

**NOS. D1-DC-09-900015
D1-DC-09-900016
D1-DC-09-900017
D1-DC-09-900018
D1-DC-09-900019
D1-DC-09-900191**

THE STATE OF TEXAS § IN THE 331ST DISTRICT
 §
 § COURT OF
 §
ISMAEL "KINO" FLORES § TRAVIS COUNTY, TEXAS

**STATE'S NOTICE OF INTENT TO INTRODUCE
EVIDENCE OF EXTRANEIOUS CONDUCT**

COMES NOW THE STATE OF TEXAS, by and through her Travis County District Attorney, and files this notice to introduce evidence of extraneous conduct of ISMAEL "KINO" FLORES, hereinafter "Defendant", and gives notice to the Court and the Defendant, ISMAEL "KINO" FLORES, that the State intends to introduce the following evidence during the guilt and the punishment phases of the trial in accordance with Texas Rules of Criminal Evidence Rule 404, 608, 609, 612, and Texas Code of Criminal Procedure Art. 37.07 and any other applicable rules or case law:

1. That on or about and in between the dates of December 1, 2002, and May 31, 2004, in Hidalgo and Travis Counties, Texas, Defendant solicited and accepted payments from Eliseo Sandoval and Fred Zuniga totaling more than \$40,000 that had been made from business accounts associated with Mr. Sandoval, including, but not limited to, Medical Admin. Of South Texas, Inc., Rio Grande Outfitters, and Renegade Enterprises, and that said payments were given to Defendant by Sandoval in exchange for favorable treatment on legislation affecting Sandoval's business interests in the Rio Grande Valley, and for obtaining proprietary information from United Health Services (UHS) that was useful to Sandoval's business planning.
2. That Defendant suggested to Eliseo Sandoval that the above-described payments to Defendant could be disguised by moving money from Sandoval's medical business accounts through Renegade Enterprises and Rio Grande Outfitters and falsely claiming that the payments were made to Defendant and his son, Kino Jr., for serving as hunting guides.
3. That Defendant, in 2002 or 2003 in Hidalgo County, Texas, requested and received a hunting rifle worth more than \$4,000 from Eliseo Sandoval's gun shop at no cost, and that the transfer of said rifle was not properly recorded and the weapon was not registered in Defendant's name.

Filed in The District Court
of Travis County, Texas

SEP 29 2010 12

At 3:52 P.M.
Amalia Rodriguez-Mendoza, Clerk

4. That Defendant failed to report the gift of the above-described rifle on his personal financial statement for the year in which he received it.
5. That Defendant, on or about April 23, 2003, in Travis County, Texas, sponsored a floor amendment to HB 2292 that provided Eliseo Sandoval's business with an economic advantage, and that Defendant failed to publicly disclose that he would receive a financial benefit as a result of his sponsorship of said amendment.
6. That Defendant, in March, 2003, in Travis and Hidalgo Counties, Texas, requested that United Health Services (UHS) provide his legislative office with proprietary information, namely pediatric discharge records by diagnosis related group (DRG) from McAllen Medical Center and Edinburg Medical Center, and represented to UHS that the information was needed for legislative research on pediatric healthcare, and that Defendant, upon obtaining said information from UHS, did not use the information for a legislative purpose but instead gave the information to Eliseo Sandoval and a consultant working for Sandoval for use in a business plan regarding Sandoval's planned development of a children's hospital in McAllen.
7. That Defendant, on or about January 12, 2006, in Travis County, Texas, had his son, Ismael Kino Flores Jr., commit perjury in his testimony before a Travis County grand jury that was investigating the above-described payments from Sandoval by lying about the reason for said payments.
8. That Defendant, on or about February 16, 2006, in Travis County, Texas, submitted to an interview with prosecutors and lied about his relationship with Eliseo Sandoval and the true reason for the above-described payments he had received from Sandoval. Defendant also lied about the reasons for other payments discussed in that interview.
9. That at the time that the Travis County grand jury was investigating the above-described payments made to Defendant by Eliseo Sandoval, Eliseo Sandoval was being represented by the same lawyer as Defendant.
10. That Defendant, by providing false information about the payments and the reason for the payments from Eliseo Sandoval, and by having others lie on his behalf, managed to obstruct the investigation of the payments made to Defendant by Eliseo Sandoval until after the statute of limitations had passed and thereby avoided indictment for the offense of bribery.
11. That Defendant, beginning in January 2003 and continuing for several months, in Hidalgo and Travis Counties, Texas, used his position as state representative and chair of the Licensing and Administrative Procedures committee to attempt to interfere with citations issued to Dr. Gary Schwarz by a game warden from the Texas Parks and Wildlife Department for numerous violations relating to whitetail deer, and that Defendant, upon failing to intimidate the game warden into dropping the charges, demanded that the Director of Law Enforcement for Parks and Wildlife travel to Hidalgo County and where he then tried to use his influence to have the citations dismissed and the game warden fired.
12. That Defendant, after failing to have the above-described citations against Dr. Gary Schwarz, dropped by the Parks and Wildlife Department, used his influence with the court in Hidalgo County to prevent further prosecution of those charges, resulting in those charges still being listed as "pending" years later.

