

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

<b>UNITED STATES OF AMERICA</b>	:	<b>CRIMINAL NO. <u>11-261</u></b>
<b>v.</b>	:	<b>DATE FILED: <u>July 5, 2011</u></b>
<b>MIKEL D. JONES</b>	:	<b>VIOLATIONS:</b>
	:	<b>18 U.S.C. § 1341 (mail fraud -- 1 count)</b>
	:	<b>18 U.S.C. §§ 1343 and 1349 (wire fraud -- 6 counts)</b>
	:	<b>18 U.S.C. § 1957 (money laundering -- 1 count)</b>
	:	<b>18 U.S.C. § 1956(a)(1)(B)(i) (money laundering -- 1 count)</b>
	:	<b>Notice of forfeiture</b>

**SUPERSEDING INDICTMENT**

**COUNTS ONE AND TWO**

**THE GRAND JURY CHARGES THAT:**

**BACKGROUND**

At all times material to this superseding indictment:

1. Defendant MIKEL D. JONES owned and operated a law firm called the Mikel Jones Law Firm LLC which was located at 1831 Chestnut Street, 4<sup>th</sup> Floor, Philadelphia, Pennsylvania 19103. The law firm specialized in personal injury, wrongful death, and medical negligence cases. Defendant JONES employed between four to six individuals at the law firm and was licensed to practice law in, among other places, Pennsylvania and Florida. Defendant JONES had a law degree from Nova Southeastern University Law School.

2. The Philadelphia Commercial Development Corporation (“PCDC”) was a nonprofit corporation that promoted commercial development in the Philadelphia area. PCDC

was funded by the Commonwealth of Pennsylvania, the City of Philadelphia, and various other sources.

3. Minority Venture Partners Ltd. (“MVP”) was a venture capital fund financed entirely by more than \$1.6 million from the Commonwealth of Pennsylvania. The purpose of MVP was to make investments in and loans to promising minority businesses in the Philadelphia area. The managers of MVP were also the operators of PCDC.

**THE SCHEME TO DEFRAUD**

4. From in or about September 2005 to in or about September 2009, defendant

**MIKEL D. JONES**

devised and intended to devise a scheme to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

**MANNER AND MEANS**

It was part of the scheme that:

5. In early 2006, defendant MIKEL D. JONES applied for funds from MVP to expand the Mikel Jones Law Firm and to fund working capital. In the application for the investment, defendant JONES provided various financial information about his law firm, including tax returns, information about his success as an attorney, and information about his cases. Defendant JONES agreed to use the funds to expand his business and to fund working capital.

6. Based on information supplied by defendant MIKEL D. JONES, MVP agreed to make an investment of approximately \$150,000 in the Mikel Jones Law Firm for defendant JONES to use to expand and operate the law firm in Philadelphia.

7. On or about January 27, 2006, defendant MIKEL D. JONES and MVP entered into an agreement in which defendant JONES agreed to use the \$150,000 to expand his business and to fund working capital. Defendant JONES also agreed to repay the funds in 48 months and deposit five percent of his gross sales each day into a bank account to use to repay the \$150,000. In conversations with officials of MVP and PCDC, defendant JONES represented that he would use the \$150,000 to expand and operate his law firm and for no other purpose.

8. In three separate transactions, MVP wire transferred the funds to a bank account defendant MIKEL D. JONES established in January 2006 to maintain the MVP funds. Specifically, on January 30, 2006, defendant JONES received by wire transfer \$75,000 from MVP. Likewise, on March 26, 2006, defendant JONES received a \$37,000 wire transfer from MVP.

9. On May 9, 2006, defendant MIKEL D. JONES sent to MVP by United States Mail a request for the remaining MVP funds. On May 25, 2006, MVP wire transferred \$35,000 to defendant JONES.

10. Defendant MIKEL D. JONES lied to MVP and its operators and did not use the MVP funds as required and did not maintain a bank account in which to deposit a portion of his receipts of the law firm. Instead, defendant JONES transferred the MVP funds to his and his wife's personal bank accounts and used the funds to pay his personal expenses, including for groceries, personal trips, and various sports tickets. Defendant JONES falsely told MVP representatives that he was using the funds to operate his law firm and did not disclose that he had diverted the funds to his personal bank accounts.

