

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

UNITED STATES OF AMERICA,
Plaintiff,

v.

[1] JORGE A. DE CASTRO FONT,
[2] ALBERTO GOACHET,

Defendants.

INDICTMENT

Criminal No. 08-327 (FAB)

Violations:

18 U.S.C. §§ 2, 666, 1951, 1956
1343, 1346, 1001

THE GRAND JURY CHARGES:

GENERAL ALLEGATIONS

At all times material to this Indictment:

INTRODUCTION

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

2. The Senate consisted of twenty-seven members, two per electoral district, and eleven at large members. The House of Representatives consisted of fifty-one members, one per electoral district and eleven at large members. Legislators were popularly elected to four-year terms.

3. A Legislator's duties included, but were not limited to: (a) investigating, studying, assessing, reporting, making recommendations, amending or substituting measures or matters

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that were related to its jurisdiction; (b) holding public hearings and executive meetings, summoning witnesses, hearing testimonies, related to measures or matters within its jurisdiction; (c) drafting, and filing bills of law, resolutions and substitute measures; (d) assessing, supervising and giving continuous follow-up to the organization and adequate operation of government agencies, departments, offices and entities of the Government of Puerto Rico that are within its jurisdiction, in order to determine if the same are complying with the laws, regulations and programs corresponding to the same in accordance with their purpose and mandate; (e) assessing, recommending and voting the confirmation or rejection of appointments, which under constitutional mandate or by law, required the advice and consent of the Legislature of Puerto Rico; and (f) appraising, approving and overseeing budgets and particular expenditures of the executive branch.

4. The Code of Ethics of the Puerto Rico Senate, approved on January 31, 2005, as amended, regulates the conduct of individuals in the performance of their duties as members of the Senate, or as officers and employees of the Senate.

5. Pursuant to the Code of Ethics, Senators shall diligently attend to the problems and needs of their constituents and shall take all appropriate actions to serve them gratuitously, with no other interest than the common good and

desire to fulfill his/her electoral commitment. In addition, Senators shall not engage in conduct or activities that will cause or give the appearance of a conflict of interest. For purposes of the Code of Ethics, a "conflict of interest" means a situation in which the personal or financial interest of the Senator, official or employee is in conflict with the public interest.

6. Puerto Rico law further provided that Senators, as well as certain officials and employees of the Senate of Puerto Rico, shall file annual financial reports pursuant to Act No. 12 of July 24, 1985, as amended, known as the "Puerto Rico Ethics in Government Act."

7. The Code of Ethics further provided that no Senator shall solicit or accept from any person, directly or indirectly, for himself, a member of his family or any other person, anything of economic value as payment for the performance of the duties and responsibilities of his position. He shall not accept gifts, incentives, favors, services, donations, loans or anything else from persons with interest in any bill, investigation or matter before, or that could be before, the consideration of the Legislative Assembly. This did not include accepting contributions for his political campaign or campaign committee, as long as said contribution was authorized by Act No. 4 of December 20, 1977, as amended, known as the "Puerto Rico

Electoral Act," (hereinafter, the "Electoral Act") and complied with the requirements established therein.

8. Contributions or donations to defray political campaign expenses were governed by the Electoral Act.

9. The Electoral Act provided that no candidate may accept contributions from corporate entities.

10. The Electoral Act further provided for limits on contributions by natural persons of \$1,000 per year, per candidate, and a total of \$5,000 per year, as well as other limits.

11. The Electoral Act also imposed various reporting requirements for contributions and fund-raising activities which enabled the public to be informed as to the source of contributions made to their elected representatives and thereby the various interests those representatives may have.

INDIVIDUALS AND ENTITIES:

DEFENDANT JORGE DE CASTRO FONT:

12. Defendant DE CASTRO FONT was first elected as an at large member of the Puerto Rico House of Representatives in 1988. Defendant DE CASTRO FONT was subsequently re-elected as a member of the House of Representatives in 1992, 1996 and 2000.

13. Defendant DE CASTRO FONT was elected as an at large

member of the Senate of Puerto Rico in 2004. As a member of the Senate, the defendant served on "la Comision de Reglas y Calendarios" (the Committee on Rules and Calendar), "la Comision de lo Juridico" (the Judiciary Committee), and "la Comision de Asuntos Municipales y Financieros" (the Municipal and Financial Affairs Committee).

14. On January 2, 2005, defendant **DE CASTRO FONT** took his Oath of Office as an at large Senator. On that date, defendant **DE CASTRO FONT** swore, in pertinent part, ". . . that I will defend the Constitution of the United States and the Constitution and Laws of the Commonwealth of Puerto Rico, against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; and that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

15. Defendant **DE CASTRO FONT**, given his roles within the Senate, regularly negotiated with the executive branch of the government of the Commonwealth of Puerto Rico on numerous matters involving official acts within legislative and executive authority. As chair of the Committee on Rules and Calendars, defendant **DE CASTRO FONT** exercised significant control over which bills, confirmations and other matters were brought to a vote on

the floor of the Senate and when.

16. The "Committee of Friends of De Castro Font" was a non-profit organization that was organized and utilized by defendant DE CASTRO FONT to raise funds for DE CASTRO FONT's political endeavors, such as campaigns for re-election. The Committee opened a bank account in order to facilitate deposits and withdrawals of funds that were raised.

DEFENDANT ALBERTO GOACHET

17. Defendant GOACHET was a contract employee with defendant DE CASTRO FONT's Senate office from in or about 2005 until in or about 2007. As a contract employee, defendant GOACHET would write press releases, write speeches, and consult on political strategy for defendant DE CASTRO FONT. Defendant GOACHET was also the owner of an entity doing business as "Goachet and Associates."

PERSONS 1 - 12:

18. Person 1 was the owner of several businesses including a family-owned soft drink franchise as well as several distribution businesses throughout Puerto Rico. Person 1's businesses were engaged in, and their activities affected, interstate and foreign commerce.

19. Person 2 was the director of an enterprise that provided urban development services throughout Puerto Rico.

Person 2's business was engaged in, and its activities affected interstate and foreign commerce.

20. Person 3 was an attorney and lobbyist who represented clients that had interests in legislative affairs before the Legislature of the Commonwealth of Puerto Rico, including but not limited to Association A and Association B, both of which Associations' businesses engaged in, and their activities affected interstate commerce.

21. Person 4 was the spouse of a candidate for a judgeship in the Court of First Instance in the Commonwealth of Puerto Rico.

22. Person 5 was the owner of a land development company operating throughout Puerto Rico. Person 5's business was engaged in, and its activities affected interstate and foreign commerce.

23. Person 6 was the owner of a gas distribution enterprise operating throughout Puerto Rico. Person 6's business was engaged in and its activities affected interstate and foreign commerce.

24. Person 7 was the co-owner of a water processing and bottling enterprise operating in San Juan, Puerto Rico. Person 7's business was engaged in, and its activities affected interstate and foreign commerce.

25. **Person 8** was the owner of several businesses including a major family-owned insurance company operating in San Juan, Puerto Rico. **Person 8's** business was engaged in and its activities affected interstate and foreign commerce.

26. **Persons 9 & 10** were the co-owners of a parking services company operating throughout the island of Puerto Rico. **Persons 9 & 10's** business was engaged in, and its activities affected interstate and foreign commerce.

