

PUBLIC CORRUPTION IN PROCUREMENT
A TRUE CRIME STORY



Former San Angelo police chief Tim Vasquez sentenced to prison

August 5, 2022

Former San Angelo Chief of Police Tim Vasquez was sentenced to 15 ½ years in prison and ordered to pay a \$35,000 fine Friday, Aug. 5, 2022, for accepting bribes while leading the San Angelo Police Department.





Specialized Agencies



Texas Rangers

Public Integrity Unit

FBI

Public Corruption Program

Investigating violations of federal law by public officials at the federal, state, and local levels of government

Texas Bribery

Texas Penal Code Sec. 36.02. BRIBERY.

Offense if a person intentionally or knowingly offers, confers, or agrees to confer on another, or solicits, accepts, or agrees to accept from another **any benefit** as consideration for the recipient's decision, opinion, recommendation, vote, or other exercise of discretion as a public servant

"Benefit" means anything reasonably regarded as pecuniary gain or pecuniary advantage, **including benefit to any other person** in whose welfare the beneficiary has a direct and substantial interest.

Violations constitute second degree felony.

18 U.S. Code § 666

Theft or bribery concerning programs receiving Federal funds

Corruptly solicits or demands for the benefit of any person or accepts or agrees to accept, anything of value from any person, intending to be influenced or rewarded in connection with any business transaction.

Thing of value must be \$5,000 or more

Honest Mail Fraud

Title 18 USC, Section 1341 and 1346

- What is this anyway?

FBI Cases



FBI case conviction rate is 99.6% after indictment.

- Funds to conduct thorough investigations and build strong cases.
- Many cases end in plea deals that add to the conviction rate.

Listing of news releases at the FBI.gov site.

<https://www.fbi.gov/investigate/public-corruption>

Relevant Timeframes

- Worked as an Assistant City Attorney in Abilene beginning February 2006
- February 2007 the City of San Angelo solicited bids for a new radio system and in April Dailey & Wells was awarded the \$5.6 million contract.
- May 2015 I was selected as the City Attorney for the City of San Angelo
- June 2015 San Angelo City Council awarded Dailey & Wells a \$6 million “upgrade” to the system
- July 13, 2015 was my first day of work with the City of San Angelo

In the beginning

2015 TCAA Fall Conference I received a call.....

Investigation #1

How did the Texas Rangers get involved initially?

How did the initial investigation become an investigation into bribery?

Investigation #1

At what point did the FBI get involved?

Federal Investigation

How do the agencies work together in these cases?

The investigation

What kinds of evidence were you looking for when conducting the investigation?

Federal Investigation

Did you ever think others were involved other than Tim Vasquez?

Handling requests From Texas Ranger

1. Conversation with City Manager and received approval from him to cooperate with the Ranger.
2. Utilized public information requests or links to documents and videos on our website to provide the vast majority of the information necessary for the investigation.
3. City Manager consented to releasing the remainder of the information.



TIMOTHY RAY VASQUEZ



PUBLIC CORRUPTION INVESTIGATION



Material Facts

Tim Vasquez was an agent and officer of the City of San Angelo

Elected Chief of Police for San Angelo in 2004 and re-elected in 2008 and 2012





Material Facts (cont.)

Section 36.02(a) of the Texas Penal Code (2nd Degree Felony)

As a public servant, you commit the offense of bribery if you solicit, offer, or accept a “benefit” in exchange for your decision, opinion, recommendation, vote, or other exercise of official discretion



Scheme to Defraud



Tim Vasquez covertly used his position at the elected Police Chief to enrich himself and others by soliciting and accepting bribes, gifts, payments, and other things of value from an entity (Vendor 1) doing business for the City of San Angelo in exchange for favorable office action in connection with the 2007 RFP for a radio communication system and the 2015 “upgrade” to the radio communication system.