11. To conceal the fact that he was stealing the MVP funds and using them to pay his personal expenses and purchase sports tickets, defendant MIKEL D. JONES laundered the funds through his and his wife's personal bank and credit card accounts. Also, defendant MIKEL D. JONES did not file tax returns reporting that he had received the funds from MVP.

12. In or about July 2009, representatives of MVP contacted defendant MIKEL D. JONES regarding his repaying MVP for the \$150,000 investment. To conceal the fact that he had used the MVP funds for personal expenses and to pay his credit card bills and did not open a bank account to hold a percentage of his law firm's revenues as required, defendant JONES lied about his finances and falsely claimed that he did not have the funds to repay MVP. Specifically, defendant JONES falsely stated that he did not have the money to repay MVP and stated that he could only pay \$20,000. At the time defendant JONES was claiming he did not have sufficient funds to repay MVP, he had substantial funds and was spending tens of thousands of dollars on sports tickets and other luxury items. Indeed, just nine months before being contacted by MVP, defendant JONES had told a lender that he earned \$500,000 from the practice of law. Based on false statements about his finances, defendant JONES convinced MVP to accept just \$20,000 to satisfy defendant JONES' debt. On or about July 28, 2009, defendant JONES mailed a check in the amount of \$20,000 to MVP.

**THE MAILINGS**

13. On or about the dates listed below, in the Eastern District of Pennsylvania, and elsewhere, defendant

**MIKEL D. JONES,**

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be sent by United States Mail, the following items:

<u>Count</u>	<u>Date</u>	<u>Description</u>
1	May 9, 2006	A request by defendant JONES for \$37,500 in MVP funds to be wire transferred to him.
2	July 28, 2009	A check in the amount of \$20,000 sent from defendant JONES to PCDC in repayment of the \$150,000 investment in Jones' law firm.

In violation of Title 18, United States Code, Section 1341.

**COUNT THREE**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs One through Three and Five through Twelve of Counts One and Two are incorporated here.

2. From in or about September 2005 to in or about September 2009, defendant

**MIKEL D. JONES**

devised and intended to devise a scheme to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

3. On or about May 25, 2006, in the Eastern District of Pennsylvania, and elsewhere, defendant

**MIKEL D. JONES,**

for the purpose of executing the scheme described above, attempting to do so, and aiding and abetting its execution, knowingly caused to be transmitted by means of wire communication in interstate commerce, certain signals and sounds, namely a \$35,000 wire transfer from MVP's bank account to an account of the Mikel Jones Law Firm, LLC, at Commerce Bank, N.A.

In violation of Title 18, United States Code, Sections 1343, 1349, and 2.

**COUNT FOUR**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs One through Three and Five through Twelve of Counts One and Two are incorporated here.
2. On or about May 25, 2006, in the Eastern District of Pennsylvania, and elsewhere, defendant

**MIKEL D. JONES**

knowingly engaged in, and attempted to engage in, a monetary transaction affecting interstate commerce in criminally derived property of a value greater than \$10,000, namely, he caused a \$31,000 check to be drawn on his law firm's bank account at Commerce Bank and deposited into his and his wife's personal bank account at Bank of America, and such property was derived from a specified unlawful activity, that is mail and wire fraud, in violation of Title 18, United States Code, Sections 1341, 1343, and 1349.

All in violation of Title 18, United States Code, Section 1957.

**COUNTS FIVE THROUGH NINE**

**THE GRAND JURY FURTHER CHARGES THAT:**

At all times material to this superseding indictment:

1. Paragraph One of Counts One and Two are incorporated by reference.

2. In addition to operating his law firm, defendant MIKEL D. JONES owned and controlled several other shell companies, including Strata-Tech, Inc., New Millennium Political Network, Inc., and Visions 21st Democratic Club. Defendant JONES used these shell companies to defraud a lender of tens of thousands of dollars.

**THE SCHEME TO DEFRAUD**

3. From in or about January 2008 to in or about the date of this superseding indictment, defendant

**MIKEL D. JONES**

devised and intended to devise a scheme to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

**MANNER AND MEANS**

It was part of the scheme that:

4. In or about January 2008, defendant MIKEL D. JONES obtained a multi-million dollar line of credit from a lender in New York, referred to here as "Lender No. 1." Defendant JONES agreed that he would only use the proceeds of the line of credit for legitimate expenses related to the operation of his law firm and other approved expenses. Defendant JONES and Lender No. 1 agreed that defendant JONES would receive payments of \$10,000 per month that defendant JONES would be permitted to use to pay his personal expenses.



