

UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF PUERTO RICO

UNITED STATES OF AMERICA,

Plaintiff,

v.

[1] NELSON DEL VALLE COLON,

[2] NICKOLLE SANTOS-ESTRADA,

and

[3] MILDRED ESTRADA-ROJAS,

Defendants.

Criminal No. 20-260 (SCC)

Count One: 18 U.S.C. § 371
(Conspiracy)

Counts Two—Five: 18 U.S.C.
§§ 666 and 2 (Federal Funds Theft,
Bribery, and Kickbacks)

Counts Six—Seven: 18 U.S.C.
§§ 1343 and 1346 (Honest Services
Wire Fraud)

Count Eight: 18 U.S.C. § 1519
(Obstruction of Justice)

INDICTMENT

The Grand Jury charges:

BACKGROUND ALLEGATIONS

1. At all times material to this Indictment, unless otherwise set forth, with all dates and times alleged to be “on or about” or “in or about,” and all amounts alleged to be “approximately”:

2. The Commonwealth of Puerto Rico was a self-governing Commonwealth in association with the United States of America. The Commonwealth of Puerto Rico was governed by executive, legislative, and judicial branches. The legislative power resided in the Puerto Rico Senate and the Puerto Rico House of Representatives.

3. In each of the calendar years 2017, 2018, 2019, and 2020, the Commonwealth of Puerto Rico received more than \$10,000 in federal benefits.

4. The Puerto Rico House of Representatives consisted of approximately fifty-one members, forty from electoral districts, and eleven at large members. Representatives served four-

year terms.

5. A Representative's duties included, but were not limited to: (a) investigating, studying, assessing, reporting, making recommendations, and amending or substituting measures or matters related to the jurisdiction of the House or the Representative's committee; (b) scheduling and holding public hearings and executive meetings, summoning witnesses, and hearing testimony related to matters within the jurisdiction of the House or the Representative's committee; (c) drafting, filing, and voting on bills of law, resolutions, and substitute measures; and (d) appraising, approving, and overseeing certain budgets and expenditures of the Commonwealth.

6. At all times during the conspiracy, the Puerto Rico House of Representatives would pay legislators and employees approximately every two weeks, through either a physical check or through a direct deposit into a bank account selected by the legislator or employee.

7. Defendant **NELSON DEL VALLE COLON** ("**DEL VALLE COLON**") was first elected to a seat in the Puerto Rico House of Representatives in 2004, and held that seat until 2008. He was re-elected in 2016 to a second four-year term. For both of his terms in the Puerto Rico House of Representatives, **DEL VALLE COLON** has represented the Ninth District.

8. In or about April 2017, **DEL VALLE COLON** and others introduced and voted for a resolution to establish a Code of Ethics for members of the Puerto Rico House of Representatives. The proposed Code of Ethics, which was ultimately adopted by the Puerto Rico House of Representatives, provided as follows:

<u>Spanish Original</u>	<u>English Translation</u>
<p style="text-align: center;">Artículo 4(e):</p> <p>Los Representantes atenderán diligentemente las necesidades colectivas e individuales de sus representados, realizando, para tal fin, las gestiones correspondientes con miras a responder a las necesidades de sus representados, gratuitamente, sin perjuicio y sin interés alguno distinto al inspirado en el bien común y en el fiel cumplimiento de sus prerrogativas legislativas.</p>	<p style="text-align: center;">Article 4(e):</p> <p>The Representatives shall diligently tend to the collective and individual needs of their constituents, carrying out, for this purpose, the corresponding steps with the aim to respond to the needs of their constituents, free of charge, without prejudice and without any interest other than that inspired by the common good and in faithful compliance with their legislative prerogatives.</p>
<p style="text-align: center;">Artículo 4(j):</p> <p>Ningún Representante aceptará o solicitará de persona o entidad pública o privada, jefes de agencias o empleados públicos, directa o indirectamente, para él o ella, algún miembro de su unidad familiar o cualquier otra persona, negocio o entidad, bien alguno, incluyendo regalos, promesas, favores o servicios, a cambio de que la actuación de dicho Representante esté influenciada a favor de esa persona o a favor o en contra de cualquier otra persona.</p>	<p style="text-align: center;">Article 4(j):</p> <p>No Representative shall accept or request from a public or private person or entity, heads of agencies or public employees, directly or indirectly, for him or her, any member of their family unit or any other person, business or entity, or any other including gifts, promises, favors or services, in exchange for the fact that the performance of said Representative is influenced in favor of that person or against any other person.</p>

9. As a Representative, consistent with the House Code of Ethics, **DEL VALLE COLON** owed a fiduciary duty to provide honest services to the Commonwealth of Puerto Rico and its citizens.

