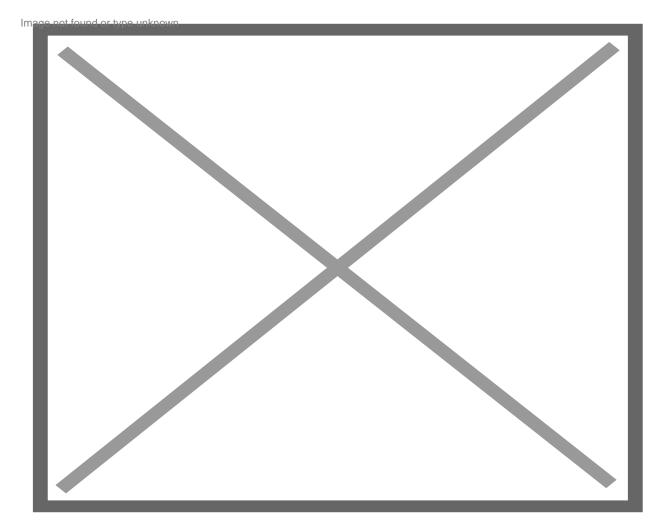
Puerto Rico Governor's Cousins Admit to Stealing Millions from Public Housing

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Relatives of Puerto Rico Governor Pedro Pierluisi have pleaded guilty to embezzling millions of federal dollars destined for public housing in the territory.

Walter and Eduardo Pierluisi, two of the governor's cousins, admitted to charges of federal funds theft following a raid of Walter's business American Management & Administration (AMAC) by Federal Bureau of Investigations agents. Eduardo and a third co-defendant, David Vélez, were employed by the company.

AMAC had received \$73 million in contracts to administer over 5000 units of public housing in the territory in the almost 30 years since it was established. In that time, "the defendants and their company harmed the integrity of a program designed to help underprivileged homeowners" by

siphoning off approximately \$3.7 million of those federal funds, said Stephen Muldrow, U.S. Attorney for the District of Puerto Rico.

Their guilty pleas will result in a 37-month jail sentence for Walter Pierluisi, 58 and anywhere from 24 to 37 months for 52-year-old Eduardo Pierluisi, who may ask for consideration for a sentence near the lower boundary due to health issues. Mr. Vélez is expected to plead guilty as well.

Governor Pierluisi, following the announcement of the plea deals, said that the outcome of the case is proof that the law works. "If you fail the people, if you commit an act of corruption you will have to respond. In this case we are talking about family members, two cousins, who failed my family, failed the country and must now pay severe penalties," Mr. Pierluisi remarked.

Although his cousins had worked closely with the governor during his most recent election campaign, Mr. Pierluisi rubbished assertions that his cousins' public disgrace had tarnished his own political reputation. He did, however, promise that family members would henceforth be excluded from his political campaign activities. Walter Pierluisi's attorney Osvaldo Carlo said that no money diverted from the government's coffers was used to fund political activity, and noted that prosecutors did not make any such allegation.

The men will be required to repay the almost \$4 million in embezzled funds.

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