

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
SOUTHERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

DONALD ANDREW JONES

a/k/a "D.A." Jones,
[DOB: 07-04-1955]

Defendant.

No.

17-03142-01-CR-S-RK

COUNT 1:

18 U.S.C. § 371

NMT 5 Years Imprisonment

NMT \$250,000 Fine

NMT 3 Years Supervised Release

Mandatory Restitution

Class D Felony

FORFEITURE ALLEGATION

18 U.S.C. § 981(a)(1)(C) and 28 U.S.C.
§ 2461

\$100 Special Assessment (Count 1)

INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

**COUNT 1
(Conspiracy)**

1. At all times material to this Information, unless otherwise set forth, with all dates and times alleged to be "on or about" or "in or about," and all amounts alleged to be "approximately:"

The Defendant

2. The defendant, **DONALD ANDREW JONES**, also known as "D.A." Jones ("Jones"), a resident of Willingboro, New Jersey, was a Philadelphia, Pennsylvania-based political operative. Jones owned and operated the firm, D.A. Jones & Associates, which purported to provide political and advocacy services, including consulting, analysis, and public relations.

Alternative Opportunities, Inc. and Preferred Family Healthcare, Inc.

3. Preferred Family Healthcare, Inc. (“PFH”), formerly known as Alternative Opportunities, Inc. (“AO”), was a Missouri corporation headquartered at 1111 South Glenstone Avenue, in Springfield, Greene County, Missouri, within the Western District of Missouri. Both AO and PFH were recognized by the Internal Revenue Service (IRS) as non-profit public charities under Section 501(c)(3) of the Internal Revenue Code (United States Code, Title 26). PFH resulted from the May 1, 2015, merger between Alternative Opportunities, Inc. (“AO”), of Springfield, Missouri (Missouri corporate charter no. N00045067), and Preferred Family Healthcare, Inc., of Kirksville, Missouri (Missouri corporate charter no. N00024607). AO was the acquiring entity, but the post-merger entity retained the PFH name and corporate registration with the Missouri Secretary of State. (Hereinafter, “the Charity” shall refer to the entity over all times material to this Information, disregarding the Kirksville, Missouri-based Preferred Family Healthcare, Inc., that existed prior to May 2015, and is not relevant to this Information.)

4. The Charity and its subsidiaries provided a variety of services to individuals, including the following: mental and behavioral health treatment and counseling, substance abuse treatment and counseling, employment assistance, aid to individuals with developmental disabilities, and medical services.

5. For the fiscal years 2010 through 2016, each fiscal year beginning July 1 of the indicated year, and ending on June 30 of the following year, the Charity had total revenue in the amounts indicated below:

<u>Fiscal Year</u>	<u>Entity</u>	<u>Total Revenue</u>
FY2010	AO	\$ 64,779,466
FY2011	AO	\$ 77,271,030
FY2012	AO	\$ 77,112,631
FY2013	AO	\$ 90,033,026
FY2014*	AO	\$ 89,844,968

<u>Fiscal Year</u>	<u>Entity</u>	<u>Total Revenue</u>
FY2014	PFH	\$ 66,264,806
FY2015	PFH	\$ 127,276,627
FY2016	PFH	\$ 180,737,583
Total:		\$ 837,167,436

* For AO, FY2014 ended 04/30/2015 because AO merged with the Kirksville, Missouri based Preferred Family Healthcare, Inc.

6. For the calendar years 2011 through 2016, the Charity received Medicaid reimbursements from the states of Arkansas, Kansas, Missouri, and Oklahoma, in the amounts indicated below:

<u>Medicaid Reimbursement by State (Total Reimbursements)</u>					
	Arkansas	Kansas	Missouri	Oklahoma	Total
2011	\$ 22,917,095	\$ 114,653	\$ 12,051,231	\$ 5,984,647	\$ 35,082,979
2012	\$ 26,275,165	\$ 102,540	\$ 13,679,546	\$ 7,323,957	\$ 40,057,252
2013	\$ 28,843,342	\$ 1,012,503	\$ 14,411,117	\$ 8,977,498	\$ 44,266,962
2014	\$ 32,017,605	\$ 966,043	\$ 18,540,234	\$ 10,040,355	\$ 51,523,882
2015	\$ 35,521,005	\$ 918,288	\$ 32,424,388	\$ 10,000,473	\$ 68,863,682
2016	\$ 33,403,414	\$ 934,368	\$ 58,494,910	\$ 9,857,786	\$ 92,832,692
Total	\$ 178,977,627	\$ 4,048,395	\$ 149,601,427	\$ 52,184,716	\$ 384,812,165

