

AMERICAS

Wanted by Ecuador, 2 Brothers Make Mark in U.S. Campaigns

By FRANCES ROBLES MARCH 11, 2014

MIAMI — The donations kept pouring in: hundreds of thousands of dollars in campaign contributions to President Obama and more than a dozen members of Congress, carefully routed through the families of two wealthy brothers in Florida.

They had good reason to be generous. The two men, Roberto and William Isaias, are fugitives from Ecuador, which has angrily pressed Washington to turn them over, to no avail. A year after their relatives gave \$90,000 to help re-elect Mr. Obama, the administration rejected Ecuador's extradition request for the men, fueling accusations that such donations were helping to keep the brothers and their families safely on American soil.

"The Isaias brothers fled to Miami not to live off their work, something just, but to buy themselves more mansions and Rolls-Royces and to finance American political campaigns," President Rafael Correa of Ecuador told reporters last month. "That's what has given them protection," he added, an allegation the Obama administration and members of Congress reject.

The tug of war over the Isaias brothers, sentenced in an embezzlement case, is part of a broader battle between Ecuador and the White House over international fugitives, including two other men the Obama administration would like to get its hands on: Julian Assange, the founder of WikiLeaks, and Edward J. Snowden, the former intelligence contractor.

For close to two years, Ecuador has sheltered Mr. Assange in its embassy in London, arguing that he risks persecution and possibly the death penalty if he ultimately faces trial in the United States for revealing American secrets. Similarly, the White House fumed when Ecuador expressed an openness to granting asylum to Mr. Snowden as well.

But beyond the political hostilities between the two nations, campaign finance experts say, the extensive donations in the Isaias case create the appearance of a financial conflict of interest that hangs over Washington's decisions on the brothers' fate. While the contributions were not illegal, analysts say they have opened the already politicized nature of extradition requests to greater scrutiny and raised questions about the access to power the donations provide.

Some analysts have even questioned whether fund-raisers have specifically sought out the two men for contributions because it was clear they were in trouble and would be more likely to give.

"There is a certain mercenary aura on the Hill when it comes to overlap of fund-raising from wealthy individuals with problems," said Ken Boehm, chairman of the National Legal and Policy Center, a research group. "The key elements are all there: They are wealthy and have problems that are solved by the discretionary judgment of someone in the administration. They have tons of money and are willing to write checks all over the place."

Donations from the relatives of criminal suspects have proved vexing before. In 2012, Mr. Obama's re-election campaign said it would return more than \$200,000 raised by relatives of a Mexican casino magnate who had fled charges in the United States and sought a pardon to return.

The White House says that the decisions in the Isaias case are not influenced by donations.

"The Departments of Justice and State evaluate extradition requests to ensure they meet the terms of the applicable treaty and all requisite legal standards," Eric Schultz, a White House spokesman, said in a statement. "These decisions are made

on the merits by legal experts at the departments without regard for political contributions.”

Roberto Isaias is open about making targeted contributions to lawmakers from both parties.

“My family has given to about 20 congressmen who fight for human rights and freedom of speech in Latin America,” Mr. Isaias, 69, said in an interview. “That’s legal. If it looks good or bad, the thing I can tell you is that we have never asked for a favor in the case of me or my brother William.”

Mr. Isaias noted that he and his brother did not make any contributions because, without green cards, they are ineligible to do so.

In 2012, the two were sentenced in absentia to eight years in prison in Ecuador in what the government there calls a scheme to run a bank into the ground by making loans to businesses they controlled and then presenting false balance sheets to get bailout funds. Ecuador says it lost more than \$400 million, and Interpol issued a “red notice,” or international alert, for the men, though some people familiar with the case said the Isaias brothers had been scapegoated and had little chance of a fair trial at home.

As their legal troubles have mounted, Roberto’s wife; their children, daughter-in-law and nephews; and a few employees have donated at least \$320,000 to American political campaigns since 2010, finance records show.

Around \$100,000 of that, largely from the fugitives’ spouses and children, went to more than a dozen members of Congress, including Senator Robert Menendez, Democrat of New Jersey; Representative Ileana Ros-Lehtinen and Senator Marco Rubio, Florida Republicans; and Representative Joe Garcia, Democrat of Florida — all of whom have acknowledged trying to help the family with immigration troubles.

The case dates to 1998, when half of Ecuador’s banks collapsed and tens of thousands of people lost their savings. The Ecuadorean government took over the Isaiases’ bank, Filanbanco, and poured in bailout funds to keep it afloat. Roberto Isaias says that no money was ever pilfered.

As the investigation heated up, the men sought refuge in Miami, where the family owned Republic National Bank, known for financing Cuban-American businesses. It was sold in 1999, making the brothers a fortune as the crisis exploded in Ecuador.

