

**Department of Justice**

U.S. Attorney's Office

District of Puerto Rico

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FOR IMMEDIATE RELEASE

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## **Abel Nazario-Quinones, PR Senator and Former Mayor of Yauco Found Guilty for False Statements and Wire Fraud**

SAN JUAN, P.R. – After a twelve-day jury trial, Abel Nazario-Quinones, senator and former mayor of the municipality of Yauco, Puerto Rico, was found guilty of 23 counts of false statements and 5 counts of wire fraud, announced United States Attorney W. Stephen Muldrow. United States District Court Judge Joseph N. Laplante presided over the trial. The U.S. Department of Labor (DOL) Office of Inspector General (OIG) and the FBI were in charge of the investigation.

On February 1, 2019, a 37-count superseding indictment charged Senator Abel Nazario-Quinones with making false statements and wire fraud. According to the superseding indictment, in May 2013, during a routine audit of the Municipality's records, the PR Comptroller's Office discovered that municipal employees were required to work two voluntary hours per day. This issue was referred to the DOL Wage and Hour Division (WHD), which determined that this voluntary work requirement was a violation of the Fair Labor Standards Act.

In February 2015, Nazario-Quinones signed a Back Wage Compliance Payment Agreement with the DOL Wage and Hour Division in which he agreed to pay back wages totaling \$588,961.43 to 177 municipal employees for the period of August 1, 2012 to July 31, 2014 according to a predetermined schedule listing each employee who was owed wages, the amount they were owed, and the date by which each employee had to be paid. The Agreement allowed the Municipality until February 2018 to complete all the payments.

In August 2016, during their next routine audit of the Municipality's records, the PR Comptroller's Office learned that, although employees had been receiving lump sum payments according to the terms of the Agreement, the Municipality unilaterally began withholding the employees' regular wages without the knowledge or consent of the DOL WHD. This issue was referred to the DOL WHD who, in November 2016, referred it to the DOL Office of Inspector General (OIG).

The DOL OIG ultimately identified 30 contract municipal employees who, by the end of his mayoral term in 2016, Nazario-Quinones had certified were paid their back wages pursuant to the Agreement. The DOL OIG also determined that those 30 contract municipal employees, after receiving the wages to which they were entitled under the Agreement, had their regular pay with-held for certain periods of time at the direction of Nazario-Quinones while he provided various explanations to the employees as to why they were receiving these lump sum checks.

During trial, the government was able to prove that Nazario-Quinones falsely certified to the Department of Labor that he had paid back wages to the employees, according to the terms of the Agreement, and that he had retaliated against the employees for accepting the payment by directing the payroll department to withhold future earnings of these employees for varying lengths of time, despite their continued work for the municipality. The government was also able to prove that the defendant committed wire fraud as some of the forms used to certify the payments to the DOL WHD were sent via email.

The case was prosecuted by Assistant United States Attorneys Scott Anderson and Myriam Fernandez, and investigated by Special Agent Frances Agenjo from the DOL-OIG with assistance from Special Agent David Torres from the FBI and Virgilio Pabon from the Puerto Rico Office of the Comptroller. The defendant could face a maximum term of imprisonment of 30 years, and a fine not to exceed \$1,000,000. The sentencing is scheduled for July 20, 2020.