27. **Person 11** was the executive vice president of Association C, operating in San Juan, Puerto Rico. The companies that were members of and represented by **Person 11's** association, were engaged in, and their activities affected interstate and foreign commerce.

28. **Person 12** was an attorney and lobbyist who represented numerous clients with interests in legislative affairs before the Legislature of the Commonwealth of Puerto Rico. **Person 12** and many of **Person 12's** clients did business in interstate commerce and their activities affected interstate commerce.

29. **Persons 1** through **12** and their businesses each had a financial interest directly affected by matters before the Puerto Rico Senate or the government of Puerto Rico.

COUNTS 1 THROUGH 20
Honest Services Wire Fraud
Title 18, United States Code, Section 1343, 1346 and 2

1. Paragraphs 1 through 29 of the General Allegations are incorporated herein by reference.

2. From in or about January 2, 2005 through in or about August, 2008, in the District of Puerto Rico and elsewhere, the defendants,

[1] JORGE A. DE CASTRO FONT,
[2] ALBERTO GOACHET,

and others known and unknown to the Grand Jury, aided and abetted by one another, devised and intended to devise a scheme and artifice to defraud and deprive the Commonwealth of Puerto Rico and its citizens of their intangible right to the honest services of defendant **DE CASTRO FONT** as a Legislator of the Commonwealth of Puerto Rico, performed free from deceit, favoritism, bias, conflict of interest, concealment, and improper influence.

The Purpose of the Scheme

3. The purpose of the scheme was for **DE CASTRO FONT** to enrich himself by soliciting and accepting cash payments and other things of value in exchange for the performance of his official duties and the use of his influence in connection with his official duties.

4. It was a further purpose of the scheme that **DE CASTRO**

FONT would conceal the cash payments and other gifts made to him by failing to report those items as required by the rules and regulations of the Commonwealth of Puerto Rico.

Manner and Means of the Scheme and Artifice
to Defraud and Deprive

5. It was part of the scheme to defraud and deprive that:

a. Defendant DE CASTRO FONT would directly solicit cash payments and other benefits such as lodging, private flights, lavish meals and other things of value in excess of legal limits, from illegal sources and to be used for personal benefit, from Persons 1 through 12 and others known and unknown to the Grand Jury.

b. Defendant DE CASTRO FONT would coordinate meetings in order to discuss official matters directly affecting the interests of Persons 1 through 12 and others known and unknown to the grand jury, and during these meetings, defendant DE CASTRO FONT would request cash payments or other things of value from such persons.

c. Defendant DE CASTRO FONT would threaten or direct threats to be made, that if individuals did not provide him with financial benefits, he would use his official action to harm their financial interests.

d. Defendant DE CASTRO FONT would engage in official acts on behalf of those who he collected payments from, including

proposing legislation or legislative projects, preventing legislation or legislative projects from being voted or acted upon, persuading other legislators to vote for or against legislation or official acts, preventing or affecting legislative investigations or hearings, and negotiating or meeting with the executive branch in his official capacity.

e. Defendant **DE CASTRO FONT** would conceal the payments by, among other acts, falsely describing them as a bundle of individual \$50 payments, failing to disclose them altogether on financial disclosures, campaign disclosures or personal tax filings, hiding the cash transactions from public view by, for example, steering the delivery of cash payments into private areas such as bathrooms.

f. Defendants **DE CASTRO FONT** and **ALBERTO GOACHET** would conceal the payments by, among other acts, directing that financial benefits be provided to **DE CASTRO FONT** through the direct payment to campaign vendors and through the use of fraudulent invoices falsely representing **DE CASTRO FONT's** expenses as expenses of the payer.

g. Defendant **DE CASTRO FONT** would use the cash to pay for personal expenses including but not limited to: personal telephone bills; personal electric bills; personal water bills; personal credit card bills; Acuaman bills; National Ceramics

bills; Bistro Restaurant; Jose Jose Restaurant; Numismatic bill; Caribe Hilton account; Ponce Hilton account; Circulo Cubano fees; Banker's Club fees; veterinary bills; insurance fees; dry cleaning bills; Clubman bills; floor shining bills; Apartment maintenance fees; Cartier account; Santiago Villar account; Mont Blanc account; Macy's charges; Banana Republic charges; Bebe charges; Victoria's Secret charges; Postal commemorative coins; florist expenses; Direct TV account; Gas Station account; Antonio's Restaurant; a lottery ticket account; and child support.

Acts In Furtherance of the Scheme

The following acts, among others, were committed in furtherance of the scheme:

Acts Involving Defendant GOACHET:

6. From in or about January 2005 through in or about the beginning of 2008 defendant GOACHET concealed approximately \$30,000 in payments from Person 8 to defendant DE CASTRO FONT by providing Person 8 with fictitious invoices to make such payments to DE CASTRO FONT appear to be payments to GOACHET for bona fide services and by receiving the actual payments from Person 8 and providing them to DE CASTRO FONT.

7. On or about September 9, 2008, defendant GOACHET falsely claimed to the FBI, in substance, that he had provided

bona fide services to Person 8 for the above described invoices, when in truth and in fact defendant GOACHET well knew that no such services were provided and that the invoices were fraudulent.

Acts Involving Person 1:

8. On or about May 17, 2005, defendant DE CASTRO FONT contacted Person 1 to discuss Senate Project No. 711, dated May 9, 2005, that directly affected the continued commercial viability of one of his enterprises. In that discussion defendant DE CASTRO FONT produced a copy of the proposed legislation and stated in substance that he had a surprise for Person 1. Defendant DE CASTRO FONT then stated in substance that there was a space for his signature, but that he had not signed it. Further defendant DE CASTRO FONT indicated in substance that other persons wanted to cause Person 1 harm by passing this project but that he could help Person 1.

9. On or about May 31, 2005, Person 1 was summoned by defendant DE CASTRO FONT to his office at the Capitol Building. At the meeting, defendant DE CASTRO FONT requested that Person 1 provide him with an annual payment between \$60,000 to \$80,000 in order to keep the proposed legislation from being presented for a vote of the Senate. It was agreed upon that the payments would be made on a monthly basis.

10. Upon defendant DE CASTRO FONT's request Person 1 concealed these payments on behalf of defendant DE CASTRO FONT by paying a portion of defendant DE CASTRO FONT's bills at a public relations firm that both Person 1's company and defendant DE CASTRO FONT utilized.

11. From in or about June, 2005 until in or about December, 2007, Person 1 provided defendant DE CASTRO FONT with approximately \$141,000 in the manner described above and Person 1 also treated defendant DE CASTRO FONT to numerous lavish meals, and a trip on a private airplane, all in exchange for defendant DE CASTRO FONT's official acts.

12. Upon defendant DE CASTRO FONT's request, from in or about June, 2006 through in or about February, 2008, Person 1 paid half of the salary for defendant DE CASTRO FONT's sister to be employed by the public relations firm described above, totaling approximately \$24,000, in exchange for defendant DE CASTRO FONT's official acts.

Acts Involving Person 2:

13. In or about 2007 and 2008 House Project No. 1574 (HP 1574) was pending in the Puerto Rico House of Representatives. HP 1574 directly affected the continued profitability of Person 2's business. From in or about 2007 through June, 2008, defendant DE CASTRO FONT utilized his position as a Senator and Chairman of

the Rules and Calendar Committee to affect language in and ultimately stop HP 1574 from becoming a law.