Manner and Means Scheme to Defraud

Timothy Ray Vasquez, as the Police Chief for CSA:

- a. Solicited and accepted gifts, bribes, payments, and other things of value from Vendor 1
- b. Provided favorable action on behalf of Vendor 1
- c. Took steps to hide, conceal, and cover up his activity and the nature and scope of his dealings with Vendor 1



Funky Munky Income From Vendor 1 or Its Subsidiaries

Date	Vendor 1 Event	Paid By	Amount	
7/13/2007	25th Wedding Anniversary	Subsidiary	\$ 10,000.00	*
11/26/2007	Company Christmas Party	Subsidiary	\$ 8,000.00	*
12/20/2008	Company Christmas Party	Subsidiary	\$ 8,000.00	***
7/11/2009	Wedding for For Daughter	Vendor 1	\$ 8,000.00	*^
12/3/2009	Company Christmas Party	Subsidiary	\$ 8,000.00	***
12/17/2010	Company Christmas Party	Dailey Wells	\$ 8,000.00	***
11/29/2011	Company Christmas Party	Subsidiary	\$ 8,000.00	***
12/7/2012	Company Christmas Party	Subsidiary	\$ 8,000.00	***
12/9/2013	Company Christmas Party	Subsidiary	\$ 8,000.00	***
12/13/2014	Company Christmas Party	Subsidiary	\$ 10,000.00	***
12/13/2015	Company Christmas Party	Subsidiary (cash)	\$ 8,000.00	**
12/7/2016	Retainer	Vendor 1	\$ 50,000.00	
Total			\$ 142,000.00	
<i>Average Performance Rate Through 2015:</i>			<i>\$ 8,363.64</i>	



Band Fee Comparison

Average band fees paid by Vendor 1	>\$8,300
Average band fees deposited by all other band customers (based on bank records obtained via Grand Jury Subpoena)	<\$2,000





Other Benefits Received

Cowboys suite tickets for Vasquez and his friends/family

Spurs suite tickets for Vasquez and his friends/family

Use of a million-dollar condo atop of the Grand Hyatt in San Antonio

Concert tickets



Count	Dates	Violation
1	Feb 2007 – Dec 2016	Title 18 United States Code Section 666(a)(1)(B) Receipt of a Bribe by an Agent of an Organization Receiving Federal Funds
2	July 21, 2015	Title 18, United States Code, Sections 1341 and 1346 Honest Services Mail Fraud - \$573,369.22
3	Oct 20, 2015	Title 18, United States Code, Sections 1341 and 1346 Honest Services Mail Fraud - \$2,866,846.08
4	Dec 29, 2015	Title 18, United States Code, Sections 1341 and 1346 Honest Services Mail Fraud - \$1,433,423.04

Federal Violations



Why Bribery?

- Checks issued from affiliated entity most of the time
- Timing of the payments to Funky Munky
- Grossly exorbitant payments to Funky Munky (>4 times)
- Money deposited into Vasquez's account
- Ensured avoiding RFP
- Vasquez had a substantial motive – heavily in debt
- Vasquez did not disclose financial relationship with Vendor 1
- \$50,000 payment after learned under investigation



Why Honest Services Mail Fraud?

Vasquez devised and intended to devise a scheme and artifice to defraud and deprive the citizens of San Angelo and the City of San Angelo their right to honest and faithful services of Vasquez through bribery, kickbacks, and the concealment of material information





Why Honest Services Mail Fraud? (cont.)

- Vasquez used his official position to enrich himself by soliciting and accepting gifts, payments, and other things of value from Vendor 1 in exchange for favorable official action
- For the purpose of executing and attempting to execute the above scheme and artifice to defraud and deprive, knowingly caused to be deposited to be sent and delivered by and through the United States Postal Service and private and commercial carriers

Verdict

- Vasquez was found guilty on all four (4) counts by a jury of his peers
- Sentenced to 15 ½ years in prison
- Fined \$35,000



Takeaways

- Rangers and FBI are actively investigating these types of cases.
- Ensure your clients are filing all of the proper conflicts disclosures. Yearly training.
- Ensure cooperative purchases are being conducted properly.
- Train on gift statutes and what is acceptable for employees to receive.