<u>Medicaid Reimbursement by State (Federal Portion)</u>					
	Arkansas	Kansas	Missouri	Oklahoma	Total
2011	\$ 16,355,931	\$ 67,703	\$ 7,627,224	\$ 3,886,430	\$ 24,050,858
2012	\$ 18,579,169	\$ 58,356	\$ 8,679,672	\$ 4,678,544	\$ 27,317,197
2013	\$ 20,227,835	\$ 572,166	\$ 8,844,102	\$ 5,745,599	\$ 29,644,103
2014	\$ 22,444,341	\$ 549,775	\$ 11,500,507	\$ 6,427,835	\$ 34,494,624
2015	\$ 25,177,289	\$ 520,026	\$ 20,573,248	\$ 6,230,295	\$ 46,270,563
2016	\$ 23,382,390	\$ 522,872	\$ 37,015,579	\$ 6,012,264	\$ 60,920,841
Total	\$ 126,166,955	\$ 2,290,898	\$ 94,240,332	\$ 32,980,967	\$ 255,679,153

7. For the fiscal years 2010 through 2015, each fiscal year beginning July 1 of the indicated year, and ending on June 30 of the following year, the Charity received at least \$53,411,253 in funds from the Federal government (more particularly, the Departments of Health and Human Services, Labor, Agriculture, Housing and Urban Development, Veterans Affairs, and

Justice), under programs involving grants, contracts, loans, guarantees, insurance, and other forms of Federal assistance, broken down by fiscal year (ending June 30), in the following amounts:

	USDA	HHS*	HUD	DOJ	DOL	VA
FY2010	\$ 9,295	\$ 848,054	\$ -	\$ -	\$ 3,122,098	\$ -
FY2011	\$ 9,330	\$ 1,368,239	\$ 33,403	\$ -	\$ 3,488,094	\$ 381,266
FY2012	\$ 9,213	\$ 1,731,955	\$ 116,906	\$ -	\$ 3,145,749	\$ 352,841
FY2013	\$ -	\$ 2,500,587	\$ 89,455	\$ -	\$ 3,324,939	\$ 377,969
FY2014 (AO)**	\$ -	\$ 4,340,302	\$ -	\$ 304,672	\$ 2,638,085	\$ -
FY2014 (PFH)	\$ 80,348	\$ 6,888,549	\$ 99,248	\$ -	\$ 780,862	\$ 62,328
FY2015	\$ 142,059	\$ 12,312,338	\$ 102,273	\$ 39,868	\$ 4,637,628	\$ 73,300
Total	\$ 250,245	\$ 29,990,024	\$ 441,285	\$ 344,540	\$ 21,137,455	\$ 1,247,704

* Not including Medicaid reimbursement.

** For AO, FY2014 ended 04/30/2015 because AO merged with the Kirksville, Missouri based Preferred Family Healthcare, Inc.

Persons

8. "Person #1," a resident of Springfield, Missouri, was an executive at the Charity, with authority to approve and direct payments of funds and enter into agreements on behalf of the company.

9. "Person #2," a resident of Springfield, Missouri, was an executive at the Charity, with authority to approve and direct payments of funds and enter into agreements on behalf of the company.

10. "Person #3," a resident of Springfield, Missouri, was an executive at the Charity, with authority to approve and direct payments of funds and enter into agreements on behalf of the company.

11. "Person #4," a resident of Rogers, Arkansas, was a lobbyist registered with the Arkansas Secretary of State. Person #4 also was an employee of the Charity, serving as an

executive for company operations in the state of Arkansas. Person #4 also operated the entities identified below as Lobbying Firm A and Lobbying Firm B.

