

# Police probe Latino chamber

Director's past sparks action, police chief says

*Chamber of Commerce*  
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✓ **WATSONVILLE** — City police are investigating the financial dealings of the Latino Chamber of Commerce of Santa Cruz County, looking for evidence of fraud, theft and embezzlement.

The department opened the probe after learning the city contributed \$2,500 toward a dinner bill the chamber never paid, Police Chief Terry Medina said.



**DE LA CRUZ**

Convicted of embezzlement in 1993

That fact, coupled with the knowledge of chamber Executive Director Luis De La Cruz's prior embezzlement conviction, gave police "reasonable suspicion," Medina said Monday as he announced the inquiry.

"Everything before that was mere speculation about poor management and civil law liability," Medina said, responding to media reports of trouble at the chamber.

The criminal investigation follows a series of revelations about chamber management that started in October when the 6-year-old business organization was evicted from its offices for failing to pay its \$160

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## Chamber

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monthly rent and to secure liability insurance.

Since then, allegations of bounced checks to scholarship winners have surfaced, and the Internal Revenue Service revealed the chamber has never applied for nonprofit status.

City officials grew concerned when they learned the Santa Cruz Seaside Co., owner of the Boardwalk, filed a lawsuit against the chamber in September seeking payment of a \$10,000 bill for a 2001 awards dinner. The city contributed \$2,500 as a sponsor of the

dinner. All told, the city has given the chamber \$10,430 since 1997 for sponsorships and membership dues.

Seaside spokesman John Robinson called the situation "truly unfortunate." He said the company tried for two years to get paid for the hundreds of dinners, staff time and rental of the Coconut Grove for the event, but received bounced checks and no response to calls offering to negotiate a favorable payment schedule.

"This is not a small amount of money," Robinson said. "When you run a business, people have to pay their bills."

Medina said the investigation will focus on the city as a potential victim, but police also are interested in hearing from others who have questions about

money contributed to the chamber.

De La Cruz answered the chamber's telephone Monday, but declined to comment. He referred all questions, including one about his conviction, to Roberto Garcia, chamber board president.

De La Cruz was convicted of embezzling funds from the Freedom Lion's Club in 1993, and sentenced to 90 days in County Jail. He also was ordered to repay more than \$1,900 and attend counseling sessions. De La Cruz denied taking money from the club while serving as treasurer for 10 months in 1991-92.

Garcia did not return calls Monday, nor has he returned other calls made during the past two weeks. Victoria

Mendoza Staas, a board member and former president, also has not returned calls.

It's unclear who else, if anyone, may be responsible for the organization. Some individuals listed as board members in the October 2003 newsletter have denied current involvement. Others have moved out of the area, or cannot be contacted.

Medina said he expects the investigation to be lengthy, since gathering and analyzing records will take time and the detective staff is committed to other cases, including a fatal stabbing in September.

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