

United States General Accounting Office

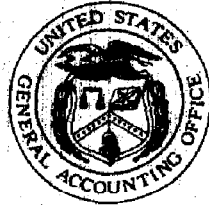
GAO

Report to the Chairman, Subcommittee  
on Health, Committee on Ways and  
Means, House of Representatives

December 1994

# FUGITIVES

## U.S. Efforts to Find Miguel Recarey



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**Office of Special Investigations**

B-259512

December 21, 1994

The Honorable Fortney H. (Pete) Stark  
Chairman, Subcommittee on Health  
Committee on Ways and Means  
House of Representatives

Dear Mr. Chairman:

This report responds to your July 13, 1992, request that we look into the U.S. government's handling of the Miguel G. Recarey, Jr., fugitive case. Specifically, you asked that we determine (1) whether the Departments of Justice and State had made good-faith efforts to locate and gain custody of Mr. Recarey, (2) whether Department of Justice officials contacted the government of Venezuela on this issue, (3) whether the Venezuelan government told the U.S. government that it had tried to find Mr. Recarey, and (4) whether the U.S. government followed standard operating procedures to locate and gain custody of Mr. Recarey.

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**Background**

In October 1987, Miguel G. Recarey, Jr., former President and Chairman of the Board of International Medical Centers, Inc., failed to appear for a hearing in U.S. District Court for the Southern District of Florida in Miami on charges of bribing an officer of an employee welfare fund; bribing a potential federal grand jury witness; and illegal wiretapping. Mr. Recarey was also indicted, in February 1988, on charges of conspiracy to defraud the United States; obtaining by fraud and misapplying U.S. government funds; wire fraud; and false statements concerning Medicare payments received by International Medical Centers, Inc. In October 1987, Mr. Recarey fled the United States, beginning an international fugitive investigative effort covering at least 3 continents and 11 countries.

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**Summary of OSI  
Investigation**

We conducted a limited review of the U.S. government's efforts to locate and gain custody of Miguel Recarey. The Departments of Justice and State declined, at the insistence of the Department of Justice, to provide us access to all necessary files because the U.S. government's investigation was ongoing. Thus, we could not determine whether the Departments of Justice and State followed standard operating procedures in this matter.

From the information available to us, it appears that the Departments of Justice and State made good-faith efforts to locate and gain custody of Miguel Recarey. However, in view of information indicating that Mr.

Recarey was outside the United States, we question the Federal Bureau of Investigation's (FBI) decision not to request a "Red Notice" from the International Criminal Police Organization (INTERPOL). Red Notices help foreign law enforcement officials identify and locate fugitives<sup>1</sup> and are also considered by many countries as authority to detain wanted persons.

As the lead investigative agency in this fugitive matter, the FBI's effort was continuous, culminating in Mr. Recarey's capture by the Spanish police on October 6, 1993, in Madrid, Spain. As of November 1994, the Spanish Court had not decided whether to honor the U.S. government's request for Mr. Recarey's extradition to the United States.

Also, the Department of State's Office of Law Enforcement and Intelligence took appropriate steps in responding to requests for assistance made by the Department of Justice in this matter. Our review of Department of State documents on communications between the U.S. government and the government of Venezuela indicates that the Departments of State and Justice contacted the government of Venezuela on the Recarey matter. The Venezuelan government responded to the inquiries and informed the U.S. government that it would endeavor to be of assistance.

Information we received showed that Mr. Recarey may have used his influence with some Venezuelan government officials to avoid detention and arrest. The principal difficulties encountered by U.S. government law enforcement agencies in locating and gaining custody of Mr. Recarey were associated with his apparent ability to bribe foreign government officials and circulate incorrect information in attempts to confuse and mislead agents in their pursuit of leads.

## FBI Efforts to Locate and Gain Custody of Recarey

The FBI's Miami Division led the Recarey fugitive investigation, and FBI legal attachés working in five different foreign locations were involved at various times during the course of the investigation. Other FBI units that participated in the case were the White Collar Crime Section, Criminal Investigative Division; the Violent Crimes-Fugitive Unit of the Violent Crimes and Major Offenders Section, Criminal Investigative Division, FBI Headquarters; and the Office of Liaison and International Affairs.

<sup>1</sup>See INTERPOL: Information on the Red Notice System (GAO/IMTEC-93-23, Mar. 29, 1993) for further information concerning Red Notices.

The FBI developed or received hundreds of investigative leads over the 6-year period that Mr. Recarey was a fugitive. According to the FBI case agent, each lead was evaluated and followed up, where warranted; but most leads did not produce positive results. Federal law enforcement agencies requested information or assistance from officials in at least 11 countries in tracking down investigative leads. These requests included information or queries about Mr. Recarey's physical location, movements and travel by Mr. Recarey or family members, modes of transportation, financial interests and assets, business associates, and personal relationships.

