

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
DEL RIO DIVISION

FILED

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WESTERN DISTRICT OF TEXAS
U.S. CLERK'S OFFICE

UNITED STATES OF AMERICA

§ Cause No.:

§

§

INDICTMENT

§

v.

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COUNT 1: 18 U.S.C. §§ 371, Conspiracy;

§

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COUNTS 2-5: 18 U.S.C. § 666, Federal Programs Bribery.

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WILLIAM JAMES JONAS, III,
RICARDO LOPEZ,
ROGELIO MATA,
ROEL MATA,
GILBERT URRABAZO,
NGOC TRI NGUYEN, a.k.a. "Mr. T"

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BY: _____
DEPUTY

DR 16 CR 0135

THE GRAND JURY CHARGES:

INTRODUCTION

At all times material to this indictment:

1. Crystal City (periodically referred to herein as "the City") was a political subdivision of the State of Texas located within the Western District of Texas. Crystal City received benefits in excess of \$10,000 in each of the consecutive fiscal one-year periods beginning on October 1, 2014, and October 1, 2015, under federal programs involving grants, contracts, subsidies, loans, guarantees, insurance, and other forms of federal assistance.

2. The primary governing body for Crystal City was the City Council. The City Council was composed of five elected Members, including the Mayor and Mayor pro tem. Among other responsibilities, the City Council set certain tax rates applicable within Crystal City, approved contracts for the building and maintenance of roads within Crystal City, hired the

City Manager and City Attorney, oversaw the administration of the Crystal City government, and controlled expenditures of City funds, including those that the City received from federal programs.

3. The Economic Development Corporation (hereinafter "EDC") for Crystal City is an independent commission within the Crystal City government. The EDC is responsible for disbursing funds raised pursuant to Crystal City's sales tax. Members of the EDC are appointed by the City Council.

4. Defendant WILLIAM JAMES JONAS, III, was hired as City Attorney for Crystal City on or about May 21, 2012. JONAS' duties were expanded to include those of City Manager on or about July 7, 2014, and JONAS holds both such positions to the present date. JONAS' duties and obligations as City Attorney and City Manager are governed by a contract between JONAS and the City. That contract requires JONAS to fulfill his duties in accordance with Texas laws, the City's charter, and all ordinances and resolutions of the City and such policies as shall be adopted by the City Council.

5. Defendant RICARDO LOPEZ was elected Mayor of Crystal City on or about May 20, 2014, and continues to serve in that capacity. As Mayor, LOPEZ holds a vote on the City Council.

6. Defendant ROGELIO MATA was elected to the City Council on or about May 14, 2011, and currently serves as Mayor Pro Tem. ROGELIO MATA has also served as the Chair of the EDC and continues to serve in that capacity. ROGELIO MATA holds a vote on the City Council and the EDC.

7. Defendant ROEL MATA was elected to the City Council on or about May 15,

2012, and currently serves as a Member. ROEL MATA holds a vote on the City Council.

8. Defendant GILBERT URRABAZO was elected to the City Council on or about May 15, 2012, and continued to serve until he was voted out of office on or about May 9, 2015. During his time in office, URRABAZO held a vote on City Council.

9. Defendant NGOC TRI NGUYEN is a resident of the State of Texas. NGUYEN was in the business of operating "8-liner" businesses, in which patrons play games of chance on specially designed machines.

10. Each term, LOPEZ, ROGELIO MATA, ROEL MATA, and URRABAZO took an oath and affirmation to execute faithfully the duties of the office to which each was elected and to preserve, protect, and defend the Constitution and laws of the United States and the Constitution and laws of the State of Texas.

