

# 2 eyed for fraud

By JASON BUCH  
LAREDO MORNING TIMES

An indictment handed down by a grand jury in state district court charges two men with defrauding the Webb County Title Co. for more than \$1 million. The company is in liquidation.

Edward Hinojosa, 38, who was the company's comptroller, is charged with 13 counts of theft, three counts of fraud and one count of misapplication of fiduciary property. If he's convicted of the theft or misapplication charges, Hinojosa could face up to life in prison.

## The case

Raul Labrada, who worked at Webb County Title, faces three counts of fraud, two counts of theft and the same misapplication charge as Hinojosa.

Investigators for the FBI and the Texas Department of Insurance found that starting in August 2005, Hinojosa began stealing money held in trust for the IRS by the title company, according to prosecutors.

Foreigners buying and selling real property in the U.S. are required to pay 10 percent in withholding tax, which is held in trust by a title company, said Assistant District Attorney Rick Lopez.

Hinojosa is accused of, from 2005 until his termination at Webb County Title in 2007, voiding checks made out to the IRS from

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after an unforeseen break can be difficult, he said, adding that he and his employees wanted to keep themselves active until the reopening of the restaurant.

The Laredo Arby's employees also have been in talks with the South Texas

Food Bank and the Big Brothers Big Sisters program, among others, and are open to suggestions for projects and opportunities with in the community.

"Our intention is to continue even after we reopen," said Cayetano Ro-

driguez, general manager. "It may not (be) this grand of scale, but we will continue to be proactive in the community."

To reach the Laredo Arby's team for community service suggestions, call Rodriguez at 220-7088.

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from the title company and issuing checks to himself for more than \$500,000, Lopez said.

The investigation found that after Hinojosa was no longer working at Webb County Title, Labrada forged a check for \$1.25 million in an attempt by him and Hinojosa to purchase another title company, Lopez said.

The deal fell through, he said.

The Texas State Board of Public Accountancy in January revoked Hinojosa's license for dishonesty, fraud or gross negligence in the practice of accountancy, fiscal dishonesty or breach of fiduciary responsibility of any type, misappropriated escrow funds and practicing

with a delinquent license as the result of a complaint received from Webb County Title in 2007.

"The end result is that Webb County Title has basically been put out of business, about 80 people have lost the jobs, Mr. Hinojosa has lost his license and the Texas guaranty fund, which basically serves as secondary insurance for the state of Texas in cases like this, paid out close to half a million dollars in claims," Lopez said.

District Attorney's Office investigators arrested Hinojosa and Labrada in September on similar charges. They've since bonded out.

Hinojosa turned himself in at the Webb County Jail on

Monday. He was still there Monday night, with bond set at \$15,000 for each count.

Raquel Gonzalez, who started the title company and was its president for 33 years, said she was too ill to come in to work during the time Hinojosa is accused of stealing from her, and had left the business's day-to-day activities in the hands of her employees.

Not until she asked a state auditor to look at her books did she realize something was wrong, she said.

By that point, she owed the IRS more than \$300,000, she said, and lost her business, its Santa Ursula Avenue building and her car and was barely able to keep her home.

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to be surveyed, and, if it's not easily accessible, a road may have to be built. Also, water and electrical lines

John Romani said he hoped a new cemetery would have not only a plot of land for veterans, but also for police officers and

start producing water on Dec. 1.

By May 2010, the experimental end of the project should be complete.