The FBI did not request a Red Notice from INTERPOL, although the FBI had information indicating that Mr. Recarey was traveling outside the United States. FBI headquarters officials told us that decisions on whether to request a Red Notice are initiated at the field office level. The FBI had coordinated with INTERPOL-U.S. National Central Bureau (USNCB) and relied on the FBI's legal attaché system to affect liaison with INTERPOL and foreign police agencies in this fugitive case. However, the use of a Red Notice can increase the possibility of locating and apprehending fugitives because it systematically provides information, such as the fugitive's identity and pending criminal charges, to all INTERPOL member countries. The information can be incorporated into each country's border-lookout system so that when a fugitive, such as Mr. Recarey, seeks admission to another country, the fugitive can be stopped at the point of entry.

For several months following Mr. Recarey's flight from justice, the FBI worked on investigative leads that suggested Mr. Recarey might be in one or more countries. By the summer of 1988, the FBI had received sufficient information indicating Mr. Recarey was living openly in Caracas, Venezuela. The FBI made a request to the Venezuelan government, through the Departments of Justice and State, for Mr. Recarey's provisional arrest<sup>2</sup> in anticipation of his extradition to the United States. After receiving assurances from the Venezuelan government that Mr. Recarey would be arrested, the FBI sent two agents to Caracas in October 1988 to coordinate the capture. However, Mr. Recarey was not arrested because, according to the FBI, Venezuelan officials said that they could not find him.

In 1989 and 1990, following investigative leads relating to Mr. Recarey's business ventures, the FBI again developed information that placed Mr. Recarey in Venezuela. Twice more, FBI agents traveled to Caracas to aid in

<sup>2</sup>A provisional arrest is the immediate arrest of a fugitive to prevent further flight while documents and evidence in support of a formal request for extradition are prepared.

locating and capturing Mr. Recarey—again he could not be found. The FBI later heard from sources that Mr. Recarey was able to bribe high-level foreign security officials to provide him advance warning and protection against U.S. government efforts to have him deported or extradited.

In late 1991, the FBI received information that indicated Mr. Recarey had left Venezuela and moved to Spain. In January 1992, after corroborating the information, the FBI requested that the Department of State ask the Spanish government to arrest and detain Mr. Recarey for extradition to the United States. However, Spanish government officials responded that they did not believe they had sufficient evidence of Mr. Recarey's presence in Spain.

During our work, we obtained new information from confidential sources concerning Mr. Recarey's whereabouts and movements. We shared this information with the FBI. Shortly thereafter, FBI special agents pinpointed Mr. Recarey's location and convinced Spanish authorities of his presence in Spain. On October 6, 1993, the Spanish police arrested Mr. Recarey in Madrid, Spain. The FBI case agent in the Miami Division assisted the U.S. Attorney's Office and U.S. Embassy officials to have Mr. Recarey extradited from Spain to the United States. On November 10, 1994, Mr. Recarey was released from a Spanish jail under court supervision. A Department of Justice official told us that the U.S. government is continuing with extradition efforts and anticipates a decision by the Spanish Court on the U.S. government's extradition request before the end of 1994.

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## Other Organizations Who Assisted in Recarey's Capture

The Recarey matter was a multiagency investigation, with the FBI having primary responsibility for locating and gaining custody of Mr. Recarey. Other organizations that participated included the U.S. Attorney's Office for the Southern District of Florida; Miami Organized Crime Strike Force; U.S. Marshals Service; Office of International Affairs (OIA), Criminal Division, Department of Justice; Drug Enforcement Administration; INTERPOL-USNCB; Office of Labor Racketeering, Office of Inspector General, U.S. Department of Labor; and Department of State's Office of Law Enforcement and Intelligence and Bureau of Diplomatic Security.

OIA supported two separate requests by the U.S. Attorney's Office in Miami and the FBI to assist with formal requests to foreign governments for provisional arrest pending extradition. OIA attorneys continue to assist U.S. efforts in gaining custody of Mr. Recarey. The Department of Justice

recently established a new group within OIA to focus on significant and well-known U.S. fugitives, such as Mr. Recarey, and foreign fugitives.

The Department of State's Office of Law Enforcement and Intelligence coordinated U.S. government requests for provisional arrest pending extradition of Mr. Recarey from Venezuela and from Spain. Finally, Regional Security Officers from the Department's Bureau of Diplomatic Security also helped the FBI in this matter.