10. At all relevant times during the conspiracy, **DEL VALLE COLON**'s bi-weekly, net government salary was approximately \$2,000.

11. Defendant **NICKOLLE SANTOS-ESTRADA** ("SANTOS") worked in **DEL VALLE COLON**'s office, principally as the director of a House committee on which **DEL VALLE COLON** served, from in or about February 2017 until in or about July 2020.

12. At all relevant times during the conspiracy, **SANTOS**'s bi-weekly, net government salary was approximately \$2,000.

13. Defendant **MILDRED ESTRADA-ROJAS** ("ESTRADA") worked in **DEL VALLE COLON**'s legislative office during his first term from in or about January 2005 until in or about December 2008. **ESTRADA** continued working for **DEL VALLE COLON**'s successor at the Puerto Rico House of Representatives principally as a secretary from in or about January 2009 until in or about December 2016. In or about January 2017, after **DEL VALLE COLON** was re-elected, he retained **ESTRADA** as his office director, a role in which **ESTRADA** continues to serve.

14. Between in or about January 2009 and in or about December 2016, while **ESTRADA** was working for another Representative, she generally earned a bi-weekly, net government salary of under \$1,000. In or about January 2017, immediately after she was hired as an office director by **DEL VALLE COLON**, however, **ESTRADA**'s bi-weekly, net government salary more than doubled to approximately \$2,300. Between in or about January 2017 and in or about July 2020, **ESTRADA**'s bi-weekly, net government salary varied between \$2,200 and

\$3,500.

15. Person A worked in **DEL VALLE COLON**'s legislative office between in or about January 2017 and in or about April 2019. During this period, Person A served as the office director of **DEL VALLE COLON**'s district office in the city of Toa Alta.

16. Between in or about January 2017 and in or about January 2018, Person A's bi-weekly, net government salary was approximately \$1,500. Starting in or about February 2018, Person A's bi-weekly, net government salary was raised to approximately \$2,650, and it remained at that level until in or about September 2018. In or about October 2018, Person A's bi-weekly, net government salary was lowered to approximately \$850, and it remained at that level until in or about April 2019, when Person A left **DEL VALLE COLON**'s office.

17. At all relevant times, **DEL VALLE COLON**, **SANTOS**, and **ESTRADA** primarily obtained their bi-weekly government paychecks via direct deposit in their separate personal accounts at Financial Institution 1, a Puerto Rico-based bank.

COUNT ONE
18 U.S.C. § 371
(Conspiracy – All Defendants)

18. Paragraphs one through seventeen are incorporated and realleged as if fully set forth herein.

Objects of the Conspiracy

19. Beginning in or about early 2017 and until in or about July 2020, in the District of Puerto Rico and elsewhere, defendants **DEL VALLE COLON**, **SANTOS**, and **ESTRADA** did knowingly and willfully conspire and agree with each other, and with other persons both known and unknown to the Grand Jury, to commit the following offenses against the United States:

- a. **Theft Concerning Programs Receiving Federal Funds:** that is, for

defendant **DEL VALLE COLON**, an agent of the Commonwealth of Puerto Rico, a territory which during each relevant one-year period received federal benefits in excess of \$10,000, by a variety of means, and together with and aided and abetted by **SANTOS, ESTRADA**, and others known and unknown to the Grand Jury, to embezzle, steal, obtain by fraud, and otherwise without authority knowingly convert to the use of any person other than the rightful owner, and intentionally misapply, property worth \$5,000 or more, that was owned by, or was under the care, custody, and control of the Commonwealth of Puerto Rico, in violation of Title 18, United States Code, Sections 666(a)(1)(A) and 2;

- b. **Bribery and Kickbacks Concerning Programs Receiving Federal Funds:** that is, for defendant **DEL VALLE COLON**, an agent of the Commonwealth of Puerto Rico, a territory which during each relevant one-year period received federal benefits in excess of \$10,000, to corruptly solicit, demand, accept, and agree to accept for his own benefit, things of value from defendants **SANTOS** and **ESTRADA**, and Person A, intending to be influenced and rewarded in connection with a business, transaction, and series of transactions valued at \$5,000 or more, that is inflating **SANTOS's** government salary, **ESTRADA's** government salary, and Person A's government salary, in violation of Title 18, United States Code, Sections 666(a)(1)(B) and 2; and
- c. **Bribery and Kickbacks Concerning Programs Receiving Federal Funds:** that is, for defendants **SANTOS** and **ESTRADA**, aided and abetted

by others known and unknown to the Grand Jury, to corruptly give, offer, and agree to give things of value to defendant **DEL VALLE COLON**, an agent of the Commonwealth of Puerto Rico, a territory that received federal benefits in excess of \$10,000 during all relevant one-year periods, intending to influence and reward defendant **DEL VALLE COLON** in connection with a business, transaction, and series of transactions valued at \$5,000 or more, that is inflating **SANTOS's** government salary and **ESTRADA's** government salary, in violation of Title 18, United States Code, Sections 666(a)(2) and 2.