5. Defendant MIKEL D. JONES submitted a budget to Lender No. 1 of the expected expenses of his law firm and agreed to submit invoices of vendors who supplied goods and services to his law firm and that Lender No. 1 would only pay these vendors upon Lender No. 1's receipt of these invoices. Defendant JONES agreed that he would submit these invoices to an accountant who would review the invoices and disburse the funds on behalf of Lender No. 1. Defendant JONES sent invoices to Lender No. 1 by fax, email, commercial interstate carrier, and United States Mail.

6. Defendant MIKEL D. JONES was not able to fund his lifestyle on the \$10,000 per month that he agreed to accept from Lender No. 1. So, defendant JONES used his shell companies, the name of another media corporation located in the Philadelphia, referred to here as "Company No.1," and the name of his daughter, referred to here as "K.M.," to steal money from Lender No. 1. Specifically, defendant JONES created fraudulent invoices purportedly on the letterhead of Strata-Tech and Company No. 1, falsely claiming that these companies had provided goods and services to defendant JONES' law firm. In fact, these companies had supplied no goods and services for defendant JONES' law firm. Defendant JONES then laundered the funds he received from this fraud scheme through several bank accounts and used them for his personal expenses.

7. Defendant MIKEL D. JONES created bogus invoices in the names of Strata-Tech which listed an address of a mail drop in Florida as its business address and stated that Strata-Tech was in the business of, among other things, "event management," "strategic marketing," "speaker placement," "corporate identity," and "advertising." In reality, Strata-Tech was a shell corporation that had no operations. Defendant JONES also created

fraudulent invoices in the name of Company No. 1 which he submitted to Lender No. 1 as part of the fraud scheme.

8. On or about January 9, 2008, defendant MIKEL D. JONES directed an employee of his law firm to include monthly line items totaling more than \$20,000 in payments to Strata-Tech and Company No. 1 so that defendant JONES could submit bogus invoices to Lender No. 1.

9. On or about January 30, 2008, defendant MIKEL D. JONES directed an employee of his law firm to prepare fraudulent invoices seeking payment of a total of \$20,000 in the name of Strata-Tech and Company No. 1 to submit to Lender No. 1. Defendant JONES instructed his employee to inform Lender No. 1 not to contact Strata-Tech or Company No. 1 because of “personal & political relationships that exist between Mikel and both entities. Should there be any need to negotiate, Mike will handle.”

10. On or about April 24, 2008, defendant MIKEL D. JONES instructed an employee of his law firm to prepare fake invoices in the name of Company No. 1 showing that \$38,000 had been paid and a balance of \$20,000 remained. Defendant JONES also instructed his employee to create a fraudulent Strata-Tech invoice showing payments of \$15,000 and a balance of \$40,000.

11. On or about April 26, 2008, in an effort to convince Lender No. 1 to release funds to him, defendant MIKEL D. JONES falsely told a representative of Lender No. 1 that, because of defendant JONES’ “personal and political relationships,” defendant JONES was able to convince Company No. 1 and Strata-Tech not to “com[e] after me for non payment over the last 4/6 months.”

12. On or about June 6, 2008, defendant MIKEL D. JONES falsely represented to Lender No. 1 that he owed Strata-Tech \$10,000 and requested payment of this amount.

13. On or about August 12, 2008, defendant MIKEL D. JONES requested that Lender No. 1 make a \$25,000 payment to defendant JONES' shell corporation, Visions 21st Democratic Club. Defendant JONES falsely represented that he would use these funds to make political contributions. Lender No. 1 made a payment of \$22,500. Defendant JONES stole the money and used it for his personal expenses.

14. On or about October 13, 2008, defendant MIKEL D. JONES caused to be sent via fax machine from his law office in Philadelphia to a representative of Lender No. 1 in New York, fraudulent invoices in the name of Strata Tech and Company No. 1. Defendant JONES then used the proceeds of these fraudulent invoices to pay his personal expenses, including tens of thousands of dollars for tickets to sporting events and other luxury items.

