



U.S. Department of Justice

United States Attorney

Eastern District of Pennsylvania

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615 Chestnut Street  
Suite 1250  
Philadelphia, Pennsylvania 19106-4476  
(215) 861-8200

September 13, 2011

ADDITIONAL CHARGES FILED IN SCHEME TO DEFRAUD LENDERS AND THE  
COMMONWEALTH OF PENNSYLVANIA

PHILADELPHIA - A second superseding indictment<sup>1</sup> was filed today against Mikel D. Jones in connection with a scheme to defraud a venture capital fund financed by the Commonwealth of Pennsylvania and a private New York lender, announced United States Attorney Zane David Memeger. The superseding indictment adds Jones' wife, Dona Nichols Jones, as a co-conspirator. It also adds a conspiracy count against Mikel Jones, 15 additional counts of mail fraud (total 16), 10 additional counts of wire fraud (total 16), and one additional count of money laundering (total 2). Dona Nichols Jones is charged with conspiracy, money laundering count, and 14 counts each of wire fraud and mail fraud.

Jones owned and operated a personal injury law firm, Mikel Jones Law Firm LLC, which was located at 1831 Chestnut Street, Philadelphia. According to the indictment, Jones secured approximately \$150,000 from the Philadelphia Commercial Development Corporation ("PCDC") and the Minority Venture Partners Ltd. ("MVP") to expand his business. Instead of using the funds for business purposes, as required, it is alleged that Mikel Jones diverted the funds to personal bank and credit accounts and used the funds to purchase sports tickets and pay personal expenses.

It is further alleged that Jones owned and controlled other shell companies, including Strata Tech, Inc., and Visions 21st Democratic Club, which he used to defraud a lender of hundreds of thousands of dollars. In January 2008, Jones obtained a multimillion dollar line of credit from a lender in New York, referred to in the indictment as "Lender No. 1." 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. Instead, it is alleged that the Joneses used the shell companies, the name of another media corporation located in Philadelphia, referred to as "Company No. 1," and the name of their daughter, referred to as "K.M.," to steal money from Lender No. 1. The indictment charges that the defendants supplied fraudulent invoices purportedly on the letterhead of Strata Tech and Company No. 1 which claimed that these companies had provided services to Jones' law firm, when in fact they had not. The Joneses also allegedly used these funds to pay personal expenses. Jones and his wife are charged with laundering some of the stolen funds by using their daughter's name and account to receive

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<sup>1</sup>An indictment is an accusation. A defendant is presumed innocent unless and until proven guilty.

stolen funds which they used for personal expenses and to replenish Jones' law firm trust account to pay clients. In total, it is alleged that between February 2008 and April 2009, the Joneses obtained more than \$456,000 by supplying fraudulent invoices and making false representations to Lender No. 1.

INFORMATION REGARDING THE DEFENDANTS

NAME	ADDRESS	YEAR OF BIRTH
Mikel D. Jones	Boynton Beach, FL	1956
Dona Nichols Jones	Boynton Beach, FL	1957

The case was investigated by the Federal Bureau of Investigation, the Internal Revenue Service -- Criminal Investigation, and City of Philadelphia Office of Inspector General. The case is being prosecuted by Assistant United States Attorneys Paul L. Gray and Alexander T.H. Nguyen.

**UNITED STATES ATTORNEY'S OFFICE  
EASTERN DISTRICT, PENNSYLVANIA  
Suite 1250, 615 Chestnut Street  
Philadelphia, PA 19106**

**Contact: PATTY HARTMAN  
Media Contact  
215-861-8525**

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