Purposes of the Conspiracy

20. It was a purpose of the conspiracy for **DEL VALLE COLON**, **SANTOS**, and **ESTRADA** to enrich themselves by embezzling, stealing, obtaining by fraud, and without authority knowingly converting to their use, and intentionally misapplying, property and money that was owned by, or was under the care, custody, and control of the Commonwealth of Puerto Rico, that is, the fraudulently inflated portions of the government salaries of **SANTOS**, **ESTRADA**, and Person A.

21. It was a further purpose of the conspiracy for **DEL VALLE COLON** to exploit his official position as a legislator to obtain bribes and kickbacks from **SANTOS**, **ESTRADA**, and Person A in exchange for inflating their government salaries.

22. It was a further purpose of the conspiracy for **SANTOS** and **ESTRADA** to enrich themselves by corruptly securing inflated government salaries from defendant **DEL VALLE COLON**, a portion of which **SANTOS** and **ESTRADA** kept for themselves, by paying **DEL VALLE COLON** bribes and kickbacks.

23. It was a further purpose of the conspiracy for **DEL VALLE COLON, SANTOS,** and **ESTRADA** to conceal from the Commonwealth of Puerto Rico and its citizens, and from the federal government, their corrupt scheme.

Manner and Means of the Conspiracy

24. The manner and means of the conspiracy included, but were not limited to, the following:

25. Beginning in or about January 2017, **DEL VALLE COLON** took office for his second term as a member of the Puerto Rico House of Representatives. He thereafter fraudulently inflated the salaries of **SANTOS, ESTRADA,** and Person A for no legitimate reason and pursuant to corrupt agreements with each of them.

26. Beginning in or about early 2017 and continuing until in or about 2020, **SANTOS, ESTRADA,** and Person A would receive their bi-weekly paychecks and keep a portion of the inflated paychecks for themselves. **SANTOS, ESTRADA,** and Person A would then kick back between approximately \$500 and \$2,000 out of each inflated paycheck to **DEL VALLE COLON.**

27. The defendants used a variety of means to transfer the kickbacks from **SANTOS, ESTRADA,** and Person A to **DEL VALLE COLON,** including but not limited to the following methods:

- a. **SANTOS, ESTRADA,** and Person A sometimes transferred cash by hand directly to **DEL VALLE COLON** or through other individuals connected to **DEL VALLE COLON.**
- b. **ESTRADA** and Person A sometimes transferred kickbacks in approximately \$500 increments to **DEL VALLE COLON** using ATH Móvil, a mobile phone application that allows individuals who bank at

certain financial institutions to send money to each other through an interface on their cell phones. ATH Móvil has a \$500 daily transfer limit.

28. **DEL VALLE COLON, SANTOS, ESTRADA** and Person A concealed the illegal and corrupt purpose of the inflated salaries, and concealed the bribes and kickbacks paid to **DEL VALLE COLON**, by, for example, generally using cash rather than wire transfers or checks to transmit funds to **DEL VALLE COLON** and by falsely denying their participation in the scheme in their interviews with federal law enforcement officers.

Acts in Furtherance of the Conspiracy

29. In furtherance of the conspiracy and to achieve its purposes, defendants **DEL VALLE COLON, SANTOS, ESTRADA**, and other individuals known and unknown to the grand jury, committed the following overt acts, among others, in the District of Puerto Rico and elsewhere:

A. **Santos's Kickbacks to Del Valle Colon**

30. In or about early to mid-2017, shortly after **SANTOS** began working for **DEL VALLE COLON** subsequent to his election to the Puerto Rico House of Representatives, **SANTOS** began making kickback payments to **DEL VALLE COLON** from her bi-weekly government paycheck, initially of \$1,285 and later of \$1,000. For example:

31. On or about July 10, 2017, **SANTOS** received her government payroll direct deposit of approximately \$2,000.57 into her Financial Institution 1 account. On or about the next day, July 11, 2017, **SANTOS** withdrew approximately \$1,285.00 in cash from the same account. Also on or about July 11, 2017, \$1,285.00 was deposited into **DEL VALLE COLON's** Financial Institution 1 account.

32. On or about October 12, 2017, **SANTOS** received her government payroll direct

deposit of approximately \$2,000.83 into her Financial Institution 1 account. On or about that same day, **SANTOS** withdrew approximately \$1,285.00 in cash from the same account. Also on or about that same day, \$1,285 was deposited into **DEL VALLE COLON's** Financial Institution 1 account.

