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Dowe to Contest Federal Charges as Case Remains in Puerto Rico for Now

Attorney Joseph DiRuzzo told the court Carlton Dowe will fight allegations tied to mortgage refinancing, a position that keeps the federal case in Puerto Rico at this stage while preserving a possible venue challenge.

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V.I. Port Authority Executive Director Carlton Dowe. By. V.I. LEGISLATURE.

Attorney Joseph DiRuzzo has signaled that Carlton Dowe intends to fight the federal allegations filed against him, a position that for now keeps the case in the District of Puerto Rico rather than opening the door to a transfer under Rule 20 of the Federal Rules of Criminal Procedure.

In a one-page notice filed in the District Court of the Virgin Islands, Mr. DiRuzzo stated that Mr. Dowe “will be contesting the allegations” against him, offering an early indication of the defense’s posture just days after the charges were announced.

Mr. Dowe was charged last week with several counts of fraudulent activity tied to the refinancing of the mortgage on his home. According to the indictment, he submitted loan applications containing materially false information in order to refinance existing mortgage loans. Prosecutors allege that he falsely stated his income, submitted fraudulent lease agreements, submitted lease agreements with purported tenants containing materially false information, and caused the submission of a forged signature of a purported tenant and real person on a fraudulent lease agreement used to support a loan application.

On Friday, U.S. Magistrate Alan Teague ordered a hearing for Monday afternoon to determine whether Rule 20 might apply in the matter. The rule allows a federal criminal case to be transferred from the district where it is pending to the district where a defendant is present, but only if the defendant intends to plead guilty or no contest.

Mr. DiRuzzo’s filing on Sunday makes clear that Mr. Dowe is not taking that route at this stage. Instead, the attorney indicated that his client intends to defend against the allegations, meaning the case will remain in the District of Puerto Rico for now.

At the same time, Mr. DiRuzzo said the defense is reserving the right to challenge whether the District of Puerto Rico is the proper venue for the case, signaling that while Mr. Dowe is prepared to contest the charges, questions may still be raised about where the matter should ultimately be litigated.

Shortly before news of the indictment became public, Mr. Dowe announced his retirement from the Virgin Islands Port Authority. In a statement, he said he would step down as executive director effective April 10.

“I am proud of the many accomplishments achieved with a dedicated staff of professionals and unwavering support partnership from all members of VIPA’s Governing Board during my tenure,” Mr. Dowe wrote. “Thank you for the opportunity to have led this outstanding team and I wish the Governing Board and the staff of the Virgin Islands Port Authority continued success.”