

UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF PUERTO RICO

UNITED STATES OF AMERICA,
Plaintiff,

v.

MARIO VILLEGAS-VARGAS,
Defendant.

Criminal No. 21-cr-468 (FAB)

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

Count Two: 18 U.S.C. § 666(a)(2)
(Federal Program Bribery)

Count Three: 18 U.S.C. § 1952(a)(3)
(Use of Interstate Facility in Aid of
Racketeering)

Forfeiture

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. Puerto Rico was divided into 78 administrative divisions called municipalities. Cataño was a municipality within the Commonwealth of Puerto Rico.

3. In each of the calendar years 2017, 2018, 2019, 2020, and 2021, the municipality of Cataño received more than \$10,000 in benefits from the United States government under federal programs involving grants, subsidies, loans, guarantees, insurance, and other forms of assistance.

4. Each municipality of Puerto Rico had a form of government which consisted

of an elected mayor and municipal legislature. Individual A served as mayor of Cataño from or around January 14, 2017 until present.

5. As mayor, Individual A was the highest-ranking government official in Cataño. The responsibilities of mayors in Puerto Rico included, but were not limited to: (a) implementing the law; (b) organizing, directing, and supervising all the administrative activities of the municipality; (c) preparing and administering the budget of the municipality; (d) hiring professional or contracting services, when necessary; and (e) supervising, administering, and authorizing the disbursement of funds received by the municipality. Elected mayors of municipalities in Puerto Rico serve four-year terms, and there are no term limits. As mayor, Individual A exercised substantial influence over the administration of the municipality's contracts.

6. Defendant MARIO VILLEGAS-VARGAS ("VILLEGAS") and Individual B were businessmen in Cataño. VILLEGAS was an associate and political benefactor of Individual A. VILLEGAS and Individual B owned or had a financial interest in an asphalt and paving company, Company A. VILLEGAS contributed at least \$30,000 in cash in support of Individual A's 2016 mayoral campaign.

COUNT 1
Conspiracy; Federal Funds Bribery and Kickbacks
18 U.S.C. § 371

7. The preceding paragraphs of this Indictment are hereby re-alleged and incorporated in this Count.

Object of the Conspiracy

8. From in or about June 2017, until in or about August 2021, in the District of Puerto Rico, defendant MARIO VILLEGAS-VARGAS did knowingly and willfully conspire

and agree with Individuals A and B, and with others known and unknown to the Grand Jury, to commit offenses against the United States, including Federal Program Bribery, that is, to corruptly give, offer, and agree to give things of value to Individual A, a public official and agent of Cataño, with the intent of influencing and rewarding Individual A in connection with any business, transaction, and series of transactions of Cataño valued at \$5,000.00 or more in each year of the conspiracy as opportunities arose, that is, municipal contracts. In each of the years 2017, 2018, 2019, 2020, and 2021, the municipality of Cataño received benefits to excess of \$10,000.00 under federal programs involving grants, subsidies, loans, guarantees, insurance, and other forms of assistance. All in violation of 18 U.S.C. § 656(a)(2).

Purpose of the Conspiracy

9. The purpose of the conspiracy was for the defendant VILLEGAS to benefit and enrich himself by securing municipal contracts for Company A as opportunities arose by paying Individual A bribes.

Manner and Means of the Conspiracy

10. The manner and means by which VILLEGAS carried out the scheme included, but were not limited to, the following:

11. VILLEGAS regularly met in secret with Individual A in various locations in or around Cataño to pay cash bribes and kickbacks to Individual A, in connection with any business, transaction, and a series of transactions of the municipality of Cataño involving \$5,000 or more, including municipal contracts, as opportunities arose.

12. VILLEGAS gave Individual A a Rolex watch in order to be awarded municipal contracts. Then, to conceal their corrupt agreement, VILLEGAS told Individual A "to get rid of the watches."

13. In exchange for cash payments from VILLEGAS and Individual B, and their agreement to pay kickbacks and bribes, INDIVIDUAL A took steps benefiting VILLEGAS, Individual B, and their business, Company A, including directing and exerting influence on municipal officials to ensure that Company A was awarded municipal contracts in Carafio and was paid pursuant to the contracts.

Acts in Furtherance of the Conspiracy

14. In furtherance of the conspiracy, and to affect the objects of the conspiracy, the following overt acts, among others, were committed in the District of Puerto Rico:

Villegas Makes Cash Payments to Individual A

15. On or about December 14, 2020, VILLEGAS gave Individual A a cash payment of approximately \$70,000.

16. On or about February 2, 2021, VILLEGAS gave Individual A a cash payment of approximately \$7,840.

17. On about June 8, 2021, VILLEGAS gave Individual A a cash payment of approximately \$17,000.

18. The bribe payments by VILLEGAS to Individual A, as well as his coordinated efforts to conceal their bribery scheme, helped Company A earn millions in municipal contracts approved by Individual A, including the following:

<u>Executed On or about:</u>	<u>Contract Number:</u>	<u>Approximate Amount:</u>
09/29/2017	2018-000103	\$600,000.00
12/18/2017	2018-000050	\$48,162.27
03/13/2018	2018-000224	\$115,830.50
03/13/2018	2018-000225	\$35,320.00
03/15/2018	2018-000229	\$35,452.40
03/15/2018	2018-000230	\$24,527.60
06/29/2018	2018-000280	\$198,778.80

06/29/2018	2018-000287	\$11,426.50
08/01/2018	2019-000081	\$219,091.23
08/26/2018	2019-000078	\$738,569.81
09/07/2018	2019-000135	\$90,731.85
09/27/2018	2019-000141	\$10,800.00
09/27/2018	2019-000142	\$85,758.75
09/27/2018	2019-000147	\$237,510.90
09/27/2018	2019-000148	\$24,300.00
09/27/2018	2019-000149	\$86,799.60
09/27/2018	2019-000150	\$57,490.00
10/04/2018	2019-000156	\$597,860.30
10/04/2018	2019-000157	\$1,620.00
02/14/2019	2019-000249	\$49,094.00
04/01/2019	2019-000194	\$326,626.35
04/01/2019	2019-000195	\$59,811.00
04/08/2019	2019-000302	\$69,519.57
04/08/2019	2019-000503	\$55,740.00
04/08/2019	2019-000311	\$33,287.10
04/08/2019	2019-000312	\$1,680.00
08/02/2019	2020-000131	\$20,000.00
08/15/2019	2020-000149	\$980.00
08/20/2019	2020-000152	\$572,467.25
08/20/2019	2020-000153	\$284,019.00
08/20/2019	2020-000154	\$69,232.80
08/20/2019	2020-000155	\$176,926.15
09/09/2019	2020-000167	\$195,000.00
10/07/2019	2020-000201	\$171,023.20
10/07/2019	2020-000202	\$119,276.30
10/07/2019	2020-000203	\$298,344.40
10/11/2019	2020-000188	\$966,616.40
12/13/2019	2020-000233	\$133,152.50
02/03/2020	2020-000282	\$778,017.95
02/20/2020	2020-000282-A	\$85,605.00
03/11/2020	2020-000341	\$313,622.70
05/19/2020	2020-000349	\$349,226.25
06/18/2020	2020-000357	\$85,309.20
12/28/2020	2021-000032	\$510,932.76
09/01/2020	2021-000108	\$744,544.95
09/01/2020	2021-000109	\$176,575.00
11/18/2020	2021-000175	\$152,929.55
12/03/2020	2021-000115	\$16,320.00
07/02/2021	2022-000105	\$82,473.27
07/02/2021	2022-000106	\$242,500.00
Total		\$9,966,905.16

All in violation of 18 U.S.C. § 371.

COUNT 2
Federal Program Bribery
18 U.S.C. § 666(a)(2)

19. Paragraphs one through six of this Indictment are hereby re-alleged and incorporated in this Count.

20. Between June 10, 2020 and June 9, 2021, in the District of Puerto Rico, defendant MARIO VILLEGAS-VARGAS, did give, offer, and agree to give things of value to Individual A, a public official and agent of Cataño, with the intent of influencing and rewarding Individual A in connection with any business, transaction, and series of transactions of Cataño valued at \$5,000.00 or more as opportunities arose, that is, municipal contracts. In each of the years 2020 and 2021, the municipality of Cataño received benefits in excess of \$10,000.00 under federal programs involving grants, subsidies, loans, guarantees, insurance, and other forms of assistance.

All in violation of 18 U.S.C. § 666(a)(2).

COUNT 3
Use of Interstate Facility in Aid of Racketeering
18 U.S.C. § 1952(a)(3)

21. Paragraphs one through six of this Indictment are hereby re-alleged and incorporated in this Count.

22. On or about December 14, 2020, in the District of Puerto Rico, defendant MARIO VILLEGAS-VARGAS knowingly and intentionally did use and cause to be used a facility in interstate and foreign commerce, namely a telephone and a wire and electronic communication, with the intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of an unlawful activity, namely,

bribery, contrary to 18 U.S.C. §§ 4890 and 4891, and thereafter performed and attempted to perform an act to promote, manage, establish and carry on, and to facilitate the promotion, management, establishment and carrying on of the above unlawful activity.

All in violation of 18 U.S.C. § 1952(a)(3).

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

23. The preceding paragraphs of this Indictment are hereby so alleged and incorporated in this Allegation.

24. Pursuant to 28 U.S.C. § 2461(c) and 18 U.S.C. § 981(a)(1)(C), the United States gives notice to the defendant MARIO VILLEGAS-VARGAS that in the event of a conviction for the offense charged in Count One or Two 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

25. 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

26. 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 Defendant up to the total value of the property subject to forfeiture pursuant to 21 U.S.C. § 853(p), as incorporated by reference in 28 U.S.C. § 2461(c) and 18 U.S.C. § 982(b)(1). *TRUE BILL*

FOR PERSON DATE - 12/01/2021

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