33. On or about November 10, 2017, **SANTOS** received her government payroll direct deposit of approximately \$2,000.83 into her Financial Institution 1 account. On or about that same day, **SANTOS** withdrew approximately \$1,285.00 in cash from the same account. Also on or about that same day, \$1,285.00 was deposited into **DEL VALLE COLON's** Financial Institution 1 account.

34. On or about December 13, 2017, **SANTOS** received her government payroll direct deposit of approximately \$2,000.83 into her Financial Institution 1 account. On or about that same day, **SANTOS** withdrew approximately \$1,285.00 in cash from the same account. Also on or about that same day, \$1,285.00 was deposited into **DEL VALLE COLON's** Financial Institution 1 account.

35. On or about December 27, 2017, **SANTOS** received her government payroll direct deposit of approximately \$2,000.83 into her Financial Institution 1 account. On or about that same day, **SANTOS** withdrew approximately \$1,285.00 in cash from the same account. Also on or about that same day, \$1,285.00 was deposited into **DEL VALLE COLON's** Financial Institution 1 account.

36. On or about March 26, 2018, **SANTOS** received her government payroll direct deposit of approximately \$2,000.83 into her Financial Institution 1 account. On or about that same day, **SANTOS** withdrew approximately \$1,000.00 in cash from the same account. On or about March 28, 2018, \$1,000.00 was deposited into **DEL VALLE COLON's** Financial Institution 1

account.

37. On or about July 13, 2018, **SANTOS** received her government payroll direct deposit of approximately \$2,000.83 into her Financial Institution 1 account. On or about that same day, **SANTOS** withdrew approximately \$1,000.00 in cash from the same account. Also on or about that same day, \$1,000.00 was deposited into **DEL VALLE COLON's** Financial Institution 1 account.

38. On or about November 28, 2018, **SANTOS** received her government payroll direct deposit of approximately \$2,000.83 into her Financial Institution 1 account. On or about that same day, **SANTOS** withdrew approximately \$1,000.00 in cash from the same account. On or about November 30, 2018, \$1,000.00 was deposited into **DEL VALLE COLON's** Financial Institution 1 account.

39. On or about December 28, 2018, **SANTOS** received her government payroll direct deposit of approximately \$2,000.83 into her Financial Institution 1 account. On or about that same day, **SANTOS** withdrew approximately \$1,000.00 in cash from the same account. Also, on or about that same day, \$1,000.00 was deposited into **DEL VALLE COLON's** Financial Institution 1 account.

40. On or about January 11, 2019, **SANTOS** received her government payroll direct deposit of approximately \$2,000.83 into her Financial Institution 1 account. On or about that same day, **SANTOS** withdrew approximately \$1,000.00 in cash from the same account. Also, on or about that same day, \$1,000.00 was deposited into **DEL VALLE COLON's** Financial Institution 1 account.

41. On or about February 12, 2019, **SANTOS** received her government payroll direct deposit of approximately \$1,999.83 into her Financial Institution 1 account. On or about that same

day, **SANTOS** withdrew approximately \$1,000.00 in cash from the same account. On or about that same day, \$1,000.00 was deposited into **DEL VALLE COLON's** Financial Institution 1 account.

42. On or about January 9, 2020, **SANTOS** received her government payroll direct deposit of approximately \$1,999.83 into her Financial Institution 1 account. On or about January 10, 2020, **SANTOS** transferred \$320.00 from her primary Financial Institution 1 account to another account she had opened at Financial Institution 1. On or about that same day, **SANTOS** withdrew \$320.00 from her second Financial Institution 1 account. On or about that same day, \$320.00 was deposited into **DEL VALLE COLON's** Financial Institution 1 account.

B. *Estrada's Kickbacks to Del Valle Colon*

43. In or about early 2017, shortly after **ESTRADA** began working for **DEL VALLE COLON** in the Puerto Rico House of Representatives, **ESTRADA** began making kickback payments to **DEL VALLE COLON** from her bi-weekly government paycheck. **ESTRADA** made bi-weekly kickback payments of approximately \$465 to **DEL VALLE COLON** until at least December 2017. For example:

44. On or about April 7, 2017, **ESTRADA** received her government payroll direct deposit of approximately \$2,360.86 into her Financial Institution 1 account. On or about April 10, 2017, **ESTRADA** sent \$465 over ATH Móvil directly to **DEL VALLE COLON**, which was deposited into his Financial Institution 1 account.