In 2005, Kristie A. Kenney, then the American ambassador to Ecuador, wrote a scathing cable to Washington accusing the brothers of financing a \$2 million bribe to get Ecuador's attorney general to drop the case. She acknowledged then that the government of Ecuador offered feeble documentation to back up its extradition request, but she attributed that to pressure from the Isaias family, which owned 27 radio stations, three newspapers and a sugar production company.

Some American officials tried to revoke the brothers' visas over money-laundering accusations, she wrote in the cable, released by WikiLeaks.

"Employing the finest attorneys their millions allow, the Isaiases have successfully fought deportation for years," she wrote. She urged the State Department to deport the brothers.

The Department of Justice sent representatives to Ecuador to discuss the matter at least twice, people familiar with the case said. Each time, American officials explained that Ecuador's application for extradition lacked basic legal requirements.

"Ecuador would send Washington 3,000 pages of documents, and the U.S. would say, 'Hey, stop sending all these pages. Send me proof,'" Mr. Isaias said.

Shortly after the fiery Mr. Correa took office in 2007, he seized the Isaias family businesses, taking over about 200 companies worth \$1 billion and creating laws to help go after the brothers, Mr. Isaias contended. The Ecuadorean government later sued them in state court in Miami to recover funds. Last June, a judge ruled in the Isaiases' favor.

The same month, Washington sent a diplomatic note telling Ecuador that its extradition request was still insufficient. The Ecuadorean Embassy in Washington said the diplomatic note last year was the first official denial, one diplomats there

found “difficult to explain” because Ecuador had provided additional information several times, said Diego Bassante, an embassy spokesman.

Although only a small portion of the Isaias family’s campaign contributions have been previously reported by the news media, that was enough to put it back on the front pages of its country’s newspapers, 16 years after the bank collapse that sent the family into exile.

The relative anonymity the family once enjoyed in the United States ended in late January when an NBC station reported that Mr. Menendez was under federal investigation for having received donations from the family and having written on its behalf to the Department of Homeland Security.

Two weeks later, CNN announced the cancellation of CNN Latino, a short-lived partnership with Roberto Isaias’ son Luis that distributed Spanish-language programming in five cities, four of them on stations Mr. Isaias said he gave his son. CNN said the decision had nothing to do with the Menendez issue.

Mr. Menendez’s office acknowledged sending at least five letters to the Department of Homeland Security for the brothers and other relatives with immigration problems, but described them as among thousands of such letters he has sent. His office said there was no indication that the issue was being investigated by the F.B.I., and the agency declined to comment. Mr. Menendez received \$13,000 from the family, and Mr. Isaias’s wife also donated \$30,000 to a senatorial campaign committee Mr. Menendez led in 2010.

The family gave about \$40,000 to Ms. Ros-Lehtinen, whose district members live in. Last month, she acknowledged to *The Daily Beast* that while she was chairwoman of the House Foreign Affairs Committee she sent four letters to top American officials, including Hillary Rodham Clinton, then secretary of state, advocating on behalf of three members of the Isaias family who had problems with their residencies. She called it “standard practice” for constituents.

Mr. Garcia said his office also made a phone call on the family’s behalf, which he called routine. Records show the family donated at least \$20,000 to his campaigns.

“They are members of the community; I know them,” Mr. Garcia said. “They’ve been helpful to me talking about Ecuador and Ecuador policy, and I have a good relationship with them. We help everybody. We handle thousands of these a year and will continue to do so.”

Mr. Rubio, whose political action committee received \$2,000 from Luis Isaias, also made “routine constituent inquiries” into immigration matters for two family members, his office said.

Not everyone helped. A spokesman for Senator Bill Nelson of Florida, a Democrat who received \$12,500 from the family, said a lawyer for the brothers approached the senator’s office last summer because a relative was worried about a residency visa. A member of the Senate staff made a preliminary inquiry into the matter, but was told by the State Department to back off, Dan McLaughlin, the spokesman, said.

“We took no action after a routine check with the State Department raised red flags,” he said.

Mr. Isaias said he had met with every member of the House and Senate foreign affairs committees. “My main objective when I visit a congressman is letting them know what’s going on in Ecuador,” he said. “Thank God I have the United States. This is the only place where I will get a fair trial.”

Correction: March 15, 2014

An article on Wednesday about Roberto and William Isaias of Florida, fugitive brothers from Ecuador whom the Obama administration declined to extradite and whose relatives gave \$90,000 to President Obama’s re-election campaign, misstated the jurisdiction of the court in which the Ecuadorean government sued the brothers to recover funds it says were embezzled from a failed bank. It was a state court in Miami, not a federal court.

Matt Apuzzo contributed reporting from Washington.

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