

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF ARKANSAS**

UNITED STATES OF AMERICA	)	
	)	
v.	)	No. 4:14-CR-197 BRW
	)	
STEVEN B. JONES	)	
	)	

**FACTUAL BASIS FOR PLEA**

In support of the defendant’s plea of guilty to Counts 1 and 2 of the Information, charging Conspiracy, in violation of Title 18, United States Code, Section 371, and Bribery Concerning Programs Receiving Federal Funds, in violation of Title 18, United States Code, Section 666(a)(2) and 2, STEVEN B. JONES (hereinafter referred to as the “defendant”) admits that the following facts are true and that, if this matter were to proceed to trial, the United States could prove, through competent evidence, the following facts beyond a reasonable doubt:

1. The Arkansas Department of Human Services (ADHS) was an agency of the government of the State of Arkansas. ADHS was Arkansas’ largest state agency, with more than 7,500 employees and a budget of approximately \$6.8 billion. Among other things, ADHS works with a system of community mental health care centers to provide mental health services to adults, juveniles, and children.

2. In each of the calendar years of 2007, 2008, 2009, 2010, 2011, and 2012 ADHS received over \$10,000 in federal funding.

3. Defendant STEVEN B. JONES was a resident of Crittenden County, Arkansas. JONES was a Deputy Director of ADHS from in or about April 2007 to in or about July 2013. Prior to becoming Deputy Director of ADHS, JONES served in the Arkansas House of Representatives from in or about November 1998 through in or about December 2004. JONES represented District 54, which included most of Crittenden County.

4. As a supervisor and employee, JONES was an agent of ADHS, and he was responsible for, among other things, overseeing five of ADHS's ten divisions. JONES worked directly with the Division Directors in areas that encompass both state and federal programs, including at-risk youth and delinquent youth services facilities.

5. PERSON A was a resident of Crittenden County, Arkansas. PERSON A was the Pastor and Superintendent of a church located in West Memphis, Arkansas.

6. PERSON B was a resident of Crittenden County, Arkansas. PERSON B was a juvenile probation officer in Crittenden County and city councilmember for West Memphis, Arkansas. PERSON B was also affiliated with PERSON A's church.

7. PERSON C was the owner of two mental health companies, COMPANY A and COMPANY B.

8. COMPANY A provided outpatient mental health services to juveniles.

9. COMPANY B provided inpatient mental health services to juveniles.

10. Beginning in or about April 2007, and continuing through in or about February 2012, in the Eastern District of Arkansas, and elsewhere:

a. JONES solicited, accepted, and agreed to accept things of value from PERSON C.

b. PERSON C provided things of value to JONES, through the use of intermediaries, PERSONS A and B, including multiple cash payments totaling at least \$10,000.

c. In return for cash payments and other things of value, JONES agreed to perform and actually performed official acts that benefitted PERSON C, COMPANY A, and COMPANY B.

d. JONES, PERSON B, and PERSON C concealed their activity and dealings by holding periodic meetings at restaurants in Memphis, Tennessee or rural Arkansas so they would not be easily recognized. At the meetings, they discussed the business interests of PERSON C, COMPANY A, and COMPANY B, and JONES agreed to take official acts to benefit PERSON C, COMPANY A, and COMPANY B, including providing internal ADHS information to PERSON C.

e. In general, prior to or during the meetings between JONES, PERSON B and PERSON C, PERSON C would provide either PERSON A or PERSON B with checks from companies associated with PERSON C that were made payable to PERSON A's church. PERSON A typically deposited the checks or caused the checks to be deposited and received cash in return. PERSON A would then provide PERSON B with all or part of the cash, and PERSON B would, in turn, provide all or part of the cash payment to JONES during a subsequent, in-person meeting between JONES and PERSON B. On at least one occasion, PERSON A provided the cash directly to JONES. JONES also informed PERSON A that he wanted to receive cash instead of checks so that the bribe payments would not be easily traceable.

f. JONES and PERSON C used PERSON B as an intermediary to relay messages, schedule meetings, and deliver bribe payments from PERSON C to JONES.

g. JONES and PERSON B frequently spoke in basic code when talking to each other on the telephone and refrained from using PERSON C's name.

h. JONES, PERSON A, PERSON B, PERSON C, and others hid, concealed, and covered up their dealings and activity by using bank accounts associated with PERSON A's church to funnel bribe payments to JONES. The transmission of the funds that were paid by PERSON C to JONES, with the assistance of PERSONS A and B, occurred through the use of interstate wire communications.