45. On or about July 10, 2017, **ESTRADA** received her government payroll direct deposit of approximately \$2,215.25 into her Financial Institution 1 account. On or about that same day, **ESTRADA** sent \$400 over ATH Móvil directly to **DEL VALLE COLON**, and also withdrew \$1,000 in cash.

46. On or about October 12, 2017, **ESTRADA** received her government payroll direct deposit of approximately \$2,223.85 into her Financial Institution 1 account. On or about that same day, **ESTRADA** withdrew \$465 in cash from the same account at the Hato Rey Branch of Financial Institution 1. Also on or about that same day, \$465 was deposited into **DEL VALLE COLON**'s Financial Institution 1 account at that bank's Hato Rey Branch.

47. On or about November 10, 2017, **ESTRADA** received her government payroll direct deposit of approximately \$2,223.85 into her Financial Institution 1 account. On or about that same day, **ESTRADA** withdrew \$1,450 in cash from the same account at the Lomas Verdes Branch of Financial Institution 1. Also on or about that same day, \$465 was deposited into **DEL VALLE COLON**'s Financial Institution 1 account at that bank's Lomas Verdes Branch.

48. On or about December 13, 2017, **ESTRADA** received her government payroll direct deposit of approximately \$2,223.85 into her Financial Institution 1 account. On or about that same day, **ESTRADA** withdrew \$500 in cash from the same account at the Lomas Verdes Branch of Financial Institution 1. Also on or about that same day, \$465 was deposited into **DEL VALLE COLON**'s Financial Institution 1 account at that bank's Lomas Verdes Branch.

C. *Santos and Estrada Provide Del Valle Colon a Kickback on the Same Day*

49. On or about September 26, 2017, **SANTOS** received her government payroll direct deposit of approximately \$2,000.83 into her Financial Institution 1 account. The same day, **SANTOS** withdrew approximately \$1,285.00 in cash from the same account to make a kickback payment to **DEL VALLE COLON**.

50. On or about that same day, September 26, 2017, **ESTRADA** received her government payroll direct deposit of approximately \$2,223.85 into her Financial Institution 1 account. On or about that same day, **ESTRADA** withdrew \$465 in cash from the same account to

make a kickback payment to **DEL VALLE COLON**.

51. Also on or about that same day, September 26, 2017, a total of approximately \$1,750 was deposited into **DEL VALLE COLON**'s Financial Institution 1 account, which included both the \$1,285 kickback from **SANTOS** and the \$465 kickback from **ESTRADA**.

D. Person A's Kickbacks to Del Valle Colon

52. In or about early 2017, shortly after Person A began working for **DEL VALLE COLON** subsequent to his election to the Puerto Rico House of Representatives, Person A began making kickback payments to **DEL VALLE COLON** from Person A's bi-weekly government paycheck. Between in or about January 2017 and in or about January 2018, Person A's bi-weekly kickback to **DEL VALLE COLON** was approximately \$855. Between in or about February 2018 and in or about October 2018, Person A's bi-weekly kickback to **DEL VALLE COLON** was \$1,855. For example:

53. On or about August 9, 2017, Person A cashed a government paycheck for \$1,484.50. On or about that same day, Person A deposited \$600 into Person A's Financial Institution 1 account, retaining approximately \$884.50 in cash to pay as a kickback to **DEL VALLE COLON**. On or about that same day, approximately 10 minutes after Person A cashed the paycheck, \$855 was deposited into **DEL VALLE COLON**'s Financial Institution 1 account.

54. On or about August 24, 2017, Person A cashed a government paycheck for \$1,484.50. On or about that same day, Person A deposited \$605 into Person A's Financial Institution 1 account, retaining approximately \$879.50 in cash to pay as a kickback to **DEL VALLE COLON**. On or about that same day, approximately 10 minutes after Person A cashed the paycheck, \$855 in cash was deposited into **DEL VALLE COLON**'s Financial Institution 1 account.

55. On or about September 11, 2017, Person A cashed a government paycheck for \$1,484.50. On or about that same day, Person A deposited \$605 into Person A's Financial Institution 1 account, retaining approximately \$879.50 in cash to pay as a kickback to **DEL VALLE COLON**. On or about that same day, approximately 10 minutes after Person A cashed the paycheck, \$855 in cash was deposited into **DEL VALLE COLON's** Financial Institution 1 account.

56. On or about December 27, 2017, Person A received Person A's government payroll direct deposit of approximately \$1,854.37 into Person A's Financial Institution 1 account.



