

# Santos Faces Fraud Rap

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SANPAN — Yvette N. Santos, the president of the Mariana Islands District Legislature, was charged yesterday with fraudulently using at least \$35,346.88 in public funds for his own enrichment.

A civil complaint filed in the High Court of the Trust Territory states that a 1972 audit of the legislature first revealed that Santos, beginning about April 1, 1970, "was engaged in a continuing scheme, design and plan of action which resulted in improper and unauthorized payment of public funds to himself and others."

One item in the complaint indicates that Santos ordered an unauthorized and unearned payment of \$2,500 to legislature counsel William B. Nabors in 1970.

Santos also is vice chairman of the Marianas Political Status Commission, which is in the process of negotiating the district's future political status

as a United States plus interest and any other funds found to have been misappropriated. The Trust Territory government has asked for the return of the cited expenditures. The exact amount involved, says the complaint, is impossible to determine with accuracy" until a thorough search of the records is made. Although the cause of action lies in the Marianas District, TT

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Attorney General Richard I. Miyamoto assigned the case to Romane District Attorney Minor Founds. Santos has been given 20 days to answer the complaint. Major charges are that Santos demanded that the Marianas District Treasurer pay him: \$18,931.65 for "official representation and expenses" in fiscal 1971 and 1972, despite a \$500 a year limit on expenses for official representation. \$3,681.57 for excessive official representation and expenses from April 1, 1972 to Oct. 19, 1972. \$9,485.68 for alleged overtime between April 1, 1970 and April 1, 1972, even though the legislature president is not authorized to collect overtime. The complaint says further that the government has reason to believe he did not work the overtime for which he was illegally reimbursed. \$369 for alleged overtime from April 1, 1972 to Oct. 19, 1972.

Several instances of double payments for travel expenses incurred while Santos was receiving per diem. In addition to the \$2,500 paid to Nabors, the complaint lists other questionable payments of \$848 for hotel expenses in Hawaii while Santos was on per diem, \$275 not returned from a travel advance, \$175 paid to the Chief Hotel on Guam when per diem was given, and \$80 to the Microresian Hotel on Guam, also after Santos had received per diem.

His demands for overtime payments particularly, states the complaint, were "false, fraudulent and made with the intention of appropriating and converting public funds to his own use."

Santos is entitled only to an annual salary (\$12,000) and, adds the complaint, he had full knowledge that he was not authorized to seek overtime payments.

# Fraud Count Filled

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The charges filed yesterday came more than a year after the TT government's audit of the legislature was made public in February 1973. The audit was conducted by the TT's Internal Auditors for the Fiscal 1971 and 1972 period. A supplemental audit carried the investigation through Oct. 31, 1972.

In their second report, the auditors concluded that the practice of "non-supported heavy expenditures by the president" continued "well into" 1973 as they had in the previous years.

The general findings included "inordinate payments made to the president, questionable overtime, excessive contingency expenditures, excessive representation expenditures, loose control over representation funds, improper computation of per diem and a questionable contract involving illegal payments."

The auditors singled out the district treasurer's "proneness to pay non-supported vouchers" on the request or demand of the legislature president.

Overtime payments to Santos and other legislature staff members, the auditors concluded, were "a cover device used primarily to enhance the annual salaries of the individuals involved."

A pattern of overtime corresponding in hours to the degree of responsibility appeared regularly, they said. The auditors noted that in

some instances pay checks were prepared, showing overtime not yet earned.

In Fiscal 1972 Santos received half of the total overtime paid, \$6,558, or 53 per cent more than his salary, the audit report states.

It also suggests that the legislature financed a vacation for Santos and his wife to Honolulu, with side trips to Maui and Molokai, in 1972.

In general, the auditors said that Santos took excessive trips to such places as Washington, Hawaii and Japan without properly documenting excessive expenditures for which he was reimbursed. Some of the travel was during weekends which, they concluded, was "not conducive to transacting official business."

A September 1970 trip to Washington regarding award of the air route in Micronesia came in for special analysis, the report continues. Nabors accompanied Santos on this trip.

Santos asked for and received a \$916 reimbursement for his air fare although Nabors did not, say the auditors. They thus presumed that Nabors had received free transportation from an airline and questioned the equity of one member of the delegation being given a free trip and the other not—if that in fact was the case.

On the matter of what the auditors termed an "unquestionable incidence of illegal double payments," the report concluded: "...the fact

that the situation was repeated indicates strongly that the act was deliberate, and not a singular inadvertent oversight."

The report also states that in fiscal 1971 Santos personally received \$11,725 for "representation and official expenses" and another \$7,205 the next year.

The auditors additionally cited "inordinately high or questionable" payments made to others, including \$5,750 in expenses related to the Micronesian World War II claims incurred by Nabors in a seven-month period in 1970.

"A 'select committee' of the legislature called to investigate the auditors' charges concluded last February that there was no illegal expenditure of public funds by Santos.

It also stated that "the financial matters of the legislature is the business of the legislature" and suggested that the TT government "must bear equal responsibility for the present state of affairs" because it had not conducted regular audits of the legislature.

Santos is the third Marianas official to be charged with misuse of public funds in the past six months.

Antonio S. Borja, the mayor of Tinian, was charged in October with embezzling \$12,000 to \$25,000.

Joannes R. Taimanao of Rota, a member of the Marianas Political Status Commission and former government employe, has pleaded no contest to embezzling \$4,345 in January.