14. In or about late 2007, defendant **DE CASTRO FONT** informed **Person 2**, in substance, not to worry because he would not allow the law to pass in the Senate. Shortly thereafter, defendant **DE CASTRO FONT** indicated, in substance, that **Person 2** needed to provide him with financial assistance.

15. Over the next several months, defendant **DE CASTRO FONT** and **Person 2** worked together on at least one occasion and had several discussions on and about HP 1574. In May of 2008, defendant **DE CASTRO FONT** indicated to **Person 2**, in substance, that the law would not pass. Thereafter, defendant **DE CASTRO FONT** indicated to **Person 2**, in substance, that **DE CASTRO FONT** did what he could and now **Person 2** had to help him by providing him financial assistance.

16. Between December, 2007 and July, 2008, **Person 2** provided defendant **DE CASTRO FONT** with payments totaling approximately \$20,000 in exchange for defendant **DE CASTRO FONT's** official actions.

Acts Involving Person 3:

17. In response to **Person 3's** lobbying efforts on behalf of his client, Association A, on or about May 22, 2008, defendant **DE CASTRO FONT** presented and voted in favor of Senate Project No.

2554, and on or about June 19, 2008, defendant **DE CASTRO FONT** presented and voted in favor of Senate Project No. 2569, both of which projects benefitted Association A.

18. In or about May of 2008, **Person 3** requested a meeting with defendant **DE CASTRO FONT** and members of Association B to present and discuss a list of legislative projects of interest to Association B. In response, defendant **DE CASTRO FONT** stated in substance that he would require a minimum payment of \$10,000 in order to attend the meeting.

19. On May 29th, the meeting took place at which time **Person 3** did provide **DE CASTRO FONT** with a list of legislative projects of interest to Association B.

20. From in or about May 30, 2008, through in or about July 31, 2008, **Person 3** provided defendant **DE CASTRO FONT** with a combination of cash and checks totaling approximately \$10,000 in exchange for the meeting described above and the official acts discussed therein.

21. On or about June 18, 2008, at a meeting with several members of Association A, defendant **DE CASTRO FONT** and **Person 3** discussed various pieces of legislation, including those affecting the interests of Association A. During the meeting, defendant **DE CASTRO FONT** asked **Person 3**, in substance, if the payment that was to be provided the following day, was for the

matters regarding Association A, or the matters regarding Association B.

22. On or about June 19, 2008, the same date that the bill benefitting Association A was passed, **Person 3** provided defendant **DE CASTRO FONT** with a cash payment of approximately \$4,500 cash on behalf of Association A. Upon being told by his assistant, a person known to the grand jury, that the cash payment was picked up, defendant **DE CASTRO FONT** instructed the assistant in substance to bring him the cash in the bathroom of his office because there were other people in his office.

23. **Person 3** provided defendant **DE CASTRO FONT** with all above described payments in exchange for defendant **DE CASTRO FONT's** official actions.

Acts Involving Person 4:

24. In or about the summer of 2006, after numerous failed attempts to secure his wife's renewed nomination for her expired judicial appointment, **Person 4** contacted the office of defendant **DE CASTRO FONT** in order to determine what could be done to secure the nomination. After several conversations with persons known to the Grand Jury, it was agreed that **Person 4** would hold a cocktail fund raiser on behalf of defendant **DE CASTRO FONT**, where it was expected that \$10,000 would be raised in exchange for defendant **DE CASTRO FONT's** official support for the nomination

and confirmation of **Person 4's** wife.

25. In the months after the fund raiser, which was held in or about October, 2006, **Person 4** personally provided defendant **DE CASTRO FONT** two additional cash payments totaling approximately \$2,500 and in exchange, in or about October, 2006, through in or about June, 2007, defendant **DE CASTRO FONT** did take official actions to promote **Person 4's** wife's nomination and confirmation.

Acts Involving Person 5:

26. From in or about 2003 through June, 2008, **Person 5** provided defendant **DE CASTRO FONT** with approximately \$132,000 in cash payments and treated defendant **DE CASTRO FONT** to numerous lavish meals, all in exchange for defendant **DE CASTRO FONT'S** official actions and to prevent negative official actions.

27. In or about the middle of 2004, after **Person 5** had ceased making regular payments to defendant **DE CASTRO FONT**, **Person 5** was contacted by a person known to the Grand Jury. During the conversation with the person known to the Grand Jury, **Person 5** was reprimanded for stopping his payments, and was told, in substance, that defendant **DE CASTRO FONT** is powerful and he will be the president of the Senate, and that **Person 5** needed to have defendant **DE CASTRO FONT** on his side. At that point, the person known to the Grand Jury contacted defendant **DE CASTRO FONT** over the telephone and, handing **Person 5** the phone, instructed

Person 5 to apologize to defendant DE CASTRO FONT for stopping the payments, and to agree to commence making the payments once again, after which defendant DE CASTRO FONT told Person 5 in substance to forget the past and that from that point forward, everything would be ok. Immediately after the conversation, Person 5 began making regular payments to defendant DE CASTRO FONT once again.

28. On or about June 14, 2007, defendant DE CASTRO FONT assisted Person 5 by preventing a proposed legislative investigation into Government contracts awarded to Person 5. In addition, during a Senate session, defendant DE CASTRO FONT argued fervently in favor of a development project that Person 5 was proposing in Loiza, Puerto Rico.

29. On numerous occasions defendant DE CASTRO FONT inquired as to whether or not Person 5 needed legislative assistance to further his development projects.

30. On or about August 19, 2008, after Person 5 once again discontinued his regular payments, defendant DE CASTRO FONT instructed his assistant to deliver a message to Person 5 and others that if they did not want to help, that he would see them after the upcoming elections, and that this would send an implicit message.

Acts Involving Person 6:

31. In or about May, 2007, **Person 6** requested a meeting with defendant **DE CASTRO FONT** regarding House Project 2101, which would have negatively affected the profits of **Person 6's** gas enterprise. In or about May, 2007, immediately before the meeting held in defendant **DE CASTRO FONT's** office, defendant **DE CASTRO FONT** indicated to a person known to the grand jury, in substance, that it would take a payment to **DE CASTRO FONT** of \$35,000, to obtain **DE CASTRO FONT's** assistance keeping the legislation from being submitted for a vote on the floor of the Senate.

Thereafter defendant **DE CASTRO FONT**, in his role as the Chairman of the Committee on Rules and Calendar, kept the legislation from being submitted for a vote on the floor of the Senate, despite the unanimous passage of the bill in the House of Representatives on May 18, 2006.

32. From in or about July, 2007, until in or about the end of 2007, **Person 6** provided defendant **DE CASTRO FONT** with blank money orders totaling between \$8,000 and \$10,000 in exchange for defendant **DE CASTRO FONT's** official actions.

Acts Involving Person 7:

33. **Person 7** had given defendant **DE CASTRO FONT** occasional contributions since 1992, however in or about 1996, defendant **DE CASTRO FONT** requested that **Person 7** pay him approximately \$500

every month. After that point, **Person 7** believed he was obliged to make monthly payments to **DE CASTRO FONT**. From in or about January, 1996, until in or about August, 2008, **Person 7** provided defendant **DE CASTRO FONT** with approximately \$50,000 in cash payments, and treated defendant **DE CASTRO FONT** to numerous lavish meals.