13. That Defendant, during 2003 and early 2004, in Travis and Hidalgo Counties, Texas, used his official position as a state representative and Chair of the House Committee on Licensing and Administrative Procedures to attempt to force the Texas Department of Parks and Wildlife to select Wilson Construction for the construction contract for the World Birding Center, and that he wanted to circumvent state law in the awarding of that contract so that he would be paid by Wilson Construction.
14. That Defendant, in 2003 or 2004, in Travis and Hidalgo Counties, Texas, after being told by the Deputy Executive Director for Operations that Parks and Wildlife had to follow state law and could not just award the contract for the Birding Center to Wilson Construction, treated the deputy executive director and his staff rudely and then called his superior and demanded that he be fired.
15. That Wilson Construction was awarded the contract for the construction of the above-described World Birding Center, and that Defendant was compensated by Wilson Construction after having used his position to cause the Texas Legislature to authorize the development of the center using state funds, and after having influenced an agency that his legislative committee exercised authority over to award the contract to Wilson Construction.
16. That Defendant, in Hidalgo and Travis Counties, Texas, beginning in 2003 and continuing throughout the time he was Chair of the House Committee on Licensing and Administrative Procedures, used his position to influence the actions of the Texas Racing Commission for the benefit of people that had paid Defendant to represent them on licensing issues before the Commission, and that Defendant failed to notify the Racing Commission or otherwise publicly report that he was being compensated for said representation.
17. That Defendant, on or about and in between the dates of January 1, 2001 and September 28, 2010, in Hidalgo County, Texas, used his position as a state representative and his political and familial relationships with elected members of local governmental bodies, including but not limited to La Joya ISD Board of Trustees, Weslaco ISD, and the city councils of Sullivan City, Palmview, and Edinburg, to influence decisions regarding the awarding of contracts for construction and other public works or services by those local government entities, and steered those contracts to companies and people that paid him a fee or a percentage of their contract, regardless of whether those companies and people were the lowest bidder on proposed contracts, and prevented the awarding of contracts to companies or people that refused to pay him, and that Defendant did not publicly report those payments so that Hidalgo County residents could see how Defendant profited from those contracts.
18. That Defendant, on or about and in between the dates of January 1, 2001 and September 28, 2010, in Hidalgo County, Texas, used his position as a state representative and his political and familial relationships with elected members of local governmental bodies, including but not limited to La Joya ISD Board of Trustees and the city councils of Sullivan City, Palmview, and Edinburg, to influence decisions regarding the selection of what lawyers and law firms were employed by those entities and by the taxing entities that needed legal services in connection with tax liens for those governmental bodies so that the contracts he

