



Attorney General Raoul Announces Settlement In Puerto Rican Parade Committee Bankruptcy Case

March 6 2020 9:13 AM

Chicago – Attorney General Kwame Raoul today announced a settlement with the Puerto Rican Parade Committee (PRPC) that will help fund the annual Puerto Rican Peoples Parade and festival that is now organized by a new charity.

As part of the settlement entered today, the PRPC’s remaining assets will be provided to the Attorney General’s Office to be distributed to the Daniel Ramos Puerto Rican Festival Committee, the new organizer of the annual parade and festival to continue to fund a Puerto Rican parade or festival. Additionally, Carmen Martinez, the partner of former PRPC president Angel Medina, is banned from acting as a charitable fiduciary in Illinois.

“The Puerto Rican Day Parade and Festival is an important celebration that brings together Chicago’s Puerto Rican community to showcase their rich culture, and the misuse of the Puerto Rican Parade Committee’s funds jeopardized this important Chicago tradition,” Raoul said. “Today’s settlement ensures that those who misused funds are held accountable for improper spending that took advantage of donors and the Chicagoans who anticipate these festivities each year.”

The PRPC was an Illinois charity that ran an annual Puerto Rican Day Parade and Humboldt Park festival in Chicago. In July 2018, the Attorney General’s office opened an investigation into the PRPC and its former president, Angel Medina, after receiving complaints about alleged financial misconduct, including hundreds of thousands of dollars in questionable spending. The PRPC filed for bankruptcy in 2017 saying it would need to sell its Humboldt Park property in order to resolve more than \$900,000 in debt.

The bankruptcy court ordered that the property be sold with all net sale proceeds – totaling \$623,000 – to be held in escrow until all claims were resolved. The largest claim against the PRPC was filed by Martinez who claimed more than \$500,000 in mortgages on the property and sought more than PRPC's remaining assets. The Attorney General's office intervened, challenging Martinez's claims and alleged that Martinez violated state law governing charitable trusts in Illinois.

As part of the settlement, Martinez has agreed to withdraw portions of her claim and to cap her total recovery. She has also agreed to cooperate with the PRPC in providing information about the committee's assets. Martinez is also prohibited from acting as a charity fiduciary in Illinois or serving as a trustee or board member for any nonprofit entity. Also under the settlement, once the PRPC's remaining assets are liquidated, the remainder of approximately \$30,000 from the sale of the Humboldt Park property must be paid to the Attorney General's Office for distribution to the Puerto Rican Cultural Center. The funds will be used by the Daniel Ramos Puerto Rican Festival Committee in order to continue the annual Puerto Rican Day Parade and Festival.

Bureau Chief Barry Goldberg and Deputy Bureau Chief Kristin Louis handled the case for Raoul's Charitable Trust Bureau.