11. Included among the state and local laws applicable to JONAS, LOPEZ, ROGELIO MATA, ROEL MATA, and URRABAZO as public servants and agents of Crystal City was Texas Penal Code, section 36.02(a)(1) and (3), which provided in part that "a person commits the offense of bribery if he intentionally and knowingly offers, confers, or agrees to confer on another, or solicits, accepts, or agrees to accept from another: (1) any benefit as consideration for the recipient's decision, opinion, recommendation, vote, or other exercise of discretion as a public servant; or ... (3) any benefit as consideration for a violation of a duty imposed by law on a public servant."

12. A person known to the Grand Jury, but identified herein only as "CONTRACTOR-1," was a resident of the State of Texas. CONTRACTOR-1 was an engineer and developer who provided engineering services to municipalities and other entities conducting

certain construction projects within the State of Texas. CONTRACTOR-1 used an electronic mail service that stored electronic communications in a server outside of the State of Texas.

13. An additional person known to the Grand Jury, but identified herein only as "ATTORNEY," was a licensed attorney based in San Antonio, Texas.

14. An additional person known to the Grand Jury, but identified herein only as CONTRACTOR-2 was a resident of the State of Texas. CONTRACTOR-2 represented an energy company seeking to do business in Crystal City.

COUNT ONE
[18 U.S.C. §371]

15. The allegations contained in the Introduction are re-alleged and incorporated in their entirety as if fully set out herein.

16. From on or about February 17, 2015, and continuing up to the date of this Indictment, in the Western District of Texas and elsewhere, the Defendants,

WILLIAM JAMES JONAS, III,
RICARDO LOPEZ,
ROGELIO MATA,
ROEL MATA,
GILBERT URRABAZO,
NGOC TRI NGUYEN,

and others known and unknown to the Grand Jury, did unlawfully, willfully, and knowingly conspire, combine, confederate, and agree together and with each other and with others to commit an offense against the United States, that is, to corruptly solicit, demand, accept, and agree to accept a thing of value intending to be influenced or rewarded in connection with a transaction and series of transactions of Crystal City involving \$5,000 or more, in violation of 18 U.S.C. § 666(a)(1)(B).

OBJECT OF CONSPIRACY

17. The object of the conspiracy was for JONAS, LOPEZ, ROGELIO MATA, ROEL MATA, and URRABAZO to use their official positions to enrich themselves by soliciting and accepting payments and other things of value from NGUYEN, CONTRACTOR-1, CONTRACTOR-2, ATTORNEY, and others in exchange for favorable official action.

MANNER AND MEANS

18. The conspiracy was carried out through the following manner and means, among others:

a. JONAS solicited and accepted payments and other things of value totaling approximately \$7,791 from CONTRACTOR-1, and facilitated meetings in which CONTRACTOR-1 paid \$2,000 in cash to URRABAZO, \$2,000 in cash to ROEL MATA, and \$500 in cash to ROGELIO MATA.

b. In exchange for these payments and other things of value from CONTRACTOR-1, JONAS, ROGELIO MATA, ROEL MATA, and URRABAZO promised to take favorable official action on behalf of CONTRACTOR-1, including casting votes at City Council to award CONTRACTOR-1 with contracts to perform certain services for the City.

c. In exchange for these payments and other things of value from CONTRACTOR-1, JONAS helped arrange a vote at City Council to award a contract valued at more than \$10,000 to CONTRACTOR-1. The City Council voted to award the contract to CONTRACTOR-1 on November 17, 2015, with ROEL MATA, ROGELIO MATA, and LOPEZ voting in the affirmative.

d. In exchange for payments and other things of value from

CONTRACTOR-1, JONAS promised to and did direct City employees to issue checks for certain monies owed to CONTRACTOR-1.

e. In exchange for payments and other things of value from CONTRACTOR-1, JONAS and ROGELIO MATA provided a payment of \$12,000 from the EDC to CONTRACTOR-1 for a contract between the City and CONTRACTOR-1 to perform certain services.