- selected would not be questioned, and that he had a law firm that represented LJISD on tax lien matters fired because that firm refused to pay him a fee.
19. That Defendant, in the spring of 2002, in Travis and Hidalgo Counties, Texas, used his position as a state representative to influence the selection of Mission Texas as the location of the Rio Grande Valley Veterans Memorial Cemetery, and that Defendant received an additional \$20,000 payment in December of 2002 from D Wilson Construction in connection with Defendant using his influence to have them be awarded the contract to build said cemetery.
 20. That Defendant, on or about and in between the dates of January 1, 2001 and September 28, 2010, in Hidalgo County, Texas, received payments from some subcontractors on the contracts awarded as described above, and that he required those contractors, including but not limited to Wilson Construction and Williamson Construction, to select the subcontractors that had paid him.
 21. That Defendant, during the spring and summer of 2009, in Hidalgo County, Texas, in addition to requiring a subcontractor working on jobs in La Joya and Edinburg for Williamson Construction pay him a portion of the proceeds, also required that subcontractor to provide him with a cellular phone paid for by the company and the key to an apartment in McAllen for his use.
 22. That Defendant, on or about and in between the dates of January 1, 2000 and December 31, 2009, in Hidalgo County, Texas, approached materials haulers that worked under contract for Texas Concrete, Transit Mix, and other concrete companies, and insisted on being paid 10% of what they made on their contracts, and that anyone that failed to pay him lost their contract.
 23. That Defendant was known by many as Mr. Ten Percent because of his insistence of being paid that percentage by people and companies awarded contracts for construction or other services by the local governmental bodies and companies described above.
 24. That Defendant, when paid the above-described sums, insisted on being paid in cash and, if paid by check, cashed the check rather than deposit it to avoid a paper trail and to facilitate his evasion of income tax on those amounts.
 25. That Defendant deposited some of the cash he received from the above-described transactions into his bank accounts, and that he had unexplained deposits of cash into his banks accounts as follows:
 - More that \$8,500 in 2001,
 - More than \$23,500 in 2002,
 - More than \$10,500 in 2003,
 - More than \$19,000 in 2004,
 - More than \$17,500 in 2005,
 - More than \$14,500 in 2006, and
 - More than \$6,000 in 2007.
 26. That Defendant failed to report all of the income gained from the above-described transactions on his personal financial statements filed with the Texas Ethics Commission.
 27. That Defendant failed to report all of the income gained from the above-described transactions to the IRS and failed to pay taxes on the income derived from these transactions.

28. That in addition to the unreported income described above, Defendant also failed to report other income to the IRS and failed to pay taxes on this income, which is described as follows:
- On the tax return for 2003, Defendant failed to report over \$80,000 in income, but amended that return after being notified by the IRS that they were aware of some of the unreported income. On the amended return, Defendant still failed to report or pay taxes on \$33,000 of income which included \$10,000 from International Bank, \$17,000 from Eliseo Sandoval, and \$6,000 from Spillar Investments.
 - On the tax return for 2004, Defendant failed to report over \$68,000 in income, but amended that return after becoming aware of the investigation into the payments he received from Eliseo Sandoval and reported the \$21,000 he had received from Sandoval that year on the amended return. On the amended return, Defendant still failed to report or pay taxes on 47,000 of income which included \$28,000 from Rhodes Enterprises, \$1,500 from Spillar Investments, and \$17,500 from UHS/McAllen Medical Center.
 - On the tax return for 2005, Defendant failed to report \$30,000 in income received from UHS/McAllen Medical Center.
 - On the tax return for 2006, Defendant failed to report over \$51,000 in income received, which included \$30,000 from UHS/McAllen Medical Center, \$14,000 from Gignac and Associates, and over \$7,000 from Health Systems Resources.
 - On the tax return for 2007, Defendant failed to report almost \$92,000 in income received, which included \$25,000 from UHS/McAllen Medical Center, \$31,500 from Gignac and Associates, and \$35,480 from S&B Infrastructures.
29. That Defendant, throughout his time as a state representative, has associated with and engaged in financial transactions with convicted felons, including but not limited to Roel Benavides, Joel Benavides, Stanton Love, Johnie Goodman and Eden Flores.
30. That Defendant, in the summer of 2004, in Travis County, Texas, asked and pressured the Director of the Texas Commission on Environmental Quality to hire Roel Benavides for a job that he would not have been eligible for due to a prior felony conviction, and caused Benavides to be hired.
31. That Defendant, on or about and in between the dates of January 1, 2004, and January 31, 2005, in Hidalgo, Bastrop and Travis Counties, Texas, accepted improper benefits from Roel Benavides in exchange for and as consideration for Defendant getting Benavides a job with the Commission on Environmental Quality by
- purchasing a 3.18 acre property located at Lot 33 in the River Crossing subdivision in Bastrop County, Texas, from Benavides for an amount that was far less than the market value of said property; and
 - by having Benavides participate in a fraud upon the court that resulted in the court awarding title to the North 6 acres of the South 13.94 acres, Lot 54-5, West Addition to Sharyland, Hidalgo County, Texas to Defendant.