- a. On or about that same day, Person A sent \$455 over ATH Móvil directly to **DEL VALLE COLON**, which was deposited into **DEL VALLE COLON's** Financial Institution 1 account.
- b. On or about that same day, Person A withdrew \$500 in cash from Person A's Financial Institution 1 account. On or about that same day, Person A and **DEL VALLE COLON** had the following exchange on the WhatsApp messaging service:

<u>Sender</u>	<u>Spanish Original</u>	<u>English Translation</u>
Person A	A que hora nos vemos en la oficina?...	At what time we'll meet at the office?...
DEL VALLE COLON	Ya mismo	In a moment

57. On or about February 13, 2018, Person A received Person A's government payroll direct deposit of approximately \$2,649.57 into Person A's Financial Institution 1 account. On or about that same day, Person A withdrew approximately \$1,855.00 in cash from the same account to provide as a kickback to **DEL VALLE COLON**.

58. On or about March 12, 2018, Person A received Person A's government payroll direct deposit of approximately \$2,649.57 into Person A's Financial Institution 1 account.

- a. On or about the following day, March 13, 2018, Person A sent \$355 over ATH Móvil directly to **DEL VALLE COLON**, which was deposited into **DEL VALLE COLON's** Financial Institution 1 account.
- b. Between March 13, 2018, and March 14, 2018, Person A withdrew approximately \$1,520.00 in cash from Person A's Financial Institution 1 account to provide as a kickback to **DEL VALLE COLON** and to pay part of a debt **DEL VALLE COLON** owed to an individual named "Miguel." On or about March 13, 2018, Person A and **DEL VALLE COLON** had the following exchange on the WhatsApp messaging service:

<u>Sender</u>	<u>Spanish Original</u>	<u>English Translation</u>
DEL VALLE COLON	Acuérdate de los de Miguel también	Remember Miguel's too
Person A		
DEL VALLE COLON	1855.	1855.

59. On or about April 10, 2018, Person A received Person A's government payroll direct deposit of approximately \$2,649.57 into Person A's Financial Institution 1 account. On or about the following day, April 11, 2018, Person A made a \$500 payment over ATH Móvil to **DEL VALLE COLON** and Person A also withdrew approximately \$1,375.00 in cash from Person A's Financial Institution 1 account to provide as a kickback to **DEL VALLE COLON**.

60. On or about August 27, 2018, Person A received Person A's government payroll direct deposit of approximately \$2,649.57 into Person A's Financial Institution 1 account. On or

about that same day, Person A withdrew approximately \$1,855.00 in cash from Person A's Financial Institution 1 account to provide as a kickback to **DEL VALLE COLON**.

61. On or about April 17, 2019, after Person A complained to **DEL VALLE COLON** in a series of messages over the WhatsApp messaging service about the increased 2018 tax liability associated with Person A's inflated salary (much of which Person A had provided to **DEL VALLE COLON** in the form of bribes and kickbacks), **DEL VALLE COLON** sent Person A the following message over WhatsApp: "Cuando puedas dame una llamada" ("Call me when you have a chance").

E. Acts in Furtherance of Efforts to Conceal the Conspiracy

62. On or about July 12, 2020, federal law enforcement officers interviewed **SANTOS** regarding the transactions described above involving **SANTOS** and **DEL VALLE COLON**. **SANTOS** informed the officers that she had not paid kickback money from her salary to **DEL VALLE COLON**. **SANTOS** also informed officers that the close timing between withdrawals from her account and nearly identical deposits into **DEL VALLE COLON**'s account was a coincidence.

63. On or about July 12, 2020, federal law enforcement officers interviewed **ESTRADA** regarding the transactions described above involving **ESTRADA** and **DEL VALLE COLON**. **ESTRADA** informed the officers that she had not paid kickback money from her salary to **DEL VALLE COLON**. **ESTRADA** also informed officers that the close timing between withdrawals from her account and nearly identical deposits into **DEL VALLE COLON**'s account must have resulted from an error made by Financial Institution 1.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO
18 U.S.C. §§ 666(a)(1)(A) and 2
(Federal Funds Theft – All Defendants)

64. Paragraphs one through seventeen and twenty-nine through sixty-three are incorporated and realleged as if fully set forth herein.

65. In each of the calendar years 2017, 2018, 2019, and 2020, the Commonwealth of Puerto Rico received in excess of \$10,000 from the United States government under federal programs involving grants, contracts, subsidies, loans, guarantees, insurance, and other forms of assistance.

66. **DEL VALLE COLON** was at all relevant times an agent of the Commonwealth of Puerto Rico whose duties included those of an elected Representative of the Commonwealth of Puerto Rico.