f. JONAS recommended to CONTRACTOR-2 that CONTRACTOR-2's company retain ATTORNEY to negotiate a contract with Crystal City. JONAS then contacted ATTORNEY and requested that ATTORNEY pay to JONAS a portion of the fee paid by CONTRACTOR-2 to ATTORNEY. JONAS further instructed ATTORNEY not to disclose the connection between ATTORNEY's payment to JONAS and the fee paid by CONTRACTOR-2 to ATTORNEY. JONAS informed ATTORNEY that the City Council would cease its support of CONTRACTOR-2's business if CONTRACTOR-2 failed to provide ATTORNEY with required payments.

g. NGUYEN sought to establish "8-liner" gaming rooms in Crystal City. These "8-liner" gaming rooms paid cash to winners and operated as gambling businesses, in violation of Texas law. LOPEZ solicited and received payments and other things of value from NGUYEN, including \$6,000 provided by NGUYEN to LOPEZ to purchase a vehicle. In exchange for the payments and other things of value provided by NGUYEN, LOPEZ and JONAS agreed to take and did take official actions to help NGUYEN establish gaming rooms in Crystal City, including by agreeing to waive certain tax payments and by directing City employees to close competing businesses and to conduct certain inspections in a manner to

benefit NGUYEN.

h. In exchange for the support of JONAS for securing payments and other benefits from various persons, LOPEZ, ROGELIO MATA, ROEL MATA, and URRABAZO voted to provide and extend JONAS with a lucrative contract for JONAS to serve as City Attorney and City Manager.

i. JONAS, LOPEZ, ROGELIO MATA, ROEL MATA, and URRABAZO cast votes on City Council and took other official acts to support each other's efforts to award contracts and other City benefits to persons chosen by the various Defendants.

OVERT ACTS

19. In furtherance of this conspiracy and to effect and accomplish its objects, the Defendants or one or more of the unindicted conspirators, committed, among others, the following overt acts in the Western District of Texas and elsewhere:

a. On or about April 14, 2015, JONAS accepted a \$3,000 payment from CONTRACTOR-1.

b. On or about April 22, 2015, JONAS utilized his cellular telephone to send a text message to CONTRACTOR-1 regarding "help" that CONTRACTOR-1 could provide to URRABAZO.

c. On or about April 24, 2015, URRABAZO accepted a \$1,000 cash payment from CONTRACTOR-1 and agreed to support the award of a contract with the City to CONTRACTOR-1.

d. On or about May 8, 2015, ROEL MATA accepted a \$1,000 cash payment from CONTRACTOR-1 and agreed to support the award of a contract with the City to

CONTRACTOR-1.

e. On or about June 5, 2015, ROEL MATA accepted a \$1,000 cash payment from CONTRACTOR-1.

f. On or about August 11, 2015, JONAS spoke with CONTRACTOR-2 regarding potential payments that CONTRACTOR-2 would pay to ATTORNEY.

g. On or about August 14, 2015, JONAS accepted a \$2,000 cash payment from CONTRACTOR-1 and agreed to direct City employees to mail a check to CONTRACTOR-1 for work previously completed by CONTRACTOR-1.

h. On or about August 25, 2015, JONAS directed City employees to mail a check to CONTRACTOR-1.

i. On or about August 27, 2015, LOPEZ informed Defendant JONAS that NGUYEN had provided LOPEZ with a cash payment for certain "personal property."

j. On or about August 31, 2015, LOPEZ requested that JONAS direct City employees to take certain actions to close a business that was competing with a gaming business operated by NGUYEN.

k. On or about September 5, 2015, JONAS directed a City employee to take certain actions to close a business that was competing with a gaming business operated by NGUYEN.

l. On or about September 9, 2015, NGUYEN provided \$6,000 to LOPEZ for LOPEZ to purchase a vehicle.

m. On or about September 21, 2015, LOPEZ requested that JONAS direct City employees to conduct inspections on NGUYEN's property so that NGUYEN could secure a

permit, requesting that the inspectors “make it easy.”

n. On or about September 21, 2015, JONAS directed a City employee to conduct an inspection of property owned by NGUYEN, instructing the City employee to “help them.”

