

# Chamber probe may lead to charges

## De La Cruz, wife could face felonies

By DONNA JONES

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WATSONVILLE — Police have asked the District Attorney's Office to file a variety of felony charges against the former executive director of the Latino Chamber of Commerce of Santa Cruz County and his wife.

The request to charge Luis De La Cruz with embezzlement, forgery, theft and conspiracy and wife Irene, a member of the city Planning Commission, with theft and conspiracy comes after a lengthy probe into the defunct business organization's finances.

At least \$40,000 is missing, investigators said.

Neither of the De La Cruzes have been arrested.

"Once you make an arrest the clock starts ticking," said police Capt. Kim Austin, who is leading the investigation. "This gives (prosecutors) a chance to go through the documents, and there's a substantial amount of documents to go through."

Elizabeth Ventres, a paralegal in the office of Victor Campos, confirmed the Capitola lawyer is representing the De La Cruzes. She said Campos has advised the couple not to comment, and he would not comment at this time.

No one answered the door Wednesday night at the couple's Elm Street residence.

District Attorney Bob Lee estimated it will take his office four to six weeks to review the boxes of evidence generated by the inquiry before deciding whether to file charges, and he said investigators continue to search for documents.

The information was turned over now so lawyers can evaluate whether the evidence will hold up in court, and what more might be needed to make the case, he said.

"It's still whether a charge is appropriate or not," Lee said. "People make requests all the time."

Austin said she doesn't expect to request charges against anyone else in connection with the investigation.

Luis De La Cruz was a target of the inquiry from the start. In November, explaining why the

# Chamber

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police launched the probe, police Chief Terry Medina said De La Cruz's criminal record raised "reasonable suspicion" after questions about the chamber's finances came to light.

He was convicted of embezzling funds from the Freedom Lions Club in 1993, and sentenced to 90 days in jail. He also was ordered to repay more than \$1,900 and attend counseling sessions.

But people who have worked with Irene De La Cruz on the Planning Commission said they were shocked that she was implicated. Austin said documents, including "suspicious checks," made Irene De La Cruz a focus of the probe.

"I'm quite surprised," said Daniel Dodge, commission chairman. "I don't know what to say. As a commissioner, she's always done her best. I'm sorry to hear of any difficulties she may be in and hope matters are straightened out as soon as possible."

Dodge said De La Cruz will have to decide for herself whether to step down from the commission, noting that she hasn't been convicted or charged with anything.

"As elected or appointed officials, our actions are held up to higher standards, whether we like



DE LA CRUZ

May face a variety of felony charges

Since the Police Department opened the inquiry into the chamber last November, Austin and inspector Mike Lindsay of the District Attorney's Office have served six search warrants to acquire records, including four to banks. Investigators have had to create a complete set of financial records as none have existed since 1999, Austin said. Nor has the 6-year-old business group ever filed a state tax return.

Police also said the chamber is under investigation by state officials for possible tax violations. John Barrett of the Franchise Tax Board could only confirm that no computer records existed to show the chamber had filed tax returns. Confidentiality requirements prohibit the release of information about investigations, he said.

Though the exact amount may never be known since many transactions were in cash, at least \$40,000 is missing, Austin said.

it or not," he added.

Councilman Richard de la Paz, who appointed De La Cruz in January 2001, declined to comment Wednesday. Her term is up Nov. 30.

Since the Police Department opened the inquiry into the

While the Santa Cruz Seaside Co., was identified early as a victim, others also have been found, Austin said. She said anyone who believes they may be a victim and are owed money by the chamber can contact her at 728-6103.

The criminal investigation followed a series of revelations about the chamber's management that started in September when the organization was evicted from its downtown offices for failing to pay its \$160 monthly rent and to secure liability insurance.

Police said the chamber paid the rent before moving out.

But a \$10,000 bill from the Santa Cruz Seaside Co. for an annual awards dinner in 2001 went unpaid, and the company filed a civil suit in September. The city contributed \$2,500 to the dinner as a sponsor.

Additional allegations of bounced checks to scholarship winners, and a discovery by the Internal Revenue Service that the organization never applied for nonprofit status emerged in the following weeks.

By the time police initiated the probe, few could be found that would admit a connection to the once-prominent group. When De La Cruz quit days after the investigation was announced, no one was left to accept his resignation.

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