34. On or about May 19, 2008, **Person 7** included with his monthly payment of \$500, specific language to be included in a bill before the legislature, which language was necessary for the desired sale of **Person 7's** water processing business to a foreign corporation. On or about May 21, 2008, defendant **DE CASTRO FONT** stated in substance that without the language assisting **Person 7's** company, the bill would not leave the Senate.

35. On or about May 27, 2008, **Person 7** indicated in substance that he was upset on how the legislation was going to be approved, because it did not contain the language he needed as promised by defendant **DE CASTRO FONT**. On or about June 18, 2008, defendant **DE CASTRO FONT** presented and voted in favor of an amendment to the earlier version of the bill, by including the specific language **Person 7** needed.

36. In or about 2001, **Person 7** had a pending permit problem with the Puerto Rico Electric Power Authority (PREPA) that delayed the opening of **Person 7's** warehouse facility, costing

Person 7 an estimated \$140,000 for a facility that could not be utilized. Defendant DE CASTRO FONT arranged for a meeting between Person 7 and a high ranking official at PREPA. As a result of the intervention of defendant DE CASTRO FONT, Person 7's warehouse facility received the proper permits promptly from PREPA and commenced operations.

Acts Involving Person 8:

37. From in or about January, 2001, until in or about August, 2008, Person 8 provided defendant DE CASTRO FONT with approximately \$4,000 in cash payments, treated defendant DE CASTRO FONT to numerous lavish meals, various nights of lodging in Miami and Orlando, Florida and provided defendant DE CASTRO FONT with approximately \$83,300 in concealed payments by fraudulently disguising them, in part, as *bona fide* payments for media and advertising services provided to Person 8's company, all in exchange for DE CASTRO FONT's official acts.

38. Defendant DE CASTRO FONT represented Person 8's interest and exercised his official influence and duties on behalf of Person 8 before the government of Puerto Rico.

Acts Involving Persons 9 & 10:

39. From in or about early 2007, until in or about August, 2008, Person 9 provided defendant DE CASTRO FONT with regular cash payments totaling approximately \$40,000. In addition,

Persons 9 & 10 treated defendant DE CASTRO FONT to numerous lavish meals, various nights of lodging in the Dominican Republic, and at least one flight on a private airplane.

40. Persons 9 & 10 had a pending legal matter with the Government of Puerto Rico regarding the renewal of their contract for the parking facility at a government owned and operated facility. Based upon a conversation with Person 10, in which the pending legal matter was discussed, defendant DE CASTRO FONT and others, presented a Senate Resolution, on March 31, 2008, to investigate the proposed privatization by the government of the parking facility and its potential negative impact on the "Puerto Rican consumer." The privatization would have had a negative impact on the business interests of Persons 9 & 10.

41. Defendant DE CASTRO FONT also made official inquiries of the government of Puerto Rico on behalf of Persons 9 & 10.

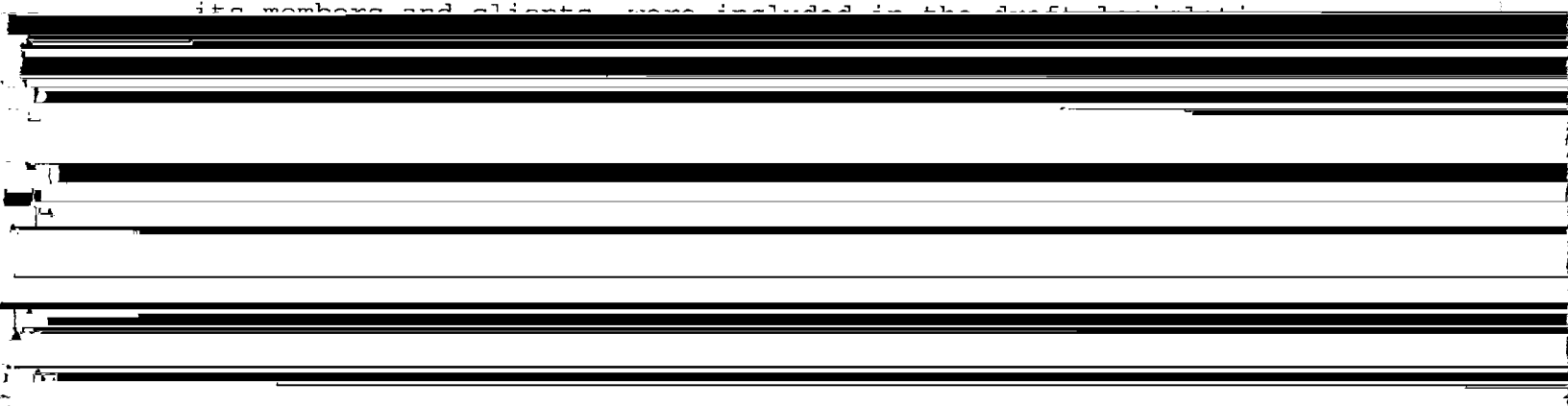
42. On or about August 19, 2008, after Person 9 had not yet provided his monthly payment, defendant DE CASTRO FONT instructed his assistant to deliver a message to Person 9 and others that if they did not want to help, that he would see them after the upcoming elections, and that this would send an implicit message. Later that same day, Person 9 advised defendant DE CASTRO FONT in substance that Person 9 was working on gathering the monthly payment and that defendant DE CASTRO FONT should not get angry.

Defendant DE CASTRO FONT indicated in substance that he was not angry, but that things were tough and he needed help from his friends. Person 9 responded to defendant DE CASTRO FONT, in substance, that he had just finished helping him out two weeks ago.

Acts Involving Person 11:

43. On or about October 18, 2005, defendant DE CASTRO FONT solicited approximately \$25,000 from Person 11, and instructed that the money be concealed by fraudulently disguising the payments as *bona fide* payments for media and advertising services to the association. From in or about February, 2006 until in or about September, 2006, the association issued at least three checks totaling at least \$30,000 to pay the false invoices as requested by defendant DE CASTRO FONT, in exchange for his official acts.

44. In or about December, 2006, defendant DE CASTRO FONT arranged for Person 11 to meet with a person known to the Grand Jury, who assisted in the drafting of legislation for its submission to the Senate, so that Person 11 could ensure that certain amendments, which were of interest to Association C and its members and clients, were included in the draft legislation.



requested by **Person 11**.

45. On or about May 7, 2007, defendant **DE CASTRO FONT** solicited approximately \$20,000 from **Person 11**, and instructed that the money should be paid in cash. In or about May through June, 2007, **Person 11** provided defendant **DE CASTRO FONT** with approximately \$20,000 in cash payments in exchange for his official acts.

Acts Involving Person 12:

46. At the request of defendant **DE CASTRO FONT** from in or about July, 2006, until in or about July, 2008 **Person 12** provided defendant **DE CASTRO FONT** with monthly cash payments of approximately \$5,000, and totaling at least approximately \$110,000 in exchange for defendant **DE CASTRO FONT's** official acts.