12. “Person #7,” a resident of Melbourne, Arkansas, was an Arkansas legislator from 2006 through 2011, and a lobbyist registered with the Arkansas Secretary of State from January 20, 2011 onward. Person #7 also was a member of the AO Board of Directors from October 2009 through May 2015. Person #7 also was employed by the Charity, from February 2010 until February 2017.

Entities

13. Dayspring Behavioral Health Services (“Dayspring”) was one of the business aliases that AO used to conduct business. Doing business as Dayspring, AO operated dozens of clinics throughout the state of Arkansas, offering a variety of behavioral health services to individuals, families, and groups.

14. Entity A was a Missouri limited liability company that was used as the management company for AO. Entity A was formed in 1995 by Person #1, Person #2, Person #3, and four of their associates. In 2006, Entity A was sold to a publicly-traded corporation by its five remaining owners, including Person #1, Person #2 and Person #3; however, Person #1 continued to exercise actual control over the bank accounts and activities of Entity A.

15. Entity E was a Missouri S-corporation that was in the business of re-packaging and selling indoor thermostats imported from China. Entity E was formed in 2006, using funds Person #1 and Person #2 received from the sale of Entity A to a publicly traded corporation. Person #1 and Person #2 owned a combined 45.1086 percent share of Entity E, and a relative of Person #2 owned another 45.1086 percent.

16. Lobbying Firm A was an Arkansas C-corporation and lobbying organization registered with the Arkansas Secretary of State. Lobbying Firm A was solely owned and operated by Person #4, and purported to provide political services, including lobbying, consulting, and advocacy.

17. Lobbying Firm B was a lobbying organization registered with the Arkansas Secretary of State, which listed a family member of Person #4 as its authorized representative. On February 5, 2013, Person #4 opened a bank account at Bancorp South in the name of Person #4 doing business as Lobbying Firm B.

Laws and Regulations Pertaining to Section 501(c)(3) Organizations

18. The Internal Revenue Service (“IRS”) was an agency of the United States Department of Treasury, responsible for the ascertainment, computation, assessment, and collection of taxes owed to the United States Treasury by individuals, corporations and other entities. One of the IRS’s missions was to oversee the operation of organizations exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (Title 26 of the United States Code).

19. Section 501(c)(3) of the Internal Revenue Code granted authorized charitable organizations tax-exempt status, which exempted them from having to pay any income tax on the donations they received. To qualify for exemption under that section, an organization was required to file an IRS Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code. In this application, signed under penalties of perjury, the organization was required to demonstrate that it was organized and operated exclusively for charitable exempt purposes, and any non-exempt purpose was be incidental and not substantial to its operation. Upon approval, the IRS would issue a determination letter that provided written assurance of the

organization's tax-exempt status, and its qualification to receive tax-deductible charitable contributions. Every organization qualifying for exemption under section 501(c)(3) would also be classified as either a "public charity" or a "private foundation."

20. In accomplishing its oversight mission, the IRS primarily relied upon information reported annually by each tax-exempt organization. Additionally, in determining an organization's entitlement to tax-exempt status, the IRS utilized information provided by tax exempt organizations in response to specific IRS inquiries, information provided by other federal and state agencies, and members of the public.

21. After the IRS granted an organization tax-exempt status, the organization was required to file an informational return, Form 990, "Return of Organization Exempt from Income Tax" each year in which an organization had gross receipts greater than or equal to \$200,000 or total assets greater than or equal to \$500,000. The return was signed under penalties of perjury. Form 990 was an annual information return required to be filed with the IRS by most organizations exempt from income tax under section 501(a), and certain political organizations and nonexempt charitable trusts. Parts I through XII of the form were required to be completed by all filing organizations, and required reporting of the organization's exempt and other activities, finances, governance, compliance with certain federal tax filings and requirements, and compensation paid to certain persons. Additional schedules were required to be completed depending upon the activities and type of the organization. By completing Part IV, the organization determined which schedules were required. The entire completed Form 990 was filed with the IRS, except for certain contributor information on Schedule B (Form 990, 990-EZ, or 990-PF), which was required to be made available to the public by the IRS and the filing organization, and also could be required to be filed with state governments to satisfy state reporting requirements.