o. On or about September 23, 2015, JONAS placed a telephone call to CONTRACTOR-1 and stated that he (JONAS) would like to “promote” CONTRACTOR-1’s business in “every way possible,” in part because CONTRACTOR-1 was “incredibly reciprocal.”

p. On or about October 23, 2015, JONAS accepted a payment of \$1,000 cash from CONTRACTOR-1.

q. On or about October 27, 2015, JONAS informed CONTRACTOR-1 that ROGELIO MATA would appreciate “help” in the form of a financial payment.

r. On or about November 6, 2015, ROGELIO MATA accepted a payment of \$500 from CONTRACTOR-1 and agreed to support CONTRACTOR-1’s efforts to secure contracts with Crystal City.

s. On or about November 30, 2015, NGUYEN spoke with LOPEZ on the telephone and offered to forgive debts owed by LOPEZ to NGUYEN in exchange for LOPEZ taking certain official actions to lessen the taxes paid by NGUYEN to the City, stating that LOPEZ took such actions that NGUYEN would “call it square.”

t. On or about December 2, 2015, URRABAZO informed LOPEZ that LOPEZ would receive “at least one” for helping to facilitate the purchase of land by NGUYEN from a third party.

u. On or about January 8, 2016, JONAS asked CONTRACTOR-1 to pay JONAS' bill from the Austin Club and agreed to cause the City to issue checks for certain monies that were owed to CONTRACTOR-1 for work previously completed.

v. On or about January 28, 2016, ROGELIO MATA delivered to CONTRACTOR-1 checks for certain monies that were owed to CONTRACTOR-1 for work previously completed.

w. On or about January 29, 2016, URRABAZO accepted a \$1,000 payment from CONTRACTOR-1.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO
[18 U.S.C. §§ 666, 2]

1. The allegations contained in the Introduction and paragraphs 18 and 19 above are re-alleged and incorporated in their entirety as if fully set out herein.

2. From on or about February 17, 2015, and continuing up through the date of this Indictment, in the Western District of Texas, the Defendants,

WILLIAM JAMES JONAS, III,
ROGELIO MATA,
ROEL MATA,
GILBERT URRABAZO,

aided and abetted by each other and others known and unknown to the Grand Jury, as agents of Crystal City, a local government that received benefits in excess of \$10,000 in each of the consecutive fiscal one-year periods beginning on October 1, 2014, and October 1, 2015, under federal programs involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, did corruptly solicit, demand, accept and agree to accept a thing of value

from a person, that is, payments in the amount of approximately \$12,200 from CONTRACTOR-1, intending to be influenced and rewarded in connection with a transaction and series of transactions of Crystal City involving \$5,000 or more, in violation of Title 18, United States Code, Section 666(a)(1)(B).

COUNT THREE
[18 U.S.C. § 666]

3. The allegations contained in the Introduction are re-alleged and incorporated in their entirety as if fully set out herein.

4. From on or about June 15, 2015, and continuing up through the date of this Indictment, in the Western District of Texas, the Defendant,

WILLIAM JAMES JONAS, III,

as an agent of Crystal City, a local government that received benefits in excess of \$10,000 in each of the consecutive fiscal one-year periods beginning on October 1, 2014, and October 1, 2015, under federal programs involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, did corruptly solicit, demand, and agree to accept a thing of value from a person, that is, a portion of funds to be paid by CONTRACTOR-2 to ATTORNEY in connection with legal representation in a matter concerning Crystal City, intending to be influenced and rewarded in connection with a transaction and series of transactions of Crystal City involving \$5,000 or more, in violation of Title 18, United States Code, Section 666(a)(1)(B).

COUNT FOUR
[18 U.S.C. §§ 666, 2]

5. The allegations contained in the Introduction are re-alleged and incorporated in their entirety as if fully set out herein.

6. From on or about July 1, 2015, and continuing up through the date of this Indictment, in the Western District of Texas, the Defendants,

WILLIAM JAMES JONAS, III,
RICARDO LOPEZ,

aided and abetted by each other and others known and unknown to the Grand Jury, as agents of Crystal City, a local government that received benefits in excess of \$10,000 in each of the consecutive fiscal one-year periods beginning on October 1, 2014, and October 1, 2015, under federal programs involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, did corruptly solicit, demand, accept and agree to accept a thing of value from a person, that is, payments in the amount of approximately \$6,000 and other things of value from NGOC TRI NGUYEN, intending to be influenced and rewarded in connection with a transaction and series of transactions of Crystal City involving \$5,000 or more, in violation of Title 18, United States Code, Section 666(a)(1)(B).

COUNT FIVE
[18 U.S.C. §§ 666]

7. The allegations contained in the Introduction are re-alleged and incorporated in their entirety as if fully set out herein.

8. From on or about July 1, 2015, and continuing up through the date of this Indictment, in the Western District of Texas, the Defendant,

NGOC TRI NGUYEN,

with the intent to influence and reward Defendant RICARDO LOPEZ, an agent of Crystal City, a local government that received benefits in excess of \$10,000 in each of the consecutive fiscal one-year periods beginning on October 1, 2014, and October 1, 2015, under federal programs involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, did corruptly offer and provide to Defendant RICARDO LOPEZ a thing of value, that is, payments in the amount of approximately \$6,000 and other things of value, in connection with a transaction and series of transactions of Crystal City involving \$5,000 or more, in violation of Title 18, United States Code, Section 666(a)(2).

NOTICE OF UNITED STATES OF AMERICA'S DEMAND FOR FORFEITURE

[See Fed. R. Crim. P. 32.2.]

I.

Bribery Violations and Forfeiture Statutes

[Title 18 U.S.C. §§ 666(a)(1)(B), 666(a)(2), and 371, subject to forfeiture pursuant to Title 18 U.S.C. § 981(a)(1)(C), made applicable to criminal forfeiture by Title 28 U.S.C. § 2461.]

As a result of the foregoing criminal violations set forth in Counts One through Five, the United States of America gives notice to the Defendants of its intent to seek the forfeiture of the property described below upon conviction pursuant to Fed. R. Crim. P. 32.2 and Title 18 U.S.C. § 981(a)(1)(C), made applicable to criminal forfeiture by Title 28 U.S.C. § 2461, which states:

Title 18 U.S.C. § 981. Civil forfeiture

(a)(1) The following property is subject to forfeiture to the United States:

(C) Any property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting "specified unlawful activity" (as defined in section 1956(c)(7) of this title), or a conspiracy to commit such offense.

This Notice of Demand for Forfeiture includes, but is not limited to the property described below in paragraphs II and III.

II.
Money Judgment

Money Judgment: A sum of money equal to the value of the proceeds traceable to the violations set forth above in Count One for which the Defendants are jointly and severally liable.

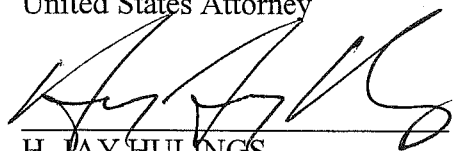
III.
Substitute Assets

If any of the property described above as being subject to forfeiture for the violations set forth above, as a result of any act or omission of the Defendants:

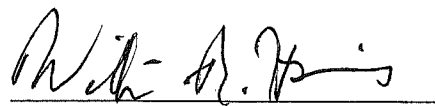
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States of America to seek forfeiture of any other property, up to the value of said money judgment, as substitute assets pursuant to Title 21 U.S.C. § 853(p) and Fed. R. Crim. P. 32.2(e)(1).

RICHARD L. DURBIN, JR
United States Attorney



H. JAY HULINGS
Assistant United States Attorney


WILLIAM R. HARRIS
Assistant United States Attorney

