

Charges dropped on lack of evidence

By Matt Zalaznick Daily Staff Writer January 31, 2001

Avon auto repair shop owner Louis Medeiros was cleared Tuesday of theft and racketeering charges in connection with an alleged car-theft scam.

The decision ends a four-month ordeal for Medeiros, who says he's now in danger of losing his home and his two businesses - Medeiros Towing and Avon Auto Body - because of the negative publicity from his arrest.

"I'll probably have to sell everything I own to recover from this," Medeiros told the Vail Daily after being exonerated Tuesday.

Medeiros, who has run businesses in the valley for the past 24 years, accused investigators of jumping the gun on the case.

"Before I arrested someone, I'd do a more thorough investigation than what was done on this thing," Medeiros said.

Medeiros was arrested in September, along with Avon businessman Leo Lala, after a 10-month Vail police investigation into 11 rental vehicles missing from Lala's now defunct Colorado Shuttle Service.

Lala, who is still awaiting trial, is accused of stealing the cars and then reselling them. Medeiros was arrested because police said they believed he was aware of the alleged scheme when he towed the cars for Lala.

"Those vehicles were not stolen," Medeiros said Tuesday.

Prosecutors had also accused Medeiros of towing the cars without notifying the state or trying to contact the owners. Charges were dropped, however, after Medeiros showed prosecutors receipts from certified letters he sent to the owners. He was also able to prove to them that he'd followed the proper procedures when he towed the cars.

Eagle County District Judge Terri Diem officially dropped nine counts of theft and racketeering against Medeiros, which could have sent him to jail for more than 60 years.

"I felt that, with the information we had, I thought I didn't have a reasonable expectation of success in the case," Deputy District Attorney John Clune said. "We got new information from the defendant and the police department that helped us decide how to proceed."

The dismissal came as a shock because Medeiros hadn't even entered a plea yet, his lawyer Dan Recht said.

"We weren't willing to plea bargain. All we were willing to take was a dismissal, which is a gutsy position for Louis to take," Recht said.

"But we proved to them that Mr. Medeiros gave proper notification to the appropriate government agencies when he towed the abandoned vehicles," he said.

Medeiros told the Vail Daily that he confirmed with the Vail Police Department that the cars he towed weren't stolen.
"Those were abandoned cars," he said.

Medeiros said he is also facing a lawsuit from a couple one of the cars was sold to.

Recht gave Vail police investigators - but not Lala - the benefit of the doubt Tuesday.

"They thought Mr. Medeiros knew Mr. Lala was conducting an illegal activity," Recht told the Vail Daily. "They've been persuaded that Mr. Medeiros had no idea Mr. Lala was a crook."

Lala, however, has yet to be convicted of the crime. He is still awaiting a preliminary hearing in Eagle County District Court.

Vail's lead detective on the case was John Ferguson, who has since left the department. He told the Vail Daily Tuesday that he requested the certified letters on several occasions but never received them.

"My opinion is whatever the DA wants is fine with me," Ferguson said.

Recht thanked Clune for dropping the charges so quickly.

"We want to thank John Clune for looking at the case very closely and doing the right thing," Recht said. "Other prosecutors would have let it go on longer."

Recht and Medeiros, however, said they are not ruling out filing their own lawsuit against either the police or the county.

"Louis is keeping all of his options open," Recht said.

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