22. Section 501(c)(3) organizations were required to report excess benefit transactions on Forms 990. The term “excess benefit transaction” meant any transaction in which an economic benefit was provided by an applicable tax-exempt organization directly or indirectly to or for the use of any disqualified person if the value of the economic benefit provided exceeded the value of the consideration (including the performance of services) received for providing such benefit. (For purposes of the preceding sentence, an economic benefit was not to be treated as consideration for the performance of services unless such organization clearly indicated its intent to so treat such benefit.) The term “disqualified person” meant any person who was in a position to exercise substantial influence over the affairs of the applicable tax-exempt organization at any time during the five-year period (“lookback period”) prior to the date of such transaction.

23. Section 501(c)(3) organizations were required to disclose the existence of excess benefit transactions on page four (4) of IRS Form 990, by responding “yes” or “no” to questions 25(a) and 25(b) – disclosing whether they had such transactions in the current period, or had discovered past such transactions). If the organization answered either question in the affirmative, it was required to describe the excess benefit transaction in Schedule L Part I of the Form 990.

24. Section 501(c)(3) organizations were absolutely prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of, or in opposition to, any candidate for elective public office. Contributions to political campaign funds violated this prohibition, and could have resulted in denial or revocation of tax-exempt status and the imposition of certain excise taxes.

25. Further, organizations not considered “electing organizations” (those making an election under Section 501(h), which election the Charity did not make) were subject to the “No Substantial Part” rule, which provided that no substantial part of the organization’s activities could

constitute carrying on propaganda, or otherwise attempting to influence legislation. So the IRS and the public could monitor tax-exempt organizations' compliance with the "No Substantial Part" Rule, Section 501(c)(3) organizations not making an election under Section 501(h), including the Charity, were required to disclose any and all lobbying activity in Part IX (Statement of Functional Expenses) of their annually-filed IRS Forms 990.

26. Finally, all organizations seeking exemption under Section 501(c)(3) were required to conform to certain fundamental legal principles applicable to all charitable organizations. One such principle was that charitable organizations could not engage in behavior that was illegal or violated public policy. The "illegality doctrine" derived from English charitable trust law, the legal foundation on which Section 501(c)(3) was established. Under charitable trust law, trusts violating law or public policy could not qualify for charitable status.

Object of the Conspiracy

27. From in or about April 2011, until in or about January 2017, in Greene County, Missouri, in the Western District of Missouri, and elsewhere, the defendant, **DONALD ANDREW JONES**, conspired and agreed with Person #1, Person #2, Person #3, Person #4, Person #7, and with others known and unknown to the United States Attorney, to execute a scheme whereby Person #1, Person #2, Person #3, and Person #4, being agents of Alternative Opportunities, Inc., and Preferred Family Healthcare, Inc., organizations receiving in each one-year period from July 1, 2010, through June 30, 2017, benefits in excess of \$10,000 under the Federal programs set forth above, embezzled, stole, obtained by fraud, and without authority knowingly converted to their use, property worth at least \$5,000 and under the care, custody, and control of such organization, that is funds totaling approximately \$973,807.28; in violation of Title 18, United States Code, Section 666(a)(1)(A) and (a)(2).

Manner and Means

28. The manner and means by which Person #1, Person #2, Person #3, Person #4, Person #7, Jones, and others, carried out the scheme included but were not limited to the following:

29. Person #1, Person #2, Person #3, and Person #4 and others known and unknown to the United States Attorney, devised and executed multiple schemes to embezzle, steal, and unjustly enrich themselves to the detriment of the Charity's mission, and to unlawfully use the Charity's funds for political contributions and excessive and unreported lobbying and political advocacy.

30. As an integral and necessary part of their schemes to defraud, Person #1, Person #2, Person #3, Person #4, and others known and unknown to the United States Attorney, utilized the Charity's tax-exempt status to facilitate their embezzlement, theft, and unjust enrichment of themselves, and in order to maintain said tax-exempt status they concealed, covered up, and falsified evidence of their embezzlement, unjust enrichment, and excess benefit transactions to themselves and others, and of their unlawful use of the Charity's funds for political contributions and excessive and undisclosed lobbying and political advocacy, and failed to disclose the same to the IRS on the Charity's Forms 990 as required by law.