11. On or about August 3, 2011, during a recorded telephone conversation between JONES and PERSON B, JONES provided information to PERSON B regarding reports that JONES had received during internal ADHS monitoring meetings concerning COMPANY A and COMPANY B.

12. On or about August 3, 2011, during the same recorded telephone conversation, PERSON B told JONES that PERSON C wanted to meet with JONES to discuss concerns about a referral process that PERSON C believed was disadvantageous to PERSON C's businesses.

13. On or about August 3, 2011, during the same recorded telephone conversation, JONES and PERSON B continued to discuss scheduling a meeting with PERSON C, with JONES suggesting that they meet in Brinkley, Arkansas “like we did that time”. PERSON B told JONES he would call PERSON C and discuss scheduling the meeting. JONES then agreed to provide information concerning ADHS’s internal reports about PERSON C, stating, “I get you up to speed with what’s going on, you know, some of the stuff that’s been said [about PERSON C] . . . Just let [PERSON C] know we still trying to look out on the inside, but I did not know about the referral thing changing. . . . [UI] So, we’ll see if I can find out what’s going on with that.” JONES also told PERSON B they should “get back on schedule,” meaning that JONES wanted to start receiving bribe payments again as he had in the past on several occasions.

14. On or about September 11, 2011, JONES, PERSON B, and PERSON C met at a restaurant in Memphis, Tennessee. PERSON C paid for the meals and beverages. During the meeting, JONES and PERSON C discussed ADHS issues affecting PERSON C’s businesses.

15. On or about September 11, 2011, during a recorded telephone conversation after the restaurant meeting in Memphis, Tennessee, PERSON B called JONES and asked JONES: “Can you roll that information over in your head real quick and let’s come back to the table next weekend?” JONES replied, “You know I can.” JONES and PERSON B then had the following exchange:

PERSON B: Alright. That’s what we need to do.

JONES: Ok.

PERSON B: But [PERSON C’s] adamant. [PERSON C] wants to know where you are on it. And, you know, what’s the pros and cons?

JONES: Yeah, let me just, let me just weigh it and make sure that it's cool. Because I know internally we have lots of discussions when those types of issues come up, so . . . .

PERSON B: Right.

JONES: Let me think it through for a minute and I'll get back with you.

PERSON B: Ok. Ok. Alright. I appreciate you man.

16. On or about November 23, 2011, during a conversation that was consensually recorded by PERSON B, PERSON B told JONES: “[L]isten are you going to be in town, 'cause I got that little package I owe you from our last meeting.” After JONES confirmed that he was in town, PERSON B stated, “You in town. Alright, well I ain't gonna be able to get with you today, but I'm going to catch you before the weekend's out. I done went up there and blessed the food man. So, you know I got to bring it to the table.” JONES replied, “You're the man. . . Yeah, you kinda like the Lord, he may not come when you want him, but you right on time.”

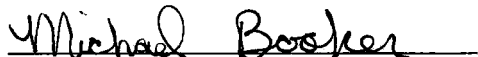
17. On or about November 27, 2011, JONES met PERSON B at a restaurant in West Memphis, Arkansas, which was surveilled and consensually recorded.

18. On or about November 27, 2011, during the surveilled and consensually recorded meeting at the restaurant in West Memphis, Arkansas, JONES accepted from PERSON B a \$1,000 cash payment, which JONES believed to be bribe money provided by PERSON C related to the September 11, 2011 meeting.

19. The defendant has read this Factual Basis for Plea and has discussed it with his attorney. The defendant fully understands the contents of this Factual Basis for Plea and agrees without reserve that it accurately describes the events and his acts. The defendant acknowledges that the contents of this Factual Basis for Plea do not constitute all of the facts relevant to the matters discussed herein.

  
STEVEN B. JONES  
Defendant

9-15-14  
Date

  
MICHAEL BOOKER, ESQ.  
Counsel for Defendant

\_\_\_\_\_  
Date