47. **Person 12** had an interest in numerous legislative matters on which **DE CASTRO FONT** engaged in official acts for instance, in or about 2007, **Person 12** lobbied for the interest of his clients on Senate Project No. 562, which would have reduced practice limitations on optometrists in Puerto Rico. On or about March 8, 2007, defendant **DE CASTRO FONT** voted in favor of the bill.

48. From on or about August 7, 2008, to on or about August 19, 2008, defendant **DE CASTRO FONT** repeatedly inquired about

Person 12's failure to make his monthly payment.

49. On or about August 11, 2008, defendant DE CASTRO FONT stated in substance that he would send Person 12 a strong message because Person 12 does not want to help anymore.

50. On or about August 19, 2008, defendant DE CASTRO FONT stated in substance about Person 12, and others, that those who fail him have to pay the price, and that Person 12 was dealing with a veteran, someone with many years in politics, and that whoever does not want to lend a hand right now, he'll find out later.

51. Also on or about August 19, 2008, Person 12 responded to defendant DE CASTRO FONT's continuous pressure for additional financial support by stating in substance: what about the last 24 months, does that mean anything? To which defendant DE CASTRO FONT responded, in substance: look boy, 24 months yes, but at the finish line you switched to the other side; I know everything; Who do you think you are talking to; you made a big mistake.

Acts Involving Multiple Individuals:

52. On or about August 19, 2008, in a recorded phone call to a person known to the grand jury, defendant DE CASTRO FONT discussed how he and the person would address regular payers who were no longer paying due to the publicity about an investigation into criminal activity by DE CASTRO FONT, and defendant DE CASTRO

FONT made the following comments:

Yo no voy a verme con él ya. Yo no brego así. . . . El falló y no voy a bregar así. La gente que falla tiene un precio que pagar por más que ayudó y esto, no me gustó su actitud. . . .

Lo que pasa es que si yo fuera a enviarle un mensaje a [Person 5] y a este , pues yo soy el hijo de puta, entiendes. Mándale un mensaje a [Person 5]. "¿No nos vas ayudar?" Mándaselo así. . . . Y mándale un mensaje [Person 12], que tu hablastes conmigo y que yo dije que si no nos va ayudar. . . .

Tu rol es el de ser el hijo de puta, porque no puedo ser yo el hijo de puta. Yo no puedo llamar a [Person 9] y cagármele en la madre, a [Person known to the Grand Jury] que esta comiendo mierda, a [Person known to the Grand Jury], a [Person 5]. Tienes que ser tu.

Ellos saben que tu estas llevando un mensaje. . . . Cuando yo sea, si soy Presidente del Senado y tu eres ayudante mio, y tu vas a llamar a [Person 9] y decir, "Mira, que te hagas una actividad la semana que viene y que lo ayudes con lo del grupo tuyo con tanto." Y van a brincar. ¿Tu no crees? O te van a venir con las excusas de ahora?

Llama ahora a [Person 9], llama ahora a [Person 12] y llama a [Person 5], y si no te contestan más hoy, y cuando termine el mensaje, le dices "y de parte del jefe tengo instruccion de no llamarlos mas." Y ya esta. Y no los llames más, se van uno y vienen diez. .

. . . .

Si no nos vas a ayudar, pues no te preocupes. Nos vemos después de las elecciones. Así le dices. Y a [Person 12] se lo dices así, "mira te estoy llamando a ver si nos vas a ayudar como siempre, si no me contestas, no me llames. No te preocupes, que tengo instrucciones de no molestarlos más, de no llamarlos más. Nos vemos después de las elecciones." Así mismo, esa esta buena, okay. Y así no insultastes a nadie, pero el mensaje esta implícito.

which translates to:

I am not going to meet with him anymore. I do not work that way. . . . He let me down and I won't take that route. The people who failed have a price to pay no matter how much they helped, and that, I did not like his attitude. . . .

What happens is that if I were to send a message to [Person 5] and this, then I am the son-of -a-bitch, understand. Send a message to [Person 5]. "You are not going to help us?" Send it like that. . . . And send a message to [Person 12], that you talked to me and that I said that if he is not going to help us. . . .

Your role is to be the son-of-a-bitch, because I can't be the son-of-a-bitch. I can't call [Person 9] and curse his mother, call [a Person known to the Grand Jury] that is eating shit, [a Person known to the Grand Jury], [Person 5]. It has to be you. They know that you are delivering a message. . . .

When I am, if I am the President of the Senate and you

are my assistant, and you are going to call [Person 9] and say, "Look, do an activity next week and help him with your group with this much." And they will jump. Don't you think? Or are they going to come with the same excuses as now? . . .

Call [Person 9] now, call [Person 12] now and call [Person 5], and if they do not answer any more today and when the message ends, tell them, "and I have instructions from the boss not to call you any more." And that's it. And do not call them any more, one leaves and ten will come. . . .

"If you are not going to help, don't worry about it. We'll see you after the elections." Tell them that way. . . . And to [Person 12], tell him this way, "look I am calling you to see if you are going to help as usual, if you don't answer, don't call me. Don't worry, I have instructions not to bother you any more, not to call you any more. We'll see you after the elections." That way, that's a good one, okay. This way you do not insult anyone, but the message is implicit.

Use of the Wires for Execution of the Scheme

53. On or about the date of each count listed below, in the District of Puerto Rico, and elsewhere, defendants **DE CASTRO FONT** and **ALBERTO GOACHET**, aided and abetted by each other and other individuals known and unknown to the Grand Jury, for the purpose of executing and attempting to execute the above described scheme

and artifice to defraud and deprive the Commonwealth of Puerto Rico and its citizens of their intangible right to the honest and faithful services of defendant **DE CASTRO FONT** as a Senator of the Commonwealth of Puerto Rico, transmitted and caused to be transmitted by means of wire communications in interstate commerce, certain writings and signals, as more specifically described below:

One	March 27, 2007	Recipient's Provider-Gmail.com	Electronic message confirming the dates that defendant DE CASTRO FONT will be utilizing Person 8's apartment in Florida.
Two	June 19, 2008	Sender's Provider-yahoo.com Recipient's Provider-Gmail.com	Electronic message from Person 3 to a person working on behalf of defendant DE CASTRO FONT regarding Senate Project No. 2569.
Three	June 20, 2008	Recipient's Provider-att.blackberry.net	Electronic message on behalf of Person 7 to a person known to the Grand Jury regarding Senate Project No. 2565
Four	June 20, 2008	Sender's Provider-att.blackberry.net	Electronic message on behalf of defendant DE CASTRO FONT to a person acting on behalf of Person 7 regarding Senate Project No. 2565

Five	June 20, 2008	Recipient's Provider-att.blackberry.net	Electronic message on behalf of Person 7 to a person known to the Grand Jury regarding Senate Project No. 2565
Six	June 20, 2008	Sender's Provider-att.blackberry.net	Electronic message on behalf of defendant DE CASTRO FONT to a person acting on behalf of Person 7 regarding Senate Project No. 2565
Seven	June 20, 2008	Recipient's Provider-att.blackberry.net	Electronic message on behalf of Person 7 to a person known to the Grand Jury regarding Senate Project No. 2565
Eight	June 20, 2008	Sender's Provider-att.blackberry.net	Electronic message on behalf of defendant DE CASTRO FONT to a person acting on behalf of Person 7 regarding Senate Project No. 2565
Nine	July 5, 2008	AT&T Wireless	International cellular telephone call from Person 2 in Europe to defendant DE CASTRO FONT in Puerto Rico discussing the logistics of wire transferring a payment to defendant DE CASTRO FONT .