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## Methodology

We interviewed individuals who had information about the investigation, including officials from the OIA, FBI, U.S. Marshals Service, INTERPOL-USNCB, and Department of State. We also interviewed former and current officials working for federal law enforcement agencies involved in the Recarey matter, state and local law enforcement officials, and other persons having relevant information about Mr. Recarey or the fugitive investigation.

OIA gave us a chronology, listing significant events in the Recarey fugitive case. The FBI provided written responses to our questions about its handling of the case. At the Department of State, we reviewed Office of Law Enforcement and Intelligence files that the Department of State identified as relevant to the Recarey fugitive matter.

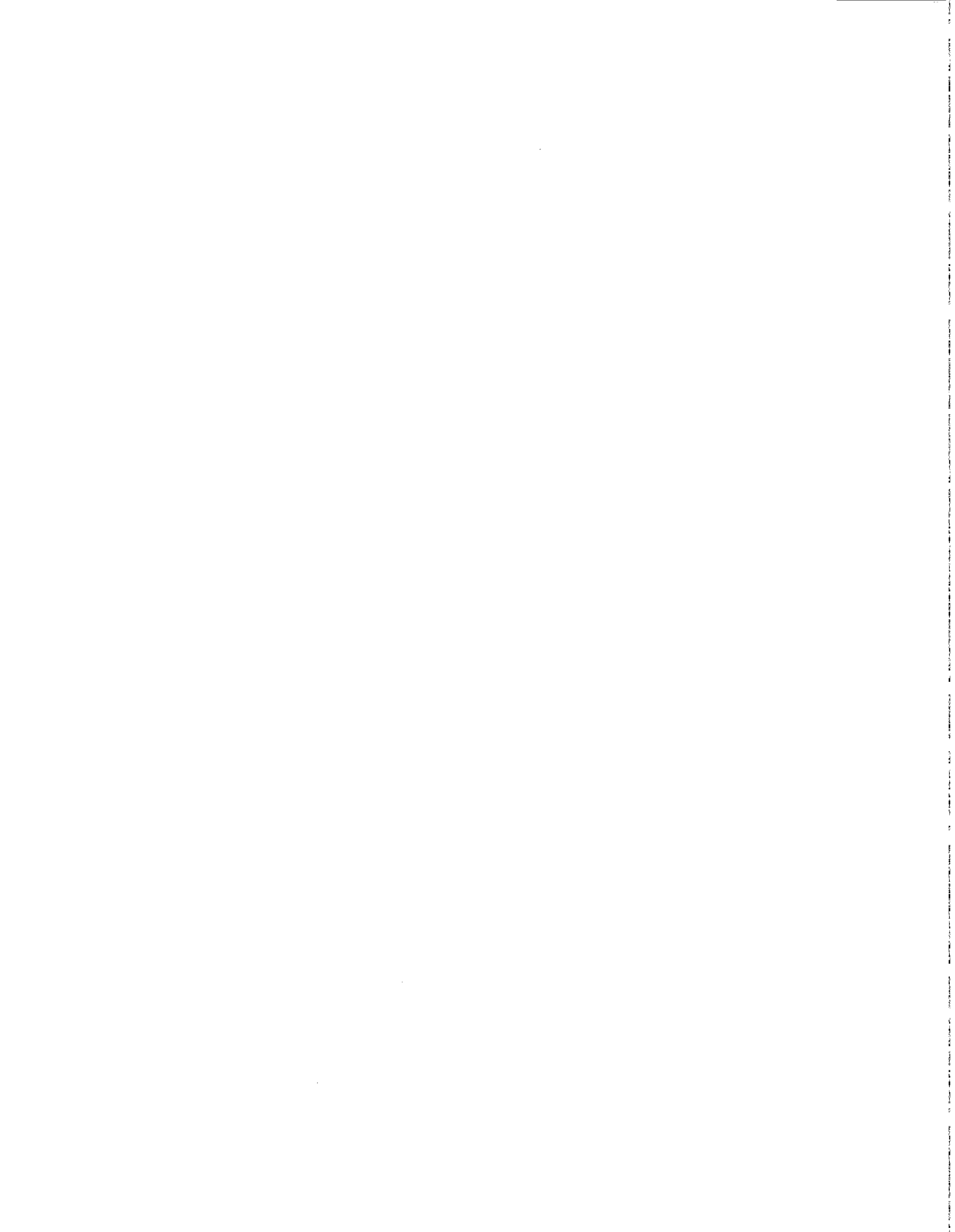
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As arranged with your office, we will make this report available to others upon request. If you have questions concerning this report, please contact me or Assistant Director Barney Gomez of my staff on (202) 512-6722.

Sincerely yours,



Richard C. Stiener  
Director





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