67. Beginning in or about early 2017 and until in or about July 2020, in the District of Puerto Rico and elsewhere, defendant **DEL VALLE COLON**, together with and aided and abetted by **SANTOS, ESTRADA**, and others known and unknown to the Grand Jury, embezzled, stole, obtained by fraud, without authority knowingly converted to the use of any person other than the rightful owner, and intentionally misapplied property worth \$5,000 or more and owned by, under the care of, under the custody of, and under the control of the Commonwealth of Puerto Rico, in each one-year period, that is: **DEL VALLE COLON**, being an agent of the Commonwealth of Puerto Rico, together with and aided and abetted by **SANTOS, ESTRADA**, and others known and unknown to the Grand Jury, fraudulently obtained money from the Commonwealth of Puerto Rico by unlawfully inflating the government salaries of **SANTOS, ESTRADA**, and Person A, and retaining the inflated portion of that salary for the defendants' own use and benefit.

All in violation of Title 18, United States Code, Sections 666(a)(1)(A) and 2.

COUNT THREE
18 U.S.C. §§ 666(a)(1)(B) and 2
(Federal Funds Bribery and Kickbacks – Del Valle Colon)

68. Paragraphs one through seventeen and twenty-nine through sixty-three are incorporated and realleged as if fully set forth herein.

69. In each of the calendar years 2017, 2018, 2019, and 2020, the Commonwealth of Puerto Rico received in excess of \$10,000 from the United States government under federal programs involving grants, contracts, subsidies, loans, guarantees, insurance, and other forms of assistance.

70. **DEL VALLE COLON** was at all relevant times an agent of the Commonwealth of Puerto Rico whose duties included those of an elected Representative of the Commonwealth of Puerto Rico.

71. Beginning in or about early 2017 and until in or about July 2020, in the District of Puerto Rico and elsewhere, defendant **DEL VALLE COLON**, in each one-year period, within which the Commonwealth of Puerto Rico received in excess of \$10,000 in federal program benefits, together with and aided and abetted by others known and unknown to the Grand Jury, did corruptly solicit and demand for his own benefit, and accept and agree to accept, things of value from defendants **SANTOS** and **ESTRADA**, and from Person A, intending to be influenced and rewarded in connection with a business, transaction, and series of transactions involving \$5,000 or more, that is, the inflated government salaries of **SANTOS**, **ESTRADA**, and Person A.

All in violation of Title 18, United States Code, Sections 666(a)(1)(B) and 2.

COUNT FOUR
18 U.S.C. §§ 666(a)(2) and 2
(Federal Funds Bribery and Kickbacks – Santos)

72. Paragraphs one through seventeen and twenty-nine through sixty-three are

incorporated and realleged as if fully set forth herein.

73. In each of the calendar years 2017, 2018, 2019, and 2020, the Commonwealth of Puerto Rico received in excess of \$10,000 from the United States government under federal programs involving grants, contracts, subsidies, loans, guarantees, insurance, and other forms of assistance.

74. **DEL VALLE COLON** was at all relevant times an agent of the Commonwealth of Puerto Rico whose duties included those of an elected Representative of the Commonwealth of Puerto Rico.

75. Beginning in or about early 2017 and until in or about July 2020, in the District of Puerto Rico and elsewhere, defendant **SANTOS**, aided and abetted by others known and unknown to the Grand Jury, in each one-year period, within which the Commonwealth of Puerto Rico received in excess of \$10,000 in federal program benefits, did corruptly give, offer, and agree to give things of value to **DEL VALLE COLON**, intending to influence and reward **DEL VALLE COLON** in connection with a business, transaction, and series of transactions involving \$5,000 or more, that is, **SANTOS**'s inflated government salary.

All in violation of Title 18, United States Code, Sections 666(a)(2) and 2.

COUNT FIVE
18 U.S.C. §§ 666(a)(2) and 2
(Federal Funds Bribery and Kickbacks – Estrada)

76. Paragraphs one through seventeen and twenty-nine through sixty-three are incorporated and realleged as if fully set forth herein.

77. In the calendar year 2017, the Commonwealth of Puerto Rico received in excess of \$10,000 from the United States government under federal programs involving grants, contracts, subsidies, loans, guarantees, insurance, and other forms of assistance.

78. **DEL VALLE COLON** was at all relevant times an agent of the Commonwealth of Puerto Rico whose duties included those of an elected Representative of the Commonwealth of Puerto Rico.

79. Beginning in or about early 2017 and until in or about December 2017, in the District of Puerto Rico and elsewhere, defendant **ESTRADA**, aided and abetted by others known and unknown to the Grand Jury, did corruptly give, offer, and agree to give things of value to **DEL VALLE COLON**, intending to influence and reward **DEL VALLE COLON** in connection with a business, transaction, and series of transactions involving \$5,000 or more, that is, **ESTRADA**'s inflated government salary.

All in violation of Title 18, United States Code, Sections 666(a)(2) and 2.