32. That Defendant, on or about January 10, 2004, in Hidalgo County, Texas, obtained title to real property described as the North 6 acres of the South 13.94 acres, Lot 54-5, West Addition to Sharyland, Hidalgo County, Texas, by falsely claiming title to the land through adverse possession, and that Defendant was involved in the submission of false affidavits from Roel and Joel Benavides to a court in Hidalgo County to substantiate that claim.
33. That Defendant, on or about April 1, 2004, in Bastrop County, Texas, convinced Connie Louis Benavides to sign a contract selling the 3.18 acre property in the River Crossing subdivision in Bastrop County, Texas, by verbally promising to complete the transaction by giving Connie his Penthouse condo in which he had \$20,000 equity and by paying an additional \$40,000. Defendant later reneged on this agreement and claimed that Connie Benavides had failed to hold up her end of the bargain.
34. That Defendant, in 2004 and 2005, in Bastrop and Hidalgo Counties, Texas, both in person and through his wife, threatened to harm Connie Benavides financially by making calls to the Office of the State Comptroller that would cause her to lose her employment.
35. That Defendant, after obtaining the Bastrop County property from Roel and Connie Benavides, had Arturo Quezada, a city employee of Sullivan City, travel to Bastrop County and Travis County to residences Defendant owned in these counties to perform carpentry and other work on the residences. Defendant and his father, the mayor of Sullivan City, persuaded Quezada to perform said services by threatening him with the loss of his job with Sullivan City, and Defendant paid Quezada very little or nothing for those services that Defendant knew or should have known were performed while Quezada was "on the clock" for Sullivan City.
36. That Defendant, on or about May 7, 2004, in Bastrop and Hidalgo Counties, Texas, accepted and permitted his dependent son, Kino Flores, Jr. to accept a "gift" of an ownership interest in a race horse from Roel Benavides and Marc Rodriguez, a lobbyist that represented clients with business before the committee chaired by the Defendant, and that Defendant failed to report this gift on his personal financial statement filed with the Texas Ethics Commission.
37. That Defendant, on or about February 9, 2004, in Travis County, Texas, used his influence with the Texas Racing Commission to help the trainer that was training the above-described race horse with licensing problems he was having.
38. That Defendant, on or about November 18, 2005, in Bastrop and Hidalgo Counties, Texas, maintained possession of the above-described horse despite claiming to have returned or sold the ownership interest in said horse that had been given to Kino Flores Jr. to lobbyist Marc Rodriguez.
39. That Defendant, on or about and between the dates of May 7, 2004, and August 31, 2006, in Travis County, Texas, failed to report the income earned by his dependent son, Kino Flores, Jr. from horse race winnings on the above-described horse on his personal financial statement filed with the Texas Ethics Commission.
40. That Defendant, in the summer of 2004, in Travis County, Texas accepted a gift by permitting another person to pay for graduation parties for Kino Flores Jr. that were held at the Austin Club and Austin Land and Cattle Company, and that

