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US DISTRICT COURT
SAN JUAN, PR

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF PUERTO RICO

UNITED STATES OF AMERICA,
Plaintiff,

v.

NESTOR ALONSO-VEGA
Defendant.

Criminal No. 20 -371 (RAM)

Count One and Two:
18 U.S.C. §§ 666 and 2
(Federal Funds Theft, Bribery, and Kickbacks)

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

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 **NESTOR ALONSO-VEGA** ("**ALONSO-VEGA**") was first elected to a seat in the Puerto Rico House of Representatives as an at-large member in 2016. He was chair of the Tourism and Social Welfare Committee.

8. In or about April 2017, members of the Puerto Rico House of Representatives adopted a Code of Ethics which provided as follows:

Spanish Original	English Translation
Artículo 4(e):	**Article 4(e)**:
Los Representantes atenderán diligentemente las necesidades colectivas e individuales de sus representados, realizando, para tal fin, las gestiones	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

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.	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.
Artículo 4(j): 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.	**Article 4(j)**: 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.

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

10. At all relevant times of this Indictment, **ALONSO-VEGA's** bi-weekly, net government salary ranged from approximately $2,366.97 to $2,808.80.

11. Person A worked in **ALONSO-VEGA's** legislative office between in or about February 2018 and in or about July 2020.

12. Between in or about February 2018 and in or about April 2018, Person A's bi-weekly, net government salary was approximately $760.02. Starting in or about April 2018, Person A's bi-weekly, net government salary was increased to approximately $1,446.52. Starting in or about May 2018, Person A's bi-weekly, net government salary was increased to approximately $2,043.08. Starting in or about July 2018, Person A's bi-weekly, net government salary was decreased to approximately $1,417.00 due to an across-the-board budget cut. However, starting in or about October 2019, Person A's bi-weekly, net government salary was again increased to approximately $2,270.68 and remained at that level until in or about July 2020, when Person A left **ALONSO-VEGA's** office. Each of these salary adjustments were personally authorized by **ALONSO-VEGA** on an official government document entitled Camara de Representantes de Puerto Rico, Oficina de Capital Humano, Recomendacion de Cambio (House of Representatives of Puerto Rico, Office of Human Capital, Recommendation for Change) which was signed by **ALONSO-VEGA**.

13. At all relevant times, **ALONSO-VEGA** primarily obtained his bi-weekly government paychecks via electronic funds transfer ("EFT") direct deposit in his personal account at Financial Institution 1, a Puerto Rico-based bank.

14. From in or about February 2018 to in or about October 2018, Person A primarily obtained his bi-weekly government paychecks in physical check form, which he cashed at Financial Institution 2, a Puerto Rico-based bank. Beginning in or about October 2018, Person A primarily obtained his bi-weekly government paychecks via EFT direct deposit in either one of two personal accounts at Financial Institution 2. EFT direct deposit

payments were made to Person A's account at Financial Institution 2 via interstate wire communications.

COUNT ONE
18 U.S.C. §§ 666(a)(1)(A) and 2
(Federal Funds Theft)

15. Paragraphs one through fourteen are incorporated and realleged as if fully set forth herein.

16. 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.

17. **ALONSO-VEGA** 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.

18. Beginning in or about April 2018 and until in or about September 2020, in the District of Puerto Rico and elsewhere, defendant **ALONSO-VEGA**, together with, and aided and abetted by Person A, and others known and unknown to the Grand Jury, embezzled, stole, obtained by fraud, and 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: **ALONSO-VEGA**, being an agent of the Commonwealth of Puerto Rico, together with, and aided and abetted by Person A and others known and unknown to the Grand Jury, fraudulently obtained money from the Commonwealth of Puerto Rico by unlawfully inflating the government salary of Person A

and retaining a portion of that salary for the defendant's own use and benefit.

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

COUNT TWO
18 U.S.C. §§ 666(a)(1)(B) and 2
(Federal Funds Bribery and Kickbacks)

19. Paragraphs one through fourteen are incorporated and realleged as if fully set forth herein.

20. 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.

21. **ALONSO-VEGA** 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.

22. Beginning in or about April 2018 and until in or about September 2020, in the District of Puerto Rico and elsewhere, defendant **ALONSO-VEGA**, 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 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 salary of Person A.

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

COUNTS THREE TO NINE
18 U.S.C. §§ 1343, 1346
(Honest Services Wire Fraud)

23. Paragraphs one through fourteen are incorporated and realleged as if fully set forth herein.

24. Beginning in or about April 2018 and until in or about September 2020, in the District of Puerto Rico and elsewhere, **ALONSO-VEGA**, 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 **ALONSO-VEGA**, a member of the Puerto Rico House of Representatives, through bribery and kickbacks.

25. On or about the dates set forth below, in the District of Puerto Rico and elsewhere, the defendant **ALONSO-VEGA**, 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:

Count	Date	Description
3	11/09/2019	A $100.00 payment to **ALONSO-VEGA's** Home Depot account by Person A.
4	12/18/2019	A $245.00 payment to **ALONSO-VEGA's** Home Depot account by Person A.

5	12/26/2019	A $1,000.00 payment to **ALONSO-VEGA's** Home Depot account by Person A.
6	01/09/2020	A $2,270.68 ACH Direct Deposit into Person A's Financial Institution 2 account
7	01/23/2020	A $2,270.68 ACH Direct Deposit into Person A's Financial Institution 2 account
8	02/12/2020	A $204.71 payment to **ALONSO-VEGA's** Home Depot account by Person A.
9	05/28/2020	A $2,270.68 ACH Direct Deposit into Person A's Financial Institution 2 account

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

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

26. Paragraphs one through twenty-five are incorporated and realleged as if fully set forth herein.

27. 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 defendant **ALONSO-VEGA** that in the event of his convictions for any of the offenses charged in Counts One to Nine 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

28. Defendant is notified that upon conviction, a money judgment may be imposed equal to the total value of the property subject to forfeiture.

Substitute Assets

29. Defendant is 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

[redacted]

FOREPERSON

11-04-2020

DATE

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United States Attorney

Seth A. Erbe
Assistant U.S. Attorney
Chief, Financial Fraud and Public Corruption Section

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