general account and payroll account of the Municipality of Toa Baja in order to pay the municipal payroll and to pay municipal contractors.

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COUNT ONE

(Theft, Conversion, and Misappropriation of Funds – 18 U.S.C. § 666(a)(1)(A))

22. Paragraphs 1-21 are hereby re-alleged as if set forth herein.

23. On or about October 28, 2014, in the District of Puerto Rico and within the jurisdiction of this Court,

[1] VICTOR CRUZ QUINTERO,

the defendant herein, being an agent of the Municipality of Toa Baja, said local government receiving in the one year beginning July 1, 2014, benefits in excess of \$10,000 under HHS and HUD programs, stole, without authority knowingly converted to the use of a person not the rightful owner, and intentionally misapplied property worth at least \$5,000 and under the custody and control of the Municipality of Toa Baja, that is approximately two million five hundred thirty-eight thousand one hundred sixty-four dollars and forty-one cents (\$2,538,164.41) in HUD Section 108 Loan Guarantee Program funds. All in violation of 18 U.S.C. § 666(a)(1)(A).

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COUNTS TWO-EIGHT
(Conversion of Government Money and Property – 18 U.S.C. § 641)

24. Paragraphs 1-21 are hereby re-alleged as if set forth herein.

25. On or about the date listed below, in the District of Puerto Rico and within the jurisdiction of this Court,

[1] VICTOR CRUZ QUINTERO,

the defendant herein, 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 the approximate amount identified below in federal funding from the corresponding department of the United States.

Count	Date	US Department	Amount (USD)
2.	September 18, 2014	HUD	\$100,000.00
3.	October 20, 2014	HUD	\$40,000.00
4.	March 27, 2015	HHS	\$766,701.00
5.	September 30, 2015	HHS	\$300,000.00
6.	October 2, 2015	HUD	\$50,000.00
7.	October 5, 2015	HUD	\$40,000.00
8.	February 29, 2016	HHS	\$460,000.00

Each a separate count and all in violation of 18 U.S.C. § 641.

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COUNTS NINE-ELEVEN**(Conversion of of Government Money and Property – 18 U.S.C. § 641)**

26. Paragraphs 1-21 are hereby re-alleged as if set forth herein.

27. On or about the dates listed below, in the District of Puerto Rico and within the jurisdiction of this Court,

[2] ANGEL ROBERTO SANTOS GARCIA,

the defendant herein, 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 the approximate amount identified below in federal funding from the corresponding department of the United States.

Count	Date	US Department	Amount (USD)
9.	August 27, 2015	HHS	\$600,000.00
10.	September 18, 2015	HUD	\$20,000.00
11.	September 18, 2015	HUD	\$30,000.00

Each a separate count and all in violation of 18 U.S.C. § 641.

FORFEITURE ALLEGATIONS

The allegations contained in Counts One through Eleven 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 666 as set forth in Counts One through Eleven of this Indictment, the defendants,

**[1] VICTOR CRUZ QUINTERO, and
[2] ANGEL ROBERTO SANTOS GARCIA,**

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.

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).

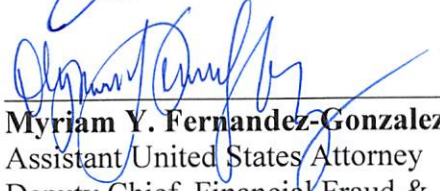
All pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

Date July 3, 2018

ROSA EMILIA RODRÍGUEZ-VÉLEZ
United States Attorney



José Capó Iriarte
Assistant United States Attorney
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Seth A. Erbe
Assistant United States Attorney