- Defendant did not report this gift on his personal financial statement for that year.
41. That Defendant, on or about and in between the dates of July 1, 2006, and May 31, 2007, in Hidalgo and Travis Counties, Texas, accepted cash from one or more individuals that was used to pay the tuition and fees at the University of Texas School of Law for Kino Flores Jr., and that the gift of that cash and the value of that income was not reported on Defendant's personal financial statement filed with the Texas Ethics Commission or to the IRS.
 42. That Defendant, on or about April 7, 2008, in Hidalgo County, Texas, engaged in a real estate transaction in which he purchased a tax-lien property from Pharr San Juan Alamo ISD and flipped that property by selling it to Grigodi LLC for a profit of almost \$140,000 while hiding his involvement in the transaction by conducting the transaction in the name of Roel Benavides.
 43. That Defendant, in the summer of 2004, in Hidalgo County, Texas, sold a 4.7 acre property described as West Addition Sharyland, Lot 22-11 to Rigoberto Villareal and Juan Villareal, and that Defendant had never reported the ownership of this property on his personal financial statements filed with the Texas Ethics Commission for 2004 or previous years, and that he failed to report the sale of said property on his 2004 personal financial statement.
 44. That Defendant, on or about and in between the dates of January 1, 2003, and December 31, 2009, in Travis and Hidalgo Counties, defrauded the State of Texas by submitting travel reimbursement requests to the House of Representatives for travel that did not occur, for travel that was actually his wife traveling to Austin to visit him, and for travel that was campaign related and had already been paid for with campaign funds.
 45. That Defendant, on or about and in between the dates of January 1, 2003, and December 31, 2009, in Travis and Hidalgo Counties, Texas, improperly converted campaign funds to personal use, including but not limited to, during the years 2006, 2007 and 2008 over \$20,000 of campaign funds were used to pay credit card bills on gasoline purchases, even though the cards were issued to and used by Defendant's wife, Defendant's sons, and a domestic employee, and during the same time period Defendant withdrew over \$7,500 in cash from his campaign account and cashed many other checks at HEB and convenience stores.
 46. That Defendant, on or about and in between the dates of November 1, 2008 and July 9, 2009, in Travis County, Texas, contacted the witnesses that had been subpoenaed to appear in the grand jury investigating the case against him and talked with them before and after their appearances, and had most of those witnesses go to his attorney's office prior to and after their grand jury appearances to talk with his attorney.
 47. That Defendant, on or about and in between the dates of January 1, 2003, and December 31, 2009, in Travis County, Texas, regularly accepted meals at the Austin Cattle Company and other Austin-area restaurants that were paid for by lobbyists, including, but not limited to, Mark Roodriguez and Daniel Gonzales, that were not present while the meal was consumed as required under the Texas Lobbyist Registration Act.
 48. That Defendant, on or about and in between the dates of January 1, 2003, and December 31, 2009, in Bexar, Harris, Dallas Tarrant, and Travis Counties, Texas,

- accepted from lobbyists and others meals and lodging and tickets for admission in connection with his attendance at horse races at Retama Park, Sam Houston Race Park, and Lone Star Park, auto races at Texas Motor Speedway, and football games at the Cotton Bowl and UT Royal Memorial Stadium, and that Defendant did not report the lodging or meals he accepted on his personal financial statement.
49. That Defendant, in 2007, in Travis and Hidalgo Counties, Texas, accepted rides on airplanes and other improper benefits from Greg LaMantia, a person with financial interest pending before the legislative committee chaired by Defendant.
 50. That Defendant, on or about and in between the dates of November 1, 2006, and May 30, 2008, in Travis and Cameron and Bastrop and Hidalgo Counties, Texas, attempted to hide his ownership interest in an intercoastal waterway cabin obtained from the LaMantia family by having his son, Ismael Kino Flores Jr., apply for the state permit connected to the cabin.
 51. That Defendant, in the spring of 2010, in Hidalgo County, Texas, offered money and assistance with getting a job to Joe Ramon in an effort to get Ramon to use improper influence, including the offer of payment or drugs or alcohol, to influence voters in a local election involving Fito Salinas.
 52. That Defendant, in the summer of 2010, in Hidalgo and Travis Counties, Texas, attempted to tamper with a witness and encourage that witness, Cynthia Pacheco, to provide false information and testimony in connection with the offenses for which he stands charged in these indictments.
 53. That Defendant, in the summer and fall of 2010, in Hidalgo and Travis Counties, Texas, has attempted to intimidate witnesses in his upcoming trial by threatening and spreading word that he will cause financial or other harm to anyone that testifies for the State of Texas by methods that could include causing the loss of contracts or employment
 54. That Defendant, on or about February 18, 2004, in Travis County Texas, caused his personal financial statement for 2003 to be filed with the Texas Ethics Commission and failed to report sources of income that included Dannenbaum Engineering; Marathon Oil; Care Rehab Services, LLC; Hidalgo County Abstract and Title Co.; Rio Grande Outfitters; Renegade Enterprises of South Texas, Inc.; Spillar Investments; International Bank; and Rio Grande Steel; and failed to report his ownership interest in properties by omitting 1212 Guadalupe #204 in Austin; 400 W. Champion in Mission; Blue Star #2 Lot 32 in Hidalgo County; and 2301 Pebble Beach in Austin.
 55. That Defendant, on or about May 4, 2005, in Travis County Texas, caused his personal financial statement for 2004 to be filed with the Texas Ethics Commission and failed to report sources of income that included Dannenbaum Engineering; Hidalgo County Abstract and Title Co.; Rhodes Enterprises, Inc.; Renegade Enterprises of South Texas, Inc.; and UHS of Delaware, Inc./McAllen Hospital/McAllen Medical Center; and failed to report his ownership interest in properties by omitting 1212 Guadalupe #204 in Austin; 400 W. Champion in Mission; 133 Colorado Drive in Cedar Creek, Bastrop County; Blue Star #2 Lot 32 in Hidalgo County; and 2301 Pebble Beach in Austin; and he failed to report a gift of an ownership interest in a horse to his dependent son.