31. It was a part of the scheme that in order to provide a veneer of legitimacy for the kickbacks paid to themselves and others, and to disguise the nature and source of the payments, Person #1, Person #2, Person #3, and Person #4 would and did cause the payments to be described in the books and records of the relevant entities as payments for business expenses, such as "consulting" and "training" services, and to that end they would and did cause the relevant entities to execute sham "consulting agreements."

32. It was further a part of the scheme that in order to increase the supply of funds from which they could embezzle and steal, Person #1, Person #2, Person #3, and Person #4 would and

did cause the Charity to seek out and obtain additional sources of revenue, including grants and other program funds from the Federal government and from state governments and quasi-governmental entities. To accomplish this objective, Person #1, Person #2, Person #3, and Person #4 would and did cause the Charity to engage in “political outreach” that violated both law and public policy, including the following:

- a. Person #1, Person #2, and Person #3, would and did employ lobbyists and advocates, including Person #4, to influence elected and appointed public officials to the financial benefit of the Charity, and themselves, while concealing and covering up the nature of the services the lobbyists and advocates provided to the Charity.
- b. Person #1, Person #2, and Person #3, through its lobbyists and advocates, including Person #4, would and did cause the Charity to contribute financially to elected officials and their political campaigns, which indirect contributions were prohibited by law just as if the payments had been made by the Charity directly.
- c. At the suggestion of lobbyists and advocates working for the Charity, Person #1, Person #2, and Person #3, would and did contribute and cause others to contribute financially, in their personal capacities, to elected officials and their political campaigns, and further would and did cause the Charity to reimburse the individuals making the contributions, which indirect contributions were prohibited by law just as if the payments had been made by the Charity directly.

33. It was further a part of the scheme that Person #1, Person #2, Person #3, and Person #4 would and did cause the books, records, and public disclosures of the Charity to misrepresent, conceal, and cover up the nature of the services provided by the lobbyists and advocates, and financial contributions to elected officials and their political campaigns, by falsely describing such payments being for “training” and “consulting,” and by causing the Charity to execute sham “consulting agreements,” with lobbyists and advocates.

34. It was further a part of the scheme that Person #1, Person #2, Person #3, and Person #4 would and did instruct the persons providing the advocacy services to submit – and for persons employed by the Charity to create internally – invoices seeking payment from the Charity for services falsely described as “training” and “consulting,” that were in truth and in fact lobbying, advocacy work, and kickbacks.

35. It was further a part of the scheme that Person #1, Person #2, and Person #3 would and did cause the Charity to disburse funds to Lobbying Firm A and Lobbying Firm B for lobbying and advocacy services, and to disburse funds directly to persons providing lobbying and advocacy services.

36. It was further a part of the scheme that Person #4, in addition to personally performing lobbying and advocacy services on behalf of the Charity, would and did use funds disbursed by the Charity to Lobbying Firm A and Lobbying Firm B to pay for lobbying and advocacy services performed by others, including Jones.

37. It was further a part of the scheme that in or about 2011, Jones entered into an agreement with Person #1, Person #2, Person #3, and Person #4 that he would provide advocacy services for AO, including direct contact with legislators, legislators’ offices, and government officials, in order to influence elected and appointed public officials to the financial benefit of AO.

38. It was further a part of the scheme that from 2011 through January 2017, Jones would and did solicit the assistance of elected and appointed officials regarding legislative issues that impacted the Charity.

39. It was further a part of the scheme that from 2011 through January 2017, Jones would and did solicit the assistance of elected and appointed officials in particular matters involving the Charity.

40. It was further a part of the scheme that from 2011 through January 2017, Jones would and did solicit the assistance of elected and appointed officials in steering grants and other sources of funding to the Charity.

41. It was further a part of the scheme that in exchange for Jones's services, the Charity would and did make payments to D.A. Jones & Associates, both directly and through other entities.

42. It was further a part of the scheme that in order to conceal the nature of the services for which they caused the Charity to contract, Person #1, Person #2, Person #3, and Person #4 would and did describe the services provided by Jones as "consulting" services, and the payments made to Jones as payments pursuant to a "consulting agreement."