COUNTS SIX TO SEVEN

18 U.S.C. §§ 1343, 1346

(Honest Services Wire Fraud – Del Valle Colon)

80. Paragraphs one through seventeen, nineteen through twenty-three, and twenty-nine through sixty-three are incorporated and realleged as if fully set forth herein.

81. Beginning in or about early 2017 and until in or about July 2020, in the District of Puerto Rico and elsewhere, **DEL VALLE COLON**, aided and abetted by others known and unknown to the Grand Jury, devised and intended to devise a scheme and artifice to defraud and deprive the citizens of the Commonwealth of Puerto Rico and the government of the Commonwealth of Puerto Rico of their right to the honest services of a public official, namely the honest services of **DEL VALLE COLON**, a member of the Puerto Rico House of Representatives, through bribery and kickbacks.

82. On or about the dates set forth below, in the District of Puerto Rico and elsewhere, the defendant **DEL VALLE COLON**, aided and abetted by others known and unknown to the

Grand Jury, having devised and intending to devise the above-described scheme and artifice to defraud and deprive, by means of material false and fraudulent pretenses, representations, and promises, and for the purpose of executing the above-described scheme and artifice to defraud and deprive, transmitted and caused to be transmitted by means of wire communication in interstate commerce, any writings, signs, signals, pictures, and sounds, that is, the following:

<u>Count</u>	<u>Date</u>	<u>Description</u>
5	03/13/2018	WhatsApp message from DEL VALLE COLON to Person A: "1855."
6	04/17/2019	WhatsApp message from DEL VALLE COLON to Person A: "Call me when you have a chance."

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

COUNT EIGHT
18 U.S.C. § 1519
(Obstruction of Justice – Del Valle Colon)

83. Paragraphs one through seventeen and twenty-nine through sixty-three are incorporated and realleged as if fully set forth herein.

84. In or about mid-July 2020, **DEL VALLE COLON** deleted communications on his phone (which is associated with the phone number 1-787-***-1614) between himself and **SANTOS**, and between himself and **ESTRADA**:

- a. Between June 30, 2020 and July 12, 2020, **DEL VALLE COLON** communicated with **SANTOS** and **ESTRADA** via WhatsApp on multiple occasions.
- b. On or about July 12, 2020, federal law enforcement officers interviewed **SANTOS** and **ESTRADA** about the events described above.
- c. Subsequent to those interviews, on or about July 13, 2020 and July 14, 2020,

DEL VALLE COLON engaged in multiple communications with **ESTRADA** by phone and over WhatsApp.

- d. On or about July 27, 2020, when federal law enforcement officers obtained **DEL VALLE COLON's** phone, all of **DEL VALLE COLON's** WhatsApp communications with **SANTOS** from before approximately July 15, 2020, had been deleted and all of **DEL VALLE COLON's** WhatsApp communications with **ESTRADA** from before approximately July 14, 2020, had been deleted.

85. In or about mid-July 2020, in the District of Puerto Rico and elsewhere, the defendant, **DEL VALLE COLON**, knowingly did alter, destroy, mutilate, and conceal a record, document, and tangible object, including, but not limited to, WhatsApp messages on the phone associated with phone number 1-787-***-1614, with the intent to impede, obstruct, and influence a matter, namely an investigation into possible violations of Title 18, United States Code, Sections 371, 666, 1343, and 1346, within the jurisdiction of a department and agency of the United States, to wit: the Federal Bureau of Investigation, and in relation to and in contemplation of such matter.

All in violation of Title 18, United States Code, Section 1519.

FRAUD FORFEITURE ALLEGATION
(28 U.S.C. § 2461(c); 18 U.S.C. § 981(a)(1)(C))

86. Paragraphs one through eighty-two are incorporated and realleged as if fully set forth herein.

87. Pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C), the United States gives notice to the defendants **DEL VALLE COLON**, **SANTOS**, and **ESTRADA**, that in the event of their convictions for any of the offenses charged in Counts One to Seven of this Indictment, all property, real or personal, which represents

or is traceable to the gross receipts obtained, directly or indirectly, from such offense, is subject to forfeiture.

Money Judgment

88. Defendants are notified that upon conviction, a money judgment may be imposed equal to the total value of the property subject to forfeiture.

Substitute Assets

89. Defendants are notified that in the event that property subject to forfeiture, as a result of any act or omission of that 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 that cannot be divided without difficulty,

the United States will seek to forfeit any other property of that defendant up to the total value of the property subject to forfeiture pursuant to Title 21, United States Code, Section 853(p), as incorporated by reference in Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 982(b)(1).

A TRUE BILL

FOREPERSON

DATE

19-Aug-2020

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