56. That Defendant, on or about February 21, 2006, in Travis County Texas, caused his personal financial statement for 2005 to be filed with the Texas Ethics Commission and failed to report sources of income that included City of McAllen; Rio Grande Steel; D. Wilson Construction; and UHS of Delaware, Inc./McAllen Hospital/McAllen Medical Center; and failed to report income received by his dependent son from Hillco Partners lobby group; and failed to report his ownership interest in properties by omitting 1212 Guadalupe #204 in Austin and Blue Star #2 Lot 32 in Hidalgo County; and he committed perjury by signing the oath on the personal financial statement form.
57. That Defendant, on or about April 30, 2007, in Travis County Texas, caused his personal financial statement for 2006 to be filed with the Texas Ethics Commission and failed to report sources of income that included Broaddus & Associates; City of McAllen; Rio Grande Steel; D Wilson Construction; Gignac & Associates; Health Systems Resources, Inc.; & UHS of Delaware, Inc./McAllen Hospital/McAllen Medical Center; and failed to report income received by his dependent son from Hillco Partners lobby group; and failed to report his ownership interest in properties by omitting 400 W. Champion Lane in Mission; Cabin #1517 Intercoastal Waterway in Cameron County; and Blue Star #2 Lot 32 in Hidalgo County.
58. That Defendant, on or about February 13, 2008, in Travis County Texas, caused his personal financial statement for 2007 to be filed with the Texas Ethics Commission and failed to report sources of income that included City of McAllen; Rio Grande Steel; D Wilson Construction; Gignac & Associates; S&B Infrastructure; and UHS of Delaware, Inc./McAllen Hospital/McAllen Medical Center; and failed to report gifts he had received in the form of plane trips from the LaMantia family; and failed to report his ownership interest in properties by omitting North 5 and 6 acres of South 18.94 acres, Lot 54-5 West Sharyland Addition in Hidalgo County; Cabin #1517 Intercoastal Waterway in Cameron County; and Blue Star #2 Lot 32 in Hidalgo County; and he committed perjury by signing the oath on the personal financial statement form.
59. That Defendant, on or about April 30, 2009, in Travis County Texas, caused his personal financial statement for 2008 to be filed with the Texas Ethics Commission and failed to report sources of income that included City of McAllen; Rio Grande Steel; D Wilson Construction; Gignac & Associates; and S&B Infrastructure; and failed to report his ownership interest in properties by omitting Blue Star #2 Lot 32 in Hidalgo County; and he committed perjury by signing the oath on the personal financial statement form

The failure to include an offense, act or transaction extraneous to the offense alleged in this cause and for which the respondent is currently standing trial is not to be construed, as a waiver of the introduction of any other acts not specified herein. The State specifically reserves the right to introduce any and all evidence as allowed under law.

The State would further inform the court that counsel for the respondent has received discovery of the offense in this cause and has been put on notice of all acts and offense as alleged therein.

Respectfully submitted:

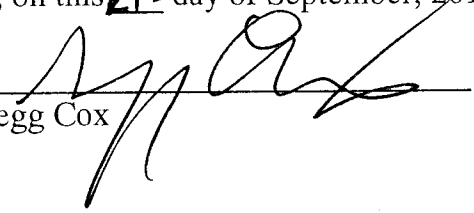
Rosemary Lehmborg
Travis County District Attorney

By 

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Certificate of Service

I hereby certify that a copy of the above STATE'S NOTICE OF INTENT TO INTRODUCE EVIDENCE OF EXTRANEIOUS CONDUCT has been served on counsel for Defendant Ismael "Kino" Flores, on this 29th day of September, 2010.


Gregg Cox