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## **PUERTO RICO GOVERNOR, SENIOR AIDE AND FORMER CAMPAIGN DIRECTOR INDICTED ON WIRE FRAUD AND MONEY LAUNDERING CHARGES**

WASHINGTON – A federal grand jury in San Juan, Puerto Rico, today returned an indictment against Puerto Rico Governor Aníbal Acevedo Vilá, a senior aide and a former campaign director for wire fraud and conspiracy to commit money laundering, Acting Assistant Attorney General Matthew Friedrich of the Criminal Division and U.S. Attorney for the District of Puerto Rico Rosa Emilia Rodríguez-Vélez announced. Today’s indictment follows an earlier indictment, returned on March 24, 2008, which charged these same defendants and others with related crimes.

The five-count indictment returned today in U.S. District Court in Puerto Rico, charges Acevedo Vilá, 46, of San Juan; Luisa Inclán Bird, 47, of Guaynabo, Puerto Rico; and Miguel Nazario Franco, 61, of San Juan with honest services wire fraud and conspiracy to commit money laundering. Acevedo Vilá was Puerto Rico’s Resident Commissioner in the U.S. House of Representatives between 2001 and 2005, and has been the Governor of Puerto Rico since 2005. Inclán Bird, a lawyer, was a legal advisor for the San Juan Resident Commissioner Office when defendant Acevedo Vilá served as Resident Commissioner and a volunteer in the finance department for Acevedo Vilá’s 2004 gubernatorial campaign. Currently, Inclán Bird is a senior advisor for Governor Acevedo Vilá. Nazario Franco, a businessman in Puerto Rico, was director of the finance department for Acevedo Vilá’s 2004 gubernatorial campaign.

According to the indictment, the charges are focused on two related courses of conduct. The first, in counts one through four, alleges that the defendants deprived the citizens of Puerto Rico of the honest services of Acevedo Vilá as Governor of the Commonwealth of Puerto Rico. Specifically, the indictment alleges that during his campaign for governor, and continuing after he was elected and inaugurated, Acevedo Vilá and others connected with his campaign solicited and received approximately \$250,000 from a local businessman, referred to as “Collaborator 18,” for the benefit of Acevedo Vilá and his campaign. Furthermore, the indictment alleges that during his term as governor, Acevedo Vilá participated in official actions intended to aid the business interests of Collaborator 18, while failing to disclose the nature and extent of his financial relationship with Collaborator 18.

In the indictment, count five sets forth the second related course of conduct and alleges that the defendants conspired to conduct financial transactions with the illegal funds provided by Collaborator 18. These transactions were designed to conceal and disguise the nature and the

source of the money, which constituted the proceeds of the honest services fraud alleged in the earlier counts. The indictment further alleges that the media company used by Acevedo Vilá's campaign created approximately \$250,000 in fake invoices, which were provided to Collaborator 18's company under the guise that the media company had provided bona fide services when, in fact, it had done no work for Collaborator 18 or his company. These invoices were designed to conceal the fact that the \$250,000, which was subsequently paid by Collaborator 18's company and used to offset debts incurred by the campaign, was the proceeds of the honest services fraud perpetrated by the defendants.

If convicted on counts one through four, each defendant faces a maximum of 20 years in prison and a \$250,000 fine. If convicted on the fifth count, each defendant faces a maximum of 20 years in prison and a fine of twice the value of the property involved in the transaction or \$500,000 – whichever is greater.

This case is being prosecuted by First Assistant U.S. Attorney María A. Domínguez and Assistant U.S. Attorney Ernesto López of the District of Puerto Rico, as well as Trial Attorneys Daniel A. Schwager, Ethan H. Levisohn and Peter M. Koski of the Criminal Division's Public Integrity Section. The Public Integrity Section is headed by Chief William M. Welch, II. The case is being investigated by the FBI and Internal Revenue Service, with assistance and cooperation from the Office of the Comptroller of Puerto Rico.

The investigation into related corruption and other crimes is ongoing in the District of Puerto Rico. An indictment is a formal accusation of criminal conduct, not evidence. A defendant is presumed innocent unless and until convicted through due process of law.

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