43. It was further a part of the scheme that initially, and for more than four years, the conspirators did not put their agreement in writing.

44. It was further a part of the scheme that on or about January 1, 2016, Person #3, on behalf of PFH, and Jones executed a sham "consulting agreement."

45. It was further a part of the scheme that Jones agreed to pay ("kick back") a part of the funds Jones received from the Charity and the related entities to Person #4.

46. It was further a part of the scheme that in order to conceal the nature and source of some of the funds the Charity paid to Jones, Person #1, Person #2 and Person #3 would and did

cause some of those payments to be routed through Entity A, Lobbying Firm A, and Lobbying Firm B.

47. It was further a part of the scheme that Jones would and did pay kickbacks to Person #4, primarily by checks made payable to Person #4 or to Lobbying Firm A or Lobbying Firm B. Also, at the request of Person #4, Jones would and did make two payments to Person #7.

48. It was further a part of the scheme that Person #1 and Person #2 would and did direct Jones to perform advocacy services on behalf of their for-profit corporation, Entity E, for which Entity E did not compensate Jones.

49. It was further a part of the scheme that Person #1 and Person #2 would and did cause the Charity to compensate Jones for his work performed on behalf of Entity E.

Overt Acts

50. In furtherance of the conspiracy, and to accomplish its objects, the defendant **DONALD ANDREW JONES**, and Person #1, Person #2, Person #3, and Person #4, and others known and unknown to the United States Attorney, committed the following overt acts, among others, in the Western District of Missouri and elsewhere:

51. In 2010, Person #4 requested Jones's assistance in responding to a U.S. Department of Labor audit of AO regarding overtime pay.

52. On October 26, 2010, Jones emailed Person #4 a document entitled, "Proposal for Plan of Action." This document stated, "[t]he goal of this Plan of Action is to sway the Senate and House Committees to stand by the decisions made by the Department of Labor in their 1995 and 2006 letter and opinion documents concerning the Fair Labor Standards Act."

53. On February 22, 2011, Person #3 e-mailed Jones, informing him that four members of the U.S. Senate, identified by name, and several members of the U.S. House of Representatives, also identified by name, could assist in their effort.

54. On March 24, 2011, Jones e-mailed Person #4, stating:

Once again, it is great to hear that the Department of Labor has decided to withdraw its investigation of Alternative Opportunities. This was a big win!

Last week, I was in D.C. and took the time to reach out to ["U.S. Representative #1"], ["U.S. Representative #2"], ["U.S. Representative #3"] and ["U.S. Senator #1"] and thank them for their time and attentiveness to Alternative Opportunities and inform them that the investigation was dropped. They were pleased to hear about the positive turnout.

Not only have we achieved a positive outcome on the investigation, the time and effort also resulted in additional relationships for Alternative Opportunities.

55. On March 25, 2011, Person #1 e-mailed Person #4, stating: "Let me know when you receive the FedEx so I won't worry about it. Want to make sure you and Mr. Don are taken care of."

56. On May 4, 2011, Jones e-mailed Person #4, stating:

After much consideration, I strongly suggest that the Alternative Opportunities team make political contributions to the legislators that were key in our recent success.

Of course, since corporate contributions are not acceptable this would require individual contributions to be given. The following legislators were very supportive in our success, [U.S. Senator #1], [U.S. Representative #2], [U.S. Representative #1], and [U.S. Representative #3]. Additionally, I would strongly suggest supporting newly elected (as of January 2011), ["U.S. Senator #2"].

Especially with [U.S. Representative #1] and [U.S. Senator #2], I wouldn't be surprised to find that neither have had an African American contributor. Not only would the company be supporting these legislators politically, but I believe that having these contributions provided through me would be poignant and further allow our contribution to not go unnoticed.

Let me know as I suggest acting sooner than later.

57. On June 28, 2011, Jones emailed Person # 4, stating:

I have spoken with both ["U.S. Representative #4"] and [U.S. Representative #1] regarding Alternative Opportunities' behavioral health

services serving as a lead team for search and recovery efforts during the recent devastation in Joplin, Missouri. The Congressmen were very impressed by the efforts of AO and said that there are federal funds available from FEMA, because FEMA declared it a disaster area, to help recovery some of the costs associated with AO's lead team efforts.

