

PUBLIC CORRUPTION IN PROCUREMENT  
A TRUE CRIME STORY



## Former San Angelo police chief Tim Vasquez sentenced to prison

August 5, 2022

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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

[Specialized Units | Department of Public Safety \(texas.gov\)](#)

## FBI

Public Corruption Program

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

[Public Corruption Update — FBI](#)

# Relevant Timeframes

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- 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

# Who's my client?

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- Rule 1.12 Organization as a client

- (a) A lawyer employed or retained by an organization **represents the entity.** While the lawyer in the ordinary course of working relationships may **report to, and accept direction from, an entity's duly authorized constituents,** in the situations described in paragraph (b) the lawyer shall proceed as reasonably necessary **in the best interest of the organization** without involving unreasonable risks of disrupting the organization and of revealing information relating to the representation to persons outside the organization.

# Who's my client?

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- Rule 1.12 Organization as a client

(b) A lawyer representing an organization must take **reasonable remedial actions** whenever the lawyer learns or knows that:

(1) **an officer, employee, or other person associated with the organization has committed** or intends to commit a violation of a legal obligation to the organization or a **violation of law** which reasonably might be imputed to the organization;

(2) the violation is likely to result in **substantial injury** to the organization; and

(3) the violation is related to a matter **within the scope of the lawyer's representation of the organization**

# When entity is a governmental entity

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## Commentary on Rule 1.12

“However, when the client is a governmental organization, a different balance may be appropriate between maintaining confidentiality and assuring that the wrongful official act is prevented or rectified, for public business is involved.”

# In the beginning

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



# Investigation #1

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How did the Texas Rangers get involved initially?

# Who's my client?

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# Investigation #1

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How did the initial investigation become an investigation into bribery?

# Texas Bribery and Corrupt Influence

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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.

# Investigation #1

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At what point did the FBI get involved?

# Federal Investigation

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How do the agencies work together in these cases?

## 18 U.S. Code § 666

Theft or bribery concerning programs receiving Federal funds

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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

# Federal Investigation

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What kinds of benefits were received by Tim Vasquez?



# Funky Munky



# Other Benefits Received

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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

# Honest Mail Fraud

## Title 18 USC Sections 1341 and 1346

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- What is this anyway?

# The investigation

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

# Rule 1.02

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## **Rule 1.02 Scope and Objectives of Representation**

(e) When a lawyer has confidential information **clearly establishing** that the lawyer's client has committed a criminal or fraudulent act in the commission of which the **lawyer's services have been used**, the lawyer shall make reasonable efforts under the circumstances to persuade the client to take corrective action.

# Rule 1.05

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## **Rule 1.05 Confidentiality of Information**

(a) Confidential information includes **both privileged information and unprivileged client information**. Privileged information refers to the information of a client protected by the lawyer-client privilege of Rule 5.03 of the Texas Rules of Evidence or of Rule 5.03 of the Texas Rules of Criminal Evidence or by the principles of attorney-client privilege governed by Rule 5.01 of the Federal Rules of Evidence for United States Courts and Magistrates. **Unprivileged client information means all information relating to a client or furnished by the client, other than privileged information, acquired by the lawyer during the course of or by reason of the representation of the client.**

# Rule 1.05

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## **Rule 1.05 Confidentiality of Information**

(b) Except as permitted by paragraphs (c) and (d), or as required by paragraphs (e), and (f), a lawyer shall not knowingly:

(2) Use confidential information of a client to the disadvantage of the client **unless the client consents after consultations**

## Handling requests From Texas Ranger

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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.



# Federal Investigation

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

# Interests are adverse

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- Is the interest adverse to a constituent?
  1. Understand you cannot represent someone who is adverse to your client.
  2. Let the person know they should seek other counsel.

# Federal Investigation

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- What evidence was presented in trial?
- What witnesses were presented?
- What was the outcome of the trial?
- What was the most difficult element to prove?
- What took so long?

# 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.)

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### Section 36.02(a) of the Texas Penal Code (2<sup>nd</sup> 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

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Timothy Ray 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

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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**

<b>Date</b>	<b>Vendor 1 Event</b>	<b>Paid By</b>	<b>Amount</b>	
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	
<b>Total</b>			<b>\$ 142,000.00</b>	
			<b>\$ 8,363.64</b>	

**Average Performance Rate Through 2015:**

**\$ 8,363.64**



# Band Fee Comparison

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Average band fees paid by Vendor 1 >\$8,500

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



# Federal Violations

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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

# 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?

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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.)

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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

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- 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

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- 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.
- Pay careful attention to Rule 1.12 and all the nuanced ways that can come into play as government attorneys.