

Department of Justice
U.S. Attorney's Office
District of Puerto Rico

FOR IMMEDIATE RELEASE

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Senator Abel Nazario Quiñones Indicted And Arrested For Falsifying Documents And Wire Fraud

SAN JUAN, P.R. – Today, Senator Abel Nazario-Quiñones was arrested and charged in a 39-count indictment alleging the making or use of false documents and wire fraud, announced Rosa Emilia Rodríguez-Vélez, United States Attorney for the District of Puerto Rico. The Puerto Rico Comptroller's Office, the U.S. Department of Labor (DOL) Office of Inspector General (OIG), and the FBI are in charge of the investigation.

Defendant Nazario-Quiñones was first elected Mayor of Yauco, a municipality in Southwest Puerto Rico, in 2000, and continued to be the mayor until December of 2016. 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.

On February 2015, Nazario-Quiñones 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-Quiñones 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 withheld for certain periods of time at the direction of Nazario-Quiñones while he provided various explanations to the employees as to why they were receiving these lump sum checks.

According to the indictment, between February 2015 and December 2016, Nazario-Quiñones 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 would not take any retaliatory action against the employees for accepting the payment. In fact, however, Nazario-Quiñones directed the payroll department to withhold future earnings of these employees for varying lengths of time, despite their continued work for the municipality. It is also alleged that defendant committed wire fraud as some of the forms used to certify the payments to the DOL WHD were sent via email.

"The defendant's conduct undermines the confidence employees place in those who are supposed to protect and represent them," said U.S. Attorney Rosa Emilia Rodríguez-Vélez. "Government officials are governed by rules that are supposed to protect employees and the public. Yauco's former mayor,

skilled at convincing individuals to place their trust in him, engaged in a scheme to defraud his own employees. We will continue investigating and prosecuting this type of financial fraud to the full extent of the law.”

“An important mission of the Office of Inspector General is to investigate allegations that relate to U.S. Department of Labor programs designed to protect the wages of the American workforce. We will continue to work with our local and federal law enforcement partners to investigate these types of allegations,” stated Michael C. Mikulka, Special Agent-in-Charge, New York Region, U. S. Department of Labor Office of Inspector General.

The case is being prosecuted by Assistant United States Attorney Scott Anderson. The case was investigated by the Puerto Rico Comptroller’s Office, the U.S. Department of Labor (DOL) Office of Inspector General (OIG), and the FBI. Defendant Nazario-Quñones is facing a maximum term of imprisonment of 20 years, and a fine not to exceed \$1,000,000.

An indictment is only an accusation and not evidence of guilt. The defendant is presumed innocent until proven guilty.

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