They have requested that I get from AO the FEMA # associated with these efforts and the total costs that were spent in providing search and rescue/recovery efforts in Joplin, MO. Also, any information you have in regards to these efforts please send as well, as this would be greatly appreciated and support the efforts of the Congressmen.

Would you have this information readily available so that I may follow up with them as soon as possible since they have offered to assist?

Additionally, [U.S. Representative #4] will be having a fundraiser in Philadelphia, PA next week and has requested that you join him at the event. Please let me know what your schedule looks like for next week and I will follow up with the details.

58. On October 13, 2011, Jones emailed Persons #1, #2, #3, #4, and #7, stating:

For the past several months, I have been actively putting forth efforts in Washington to support Alternative Opportunities attempt to collect federal funds to alleviate costs that were a result of the efforts put forth in Joplin, Missouri.

We have made great strides and have received positive feedback and support from both [U.S. Representative #4] and [U.S. Representative #1]. These efforts continue, and I am anticipating a positive outcome in the near future as I remain active in my outreach with the members of Congress, ensuring that this Alternative Opportunities request remains a top priority for all of your endeavors.

Recently, you requested that I send an invoice to account for my continued services in Washington on behalf of Alternative Opportunities. I wanted to follow up with you and make clear that this invoice accounts for the time and dedication that has been spent towards a positive outcome of your clients and building a stronger relationship for Alternative Opportunities with the Congressional Delegates in Washington and the state's you serve. However, my focus remains on our developed business relationship to tentatively begin January 1st, 2012.

With that understanding, I wanted to note that my current efforts have been and will remain focused on identifying myself as a point person for Alternative Opportunities, especially as we look forward to the beginning

of a long standing contract together. Therefore, I ask that this invoice be viewed as an investment into our business relationship and not an expectation for payment. If you strongly feel you would like to compensate me for services at a rate you feel appropriate, it would be greatly appreciate but by no means required.

Once again, I look forward to our continued work together and strengthening support in Washington. I appreciate your time and please let me know if you have any questions.

59. On January 7, 2012, Jones prepared a memorandum for Persons #2, #3, #4, and one other person, with the subject line, "Recovery Schools," which included the following statements:

- a. We agree that having a collaboration of politicians that are tied to this issue would be key in building momentum and with that we strongly believe that [U.S. Representative #4] would be a key player.
- b. Additionally, there is The Greater Philadelphia Association for Recovery Education based in Swarthmore, PA. With this information, I am reaching out to [U.S. Representative #4] who currently serves on the Congressional Mental Health Caucus to get an indication of his affiliation and/or support of this school with the anticipation that we can engage him for support of AO's recovery schools agenda.
- c. Additionally, I am reaching out to ["U.S. Representative #5"]. He seems to be supportive of mental health/substance abuse programs from our research and I am looking to connect with him in D.C. to introduce AO as well as to judge his support for recovery schools within the state.

60. On July 27, 2012, Person #4 e-mailed Jones and Person #1, stating:

Hey don...[Person #1] and I are each going to send [U.S. Representative #3] a \$2,500 donation...where do we send and how do we make out checks?

And what about [U.S. Representative #1]? We are supposed to meet soon with his chief of staff here...he is coming to tour our services...

61. On July 27, 2012, Jones e-mailed Person #4, stating:

Below are the address and the name of each Congressman's campaign committee.

It is great that [U.S. Representative #1's] COS will be touring the facility. As you know, [U.S. Representative #1] was instrumental in supporting AO with previous outreach regarding the Department of Labor.

A contribution would be great way to show support of his efforts and strengthen AO's relationship.

If you prefer, I can personally deliver these checks directly to both [U.S. Representative #3] and [U.S. Representative #1] when I am in D.C. This would allow me to ensure that they are received directly by the Congressmen as opposed to be notified by their campaign staff down the road.

62. On July 31, 2012, Person #4 e-mailed Jones, stating: "We decided it might have more clout coming from you...should we mail the same amount to u for [U.S. Representative #1]"

63. On January 27, 2013, Person #4 emailed an AO employee stating, in part:

Can you have someone write a letter to whom it may concern tomorrow for the purpose of getting Don Jones National Public Relations Director for Alternative Opportunities. We need this on our AO letter head for me to sign, then we need the same letter written on [another entity's] letterhead for you to sign. Here is DA info. We need to get him an Arkansas Picture ID Card.