15. In or about December 2009, defendant MIKEL D. JONES falsely told Lender No. 1 that he needed approximately \$160,000 to repay a debt and that Lender No. 1 should issue a check to K.M., which unbeknownst to Lender No. 1 was defendant JONES' daughter. After laundering the funds through several accounts, defendant JONES used this money to make a settlement payment to clients from whom defendant JONES had stolen settlement funds in 2007 and 2008, and used the rest of the funds to pay his personal expenses.

16. In total, between February 2008 and February 2009, defendant MIKEL D. JONES obtained more than \$300,000 using fraudulent invoices and false representations to Lender No. 1.

**THE WIRES**

17. On or about the dates listed below, in the Eastern District of Pennsylvania, and elsewhere, defendant

**MIKEL D. JONES,**

for the purpose of executing the scheme described above, attempting to do so, and aiding and abetting its execution, knowingly caused to be transmitted by means of wire communication in interstate commerce, the following signals and sounds:

<b><u>Count</u></b>	<b><u>Date</u></b>	<b><u>Description</u></b>
5	January 9, 2008	An email message from defendant JONES to an employee at defendant JONES' law firm in Philadelphia directing the employee to include fraudulent line items for Strata-Tech and Company No. 1 on the budget submitted to Lender No. 1.
6	January 30, 2008	An email message from defendant JONES to an employee at defendant JONES' law firm in Philadelphia directing the employee to prepare fraudulent invoices to submit to Lender No. 1 for Strata-Tech and Company No. 1 and including asking representatives of Lender No. 1 not to contact Strata-Tech and Company No. 1 because defendant JONES has "personal & political relationships" with the vendors.
7	April 24, 2008	An email message from defendant JONES to an employee at JONES' law firm in Philadelphia directing the employee to prepare fraudulent invoices to submit to Lender No. 1 for Strata-tech and Company No. 1.
8	October 13, 2008	An email message from an employee of defendant JONES' law firm to a representative of Lender No. 1 requesting payments to be made to Strata-Tech and Company No. 1.
9	October 13, 2008	A fax from The Mikel Jones Law Firm LLC in Philadelphia to representatives of Lender No. 1 that

included a fraudulent invoice from Strata-Tech in the amount of \$30,000 and a fraudulent invoice purporting to be Company No. 1 in the amount of \$32,000.

In violation of Title 18, United States Code, Sections 1343, 1349, and 2.

**COUNT TEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs One, Two, and Four through Sixteen of Counts Four through Nine are incorporated by reference.

2. Between on or about March 6, 2009 through April 10, 2009, in the Eastern District of Pennsylvania, and elsewhere, defendant

**MIKEL D. JONES**

knowingly conducted, and attempted to conduct, and aided, abetted, and willfully caused, a financial transactions affecting interstate commerce, namely, defendant JONES obtained a check in the amount of \$132,000 drawn on his personal account which had been funded by a check in the amount of \$160,000 that defendant JONES caused to be issued by Lender No. 1, and then deposited this \$132,000 check on April 10, 2009 into his attorney trust account at Beneficial Savings Bank.

3. When conducting, aiding, abetting, and willfully causing, the financial transaction described in paragraph 2 above, defendant MIKEL D. JONES knew that the property involved in those financial transactions represented the proceeds of some form of unlawful activity.

4. The financial transaction described in paragraph 2 above involved the proceeds of a specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code 1343, and defendant JONES acted with the knowledge that the transactions were designed, in whole and in part, to conceal and disguise the nature, location, source, ownership and control of the proceeds of the specified unlawful activity.

All in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

**NOTICE OF FORFEITURE**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. As a result of the violations of Title 18, United States Code, Sections 1341, 1343, 1349, 1956, and 1957, set forth in this indictment defendant

**MIKEL D. JONES**

shall forfeit to the United States of America: (a) any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of such offenses; and (b) any property, real or personal, that was involved in the commission of such offense, including, but not limited to, approximately \$470,000.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c), and Title 18,  
United States Code, Section 981(a)(1)(C).

**A TRUE BILL:**

**\_\_\_\_\_  
GRAND JURY FOREPERSON**

**\_\_\_\_\_  
ZANE DAVID MEMEGER  
United States Attorney**