Ten	July 14, 2008	AT&T Wireless	International cellular telephone call from defendant DE CASTRO FONT in Puerto Rico to Person 2 in Europe to discuss the logistics of wire transferring a payment to defendant DE CASTRO FONT .
Eleven	August 11, 2008	AT&T Wireless	Interstate cellular telephone call from DE CASTRO FONT in New Jersey to a person known to the Grand Jury in Puerto Rico requesting that a cash payment from Person 12 be collected.
Twelve	August 11, 2008	AT&T Wireless	Interstate cellular telephone call to DE CASTRO FONT in New Jersey from a person known to Person 5 in Puerto Rico to discuss a potential cash payment.
Thirteen	August 11, 2008	AT&T Wireless	Interstate cellular telephone call from DE CASTRO FONT in New Jersey to a person known to the Grand Jury in Puerto Rico requesting that a cash payment from Person 12 , Person 9 , and others persons known and unknown to the Grand Jury be collected.

Fourteen	August 12, 2008	AT&T Wireless	Interstate cellular telephone call from DE CASTRO FONT in New Jersey to a person known to the Grand Jury in Puerto Rico requesting that a cash payment from Person 9 be collected.
Fifteen	August 12, 2008	AT&T Wireless	Interstate text message from DE CASTRO FONT in New Jersey to Person 9 in Puerto Rico requesting that a cash payment be made.
Sixteen	August 12, 2008	AT&T Wireless	Interstate text message from DE CASTRO FONT in New Jersey to Person 9 in Puerto Rico requesting that a cash payment be made.
Seventeen	August 12, 2008	AT&T Wireless	Interstate cellular telephone call from DE CASTRO FONT in New Jersey to a person known to the Grand Jury in Puerto Rico requesting that cash payments from Person 5, Person 12 and Person 9 be collected.
Eighteen	August 12, 2008	AT&T Wireless	Interstate text message from DE CASTRO FONT in New Jersey to Person 9 in Puerto Rico requesting that a cash payment be made.

Nineteen	August 12, 2008	Sender's provider-yahoo.com	Electronic message from a person known to the Grand Jury to Person 8 in order to order promotional materials for defendant DE CASTRO FONT .
Twenty	August 13, 2008	AT&T Wireless	Interstate text message from DE CASTRO FONT in New Jersey to a person known to the Grand Jury in Puerto Rico requesting that a cash payment from Person 9, Person 12 and others known an unknown to the Grand Jury be collected.

All in violation of Title 18, United States Code, Sections 1343, 1346 and 2.

COUNT 21

Conspiracy to Commit Extortion
(Title 18, United States Code, Section 1951(a))

1. The General Allegations of this Indictment and Counts One through Twenty are re-alleged and incorporated herein by reference.

2. From in or about January, 2005 up to and including August, 2008, in the District of Puerto Rico and within the jurisdiction of this Court,

JORGE DE CASTRO FONT,

the defendant herein, with persons known and unknown to the grand jury, in his capacity as a Senator for the Commonwealth of Puerto Rico, did knowingly and wilfully conspire to obstruct, delay and affect, in any way and degree, commerce and the movement of articles and commodities in commerce by extortion, as those terms are defined in Title 18, United States Code, Section 1951, that is, the defendant obtained property not due to defendant, that is payments valued at approximately to \$500,000 to \$525,000 with the consent of **Persons 1, 2, 5, 6, 7, 9, 10, 11 and 12**, under color of official right, and induced through fear of economic harm.

All in violation of Title 18, United States Code, Section 1951(a).

COUNT 22

**Bribery with Respect to Programs Receiving Federal Funds
(Title 18, United States Code, §666(a)(1)(B))**

1. The General Allegations of this Indictment and Counts One through Twenty are re-alleged and incorporated herein by reference.

2. At all times material to this Indictment, the Commonwealth of Puerto Rico was a State Government and the Senate of the Commonwealth of Puerto Rico was an agency of the Commonwealth of Puerto Rico, each of which received federal assistance in excess of \$10,000 during each of the one year

periods beginning September 1, 2005 and ending on September 1, 2008.

3. Defendant JORGE DE CASTRO FONT was an agent of the Commonwealth of Puerto Rico and also of the Senate of the Commonwealth of Puerto Rico whose duties included those of a popularly elected Senator of the Commonwealth of Puerto Rico.

4. From in or about May, 2005 until in or about August, 2008, in the District of Puerto Rico, Defendant JORGE DE CASTRO FONT did corruptly solicit, demand, accept and agree to accept a thing of value from Person 1, to wit: cash payments totaling approximately \$165,000, intending to be influenced and rewarded in connection with a transaction and series of transactions of the Commonwealth of Puerto Rico and the Senate, involving \$5,000 or more.

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

COUNT 23

**Bribery with Respect to Programs Receiving Federal Funds
(Title 18, United States Code, §666(a)(1)(B))**

1. The General Allegations of this Indictment and Counts One through Twenty are re-alleged and incorporated herein by reference.

2. At all times material to this Indictment, the Commonwealth of Puerto Rico was a State Government and the Senate of the Commonwealth of Puerto Rico was an agency of the Commonwealth of Puerto Rico, each of which received federal assistance in excess of \$10,000 during each of the one year periods beginning September 1, 2005 and ending on September 1, 2008.

3. Defendant **JORGE DE CASTRO FONT** was an agent of the Commonwealth of Puerto Rico and also of the Senate of the Commonwealth of Puerto Rico whose duties included those of a popularly elected Senator of the Commonwealth of Puerto Rico.

4. In or about 2007, until in or about July, 2008, in the District of Puerto Rico, Defendant **JORGE DE CASTRO FONT** did corruptly solicit, demand, accept and agree to accept a thing of value from **Person 2**, to wit: payments totaling approximately \$20,000, intending to be influenced and rewarded in connection with a transaction and series of transactions of the Commonwealth of Puerto Rico and the Senate, involving \$5,000 or more.

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

COUNT 24

**Bribery with Respect to Programs Receiving Federal Funds
(Title 18, United States Code, §666(a)(1)(B))**

1. The General Allegations of this Indictment and Counts One through Twenty are re-alleged and incorporated herein by reference.

2. At all times material to this Indictment, the Commonwealth of Puerto Rico was a State Government and the Senate of the Commonwealth of Puerto Rico was an agency of the Commonwealth of Puerto Rico, each of which received federal assistance in excess of \$10,000 during each of the one year periods beginning September 1, 2005 and ending on September 1, 2008.

3. Defendant **JORGE DE CASTRO FONT** was an agent of the Commonwealth of Puerto Rico and also of the Senate of the Commonwealth of Puerto Rico whose duties included those of a popularly elected Senator of the Commonwealth of Puerto Rico.

4. From in or about May, 2008 until in or about July, 2008, in the District of Puerto Rico, Defendant **JORGE DE CASTRO FONT** did corruptly solicit, demand, accept and agree to accept a thing of value from **Person 3**, to wit: payments totaling approximately \$15,000, intending to be influenced and rewarded in connection with a transaction and series of transactions of the

Commonwealth of Puerto Rico and the Senate, involving \$5,000 or more.