64. On April 28, 2013, Person #3 e-mailed Jones, Person #2, and Person #4, stating: "I will be attending an event tues eve for [U.S. Representative #1] and taking checks from [Person #1] and myself --- will give your regards!"

65. On November 19, 2013, Person #1 e-mailed Jones, regarding Government Bids, stating: "Thank you very much for helping [Entity E]."

66. On January 6, 2014, Jones e-mailed Person #1 regarding Entity E's possible relocation to Pennsylvania, stating:

Good Afternoon! Just wanted to confirm with you the January 23rd meeting with [the mayor of a town in Pennsylvania]. The meeting will take place at 10am until approximately 3pm. The meeting will include discussion about the incentives available for relocation to the area as well as a tour of potential sites for the relocation.

67. On March 5, 2014, Jones emailed Persons #1 and #2 regarding Entity E's eligibility for government grants, stating:

In researching opportunities for [Entity E], I am looking at the opportunities available within weatherization projects. The federal government provides funding to states through the Weatherization Assistance Program. Each state then has its own programs, which it allocates funding to local community action agencies, nonprofits and local governments to provide the actual services generally to low income residents who receive such services for free. A key aspect of weatherization projects is the reduction of energy consumption, which made me think of programmable thermostats.

With the registration that was completed, [Entity E] is registered in SAM (System for Awards Management), which is a federal database for the government to locate vendors. However, we could go after contracts state by state, starting with Louisiana.

Is this something that [Entity E] would like to be involved in if such opportunities to do so are available?

Also, please note, that I continue to work on locating robotics funding for [Entity E].

68. On March 5, 2014, Person #1 replied to Jones stating, "[s]ure we would be interested in LA. Also the robots could go into AO if not [Entity E].

69. On March 5, 2014, Jones replied to Person #1 stating, "Really?? Non profit might be a lot easier."

70. On March 6, 2014, Person #1 replied to Jones stating, "Yes. We met yesterday doing strategic planning and AO would be willing to do the manufacturing to supplement underfunded programs. Could be huge for them. See what you can find. Thank you for all you do."

71. On February 21, 2015, Jones e-mailed Person #2 and another person, stating:

It is great to finally see some communication from HUD. Our congressional outreach has been committed to reaching out to HUD until a final approval is reached.

It seems that HUD, as we have assumed, is all over the place and we need to remain active in seeking an answer. However, with our continued outreach I look forward to a positive outcome.

Please keep me updated so that I continue to update our congressional support on the status.

72. On May 27, 2015, Jones e-mailed Person #3 and another person, stating:

The approach is to go to the overseeing executive level for answers with the support of key legislators in DC not only from Missouri, but also from key legislators across the country that reside on committees that oversee HUD in both the Senate and House.

73. On June 3, 2015, Jones e-mailed Person #2, stating:

The H.R. 1735 is on its way to the Senate where the Senate has its own version of the bill in S. 1376. Due to the similarities of these bills a congressional conference committee is being organized to reach a compromise on the two bills to assist in its possible passage. I am in the process of reaching out to reach those assigned to this committee and express the stance of AO to have the bill protect the standards of Certified Mental Health Counselors as provided in the Senate version.

74. On June 16, 2015, Jones e-mailed Person #2, stating “I wanted to give you an update following my meeting with HUD in DC.”

75. On January 21, 2016, Person #3 e-mailed Jones and Person #2 regarding preparing a written contract for Jones’s services, stating: “Hey our auditor’s told us that we need to have a written contract in place for you---do you have something or want me to draft one? I am glad to...”

76. On March 16, 2016, Person #3 e-mailed Jones regarding a Department of Labor overtime pay issue that would financially impact AO, stating: “I will forward you a good article that details this situation...would you be able to get with [U.S. Representative #3] about it?”

77. On June 10, 2016 Jones e-mailed Persons #1 and #2 regarding Entity E, stating:

I am preparing my outreach