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

COUNT 25

**Bribery with Respect to Programs Receiving Federal Funds
(Title 18, United States Code, §666(a)(1)(B))**

1. The General Allegations of this Indictment and Counts One through Twenty are re-alleged and incorporated herein by reference.

2. At all times material to this Indictment, the Commonwealth of Puerto Rico was a State Government and the Senate of the Commonwealth of Puerto Rico was an agency of the Commonwealth of Puerto Rico, each of which received federal assistance in excess of \$10,000 during each of the one year periods beginning September 1, 2005 and ending on September 1, 2008.

3. Defendant **JORGE DE CASTRO FONT** was an agent of the Commonwealth of Puerto Rico and also of the Senate of the Commonwealth of Puerto Rico whose duties included those of a popularly elected Senator of the Commonwealth of Puerto Rico.

4. From in or about October, 2006, until in or about 2007, in the District of Puerto Rico, Defendant **JORGE DE CASTRO FONT**

did corruptly solicit, demand, accept and agree to accept a thing of value from **Person 4**, to wit: cash payments totaling approximately \$12,500, intending to be influenced and rewarded in connection with a transaction and series of transactions of the Commonwealth of Puerto Rico and the Senate, involving \$5,000 or more.

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

COUNT 26

**Bribery with Respect to Programs Receiving Federal Funds
(Title 18, United States Code, §666(a)(1)(B))**

1. The General Allegations of this Indictment and Counts One through Twenty are re-alleged and incorporated herein by reference.

2. At all times material to this Indictment, the Commonwealth of Puerto Rico was a State Government and the Senate of the Commonwealth of Puerto Rico was an agency of the Commonwealth of Puerto Rico, each of which received federal assistance in excess of \$10,000 during each of the one year periods beginning September 1, 2005 and ending on September 1, 2008.

3. Defendant **JORGE DE CASTRO FONT** was an agent of the Commonwealth of Puerto Rico and also of the Senate of the

Commonwealth of Puerto Rico whose duties included those of a popularly elected Senator of the Commonwealth of Puerto Rico.

4. From in or about January, 2005 until in or about August, 2008, in the District of Puerto Rico, Defendant **JORGE DE CASTRO FONT** did corruptly solicit, demand, accept and agree to accept a thing of value from **Person 6**, to wit: payments totaling approximately \$8,000 to \$10,000, intending to be influenced and rewarded in connection with a transaction and series of transactions of the Commonwealth of Puerto Rico and the Senate, involving \$5,000 or more.

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

COUNT 27

**Bribery with Respect to Programs Receiving Federal Funds
(Title 18, United States Code, §666(a)(1)(B))**

1. The General Allegations of this Indictment and Counts One through Twenty are re-alleged and incorporated herein by reference.

2. At all times material to this Indictment, the Commonwealth of Puerto Rico was a State Government and the Senate of the Commonwealth of Puerto Rico was an agency of the Commonwealth of Puerto Rico, each of which received federal assistance in excess of \$10,000 during each of the one year

periods beginning September 1, 2005 and ending on September 1, 2008.

3. Defendant **JORGE DE CASTRO FONT** was an agent of the Commonwealth of Puerto Rico and also of the Senate of the Commonwealth of Puerto Rico whose duties included those of a popularly elected Senator of the Commonwealth of Puerto Rico.

4. From in or about 1996 until in or about August, 2008, in the District of Puerto Rico, Defendant **JORGE DE CASTRO FONT** did corruptly solicit, demand, accept and agree to accept a thing of value from **Person 7**, to wit: cash payments totaling approximately \$50,000, intending to be influenced and rewarded in connection with a transaction and series of transactions of the Commonwealth of Puerto Rico and the Senate, involving \$5,000 or more.

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

COUNT 28

**Bribery with Respect to Programs Receiving Federal Funds
(Title 18, United States Code, §666(a)(1)(B))**

1. The General Allegations of this Indictment and Counts One through Twenty are re-alleged and incorporated herein by reference.

2. At all times material to this Indictment, the Commonwealth of Puerto Rico was a State Government and the Senate

of the Commonwealth of Puerto Rico was an agency of the Commonwealth of Puerto Rico, each of which received federal assistance in excess of \$10,000 during each of the one year periods beginning September 1, 2005 and ending on September 1, 2008.

3. Defendant **JORGE DE CASTRO FONT** was an agent of the Commonwealth of Puerto Rico and also of the Senate of the Commonwealth of Puerto Rico whose duties included those of a popularly elected Senator of the Commonwealth of Puerto Rico.

4. From in or about October, 2005 until in or about June, 2007, in the District of Puerto Rico, Defendant **JORGE DE CASTRO FONT** did corruptly solicit, demand, accept and agree to accept a thing of value from **Person 11**, to wit: payments totaling approximately \$50,000, intending to be influenced and rewarded in connection with a transaction and series of transactions of the Commonwealth of Puerto Rico and the Senate, involving \$5,000 or more.

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

COUNT 29

**Bribery with Respect to Programs Receiving Federal Funds
(Title 18, United States Code, §666(a)(1)(B))**

1. The General Allegations of this Indictment and Counts One through Twenty are re-alleged and incorporated herein by reference.

2. At all times material to this Indictment, the Commonwealth of Puerto Rico was a State Government and the Senate of the Commonwealth of Puerto Rico was an agency of the Commonwealth of Puerto Rico, each of which received federal assistance in excess of \$10,000 during each of the one year periods beginning September 1, 2005 and ending on September 1, 2008.

3. Defendant **JORGE DE CASTRO FONT** was an agent of the Commonwealth of Puerto Rico and also of the Senate of the Commonwealth of Puerto Rico whose duties included those of a popularly elected Senator of the Commonwealth of Puerto Rico.

4. From in or about July, 2006 until in or about August, 2008, in the District of Puerto Rico, Defendant **JORGE DE CASTRO FONT** did corruptly solicit, demand, accept and agree to accept a thing of value from **Person 12**, to wit: cash payments totaling approximately \$120,000, intending to be influenced and rewarded in connection with a transaction and series of transactions of the Commonwealth of Puerto Rico and the Senate, involving \$5,000 or more. All in violation of Title 18 United States Code, Section 666(a)(1)(B).

COUNT 30
Conspiracy to Commit Money Laundering
(Title 18, United States Code, Section 1956(h))

1. The General Allegations of this Indictment and Counts One through Twenty are re-alleged and incorporated herein by reference.

2. From in or about January, 2005 through in or about January, 2008, in the District of Puerto Rico and elsewhere, the defendants,

JORGE DE CASTRO FONT and
ALBERTO GOACHET,

did knowingly combine, conspire, and agree with Person 8, and with other persons both known and unknown to the Grand Jury to commit offenses against the United States in violation of Title 18, United States Code, Section 1956, to wit: to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce, which involved the proceeds of specified unlawful activity, that is: wire fraud, in violation of Title 18, United States Code, Section 1343; knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions, that is, funds

and monetary instruments, represented the proceeds of some form of unlawful activity.

All in violation of Title 18, United States Code, Sections 1956(h) & (a)(1)(B)(i).

Object of the Conspiracy

3. It was the purpose and object of the conspiracy that the defendant and co-conspirators would conduct financial transactions with corporate checks issued by **Person 8's** business enterprise to a purported advertising entity, allegedly operated by defendant **GOACHET** in order to disguise and conceal the receipt of illegal payments made for the benefit of defendant **DE CASTRO FONT**.

Manner and Means of the Conspiracy

4. The manner and means used to accomplish the objectives of the unlawful conspiracy included:

a. Defendant **DE CASTRO FONT** and his co-conspirators engaged in a scheme and artifice to defraud as described in Count One of this Indictment.

b. Over the course of the conspiracy, **Person 8's** business delivered payments totaling approximately \$30,000, which constituted the proceeds of the scheme, to defendant **GOACHET's** business. Such transactions were disguised as payments for services purportedly rendered by defendant **GOACHET**. In fact,

there were no such valid services rendered for the payments, which were always intended for the benefit of defendant DE CASTRO FONT.

c. In order to disguise the payments, defendant GOACHET's business provided Person 8's business with monthly invoices created to substantiate the purported services rendered. Such invoices were fraudulent in that no such services were rendered.

d. Person 8's business reported such transactions as legitimate business transactions and payed taxes or fees which would be required for payments for services rendered.

e. These payments were never disclosed in the various reports which legally required disclosure of all payments for the benefit of defendant DE CASTRO FONT.

All in violation of Title 18, United States Code, Sections 1956(h) and 1956(a)(1)(B)(i).

COUNT 31

Conspiracy to Commit Money Laundering
(Title 18, United States Code, Section 1956(h))

1. The General Allegations of this Indictment and Counts One through Twenty are re-alleged and incorporated herein by reference.

2. From in or about January, 2005 through in or about January, 2008, in the District of Puerto Rico and elsewhere, the defendant,

JORGE DE CASTRO-FONT,

did knowingly combine, conspire, and agree with Person 1, Person 11, and other persons both known and unknown to the Grand Jury to commit offenses against the United States in violation of Title 18, United States Code, Section 1956, to wit: to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce, which involved the proceeds of specified unlawful activity, that is: wire fraud, in violation of Title 18, United States Code, Section 1343; extortion, in violation of Title 18, United States Code, Section 1951; and bribery with respect to programs receiving federal funds, in violation of Title 18, United States Code, Section 666, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of a specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions, that is, funds and monetary instruments, represented the proceeds of some form of unlawful activity.

All in violation of Title 18, United States Code, Sections 1956(h) & (a)(1)(B)(i).

Objects of the Conspiracy

3. It was a purpose and object of the conspiracy that the defendant and co-conspirators would conduct financial transactions with corporate checks issued by **Person 1's** business enterprise to an advertising entity, in order to disguise and conceal the receipt of illegal payments made for the benefit of defendant **DE CASTRO FONT**.

4. It was a purpose and object of the conspiracy that the defendant and co-conspirators would conduct financial transactions with corporate checks issued by **Person 11's** business enterprise to an advertising entity, in order to disguise and conceal the receipt of illegal payments made for the benefit of defendant **DE CASTRO FONT**.

Manner and Means of the Conspiracy

5. The manner and means used to accomplish the objectives of the unlawful conspiracy included:

a. Defendant **DE CASTRO FONT** and his co-conspirators engaged in a scheme and artifice to defraud as described in Count One of this Indictment.

b. Over the course of the conspiracy, **Person 1's** business delivered payments totaling approximately \$165,000 which constituted the proceeds of the scheme, to an advertising entity. Such transactions were disguised as payments from **Person 1's**

business for services purportedly rendered to it, when in fact the services were rendered on behalf of defendant **DE CASTRO FONT**. In fact, there were no such valid services rendered to **Person 1's** business for the payments, which were always intended for the benefit of defendant **DE CASTRO FONT**.

c. Over the course of the conspiracy, **Person 11's** business delivered payments totaling approximately \$30,000, to an advertising entity, which constituted the proceeds of the scheme. Such transactions were disguised as payments for services purportedly rendered by the advertising entity on behalf of **Person 11's** business. In fact, there were no such valid services rendered for the payments, which were always intended for the benefit of defendant **DE CASTRO FONT**.

d. In order to disguise the payments, the entity provided **Person 1's** business with monthly invoices created to substantiate the purported services rendered. Such invoices were fraudulent in that they included services actually rendered to defendant **DE CASTRO FONT** rather than to **Person 1's** business.

e. In order to disguise the payments, the advertising entity provided **Person 11's** business with invoices created to substantiate the purported services rendered. Such invoices were fraudulent in that no such services were rendered.

f. Person 1's business reported such transactions as legitimate business transactions and payed taxes or fees which would be required for payments for services rendered.

g. These payments were never disclosed in the various reports which legally required disclosure of all payments for the benefit of defendant DE CASTRO FONT.

All in violation of Title 18, United States Code, Sections 1956(h) and 1956(a)(1)(B)(i).

COUNT 32

False Statements

(Title 18 United States Code Section 1001(a)(2))

1. The General Allegations of this Indictment and Counts One through Twenty are re-alleged and incorporated herein by reference.

2. On or about September 9, 2008, in the District of Puerto Rico, in a matter within the jurisdiction of the executive branch of the Government of the United States, the defendant,

ALBERTO GOACHET,

knowingly and willfully made and caused to be made material false, fictitious and fraudulent statements and representations, that is, knowing that the Federal Bureau of Investigation (FBI) was engaged in an official investigation, defendant **GOACHET** falsely stated in substance to special agents of the FBI that:

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the approximately \$30,000 given by Person 8 to GOACHET between in or about December, 2006 through in or about January, 2008, was for work performed by GOACHET a long time ago, when in truth and in fact, as defendant GOACHET well knew, he had provided no legitimate services to Person 8, but instead had created false invoices in order to conceal the fact that the \$30,000 were intended to be payments for the benefit of defendant DE CASTRO FONT.

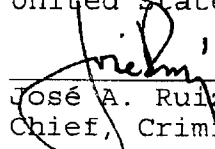
In violation of Title 18, United States Code, Section 1001(a)(2).

TRUE BILL

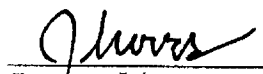
FOREPERSON

Date: 10/2/08

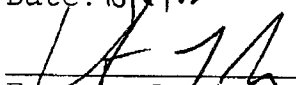
ROSA EMILIA RODRÍGUEZ-VÉLEZ
United States Attorney



José A. Ruiz
Chief, Criminal Division
Date:

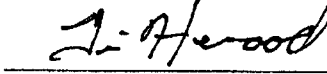


Jacqueline Novas
Assistant U.S. Attorney
Date: 10/2/08

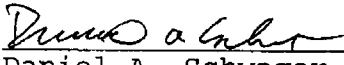


Ernesto Lopez Soltero
Assistant U.S. Attorney
Date: 10/2/08

WILLIAM M. WELCH, II
Chief
Public Integrity Section
Criminal Division
U.S. Department of Justice



Timothy R. Henwood
Assistant U.S. Attorney
Date: 10-2-08



Daniel A. Schwager
Trial Attorney
Public Integrity Section
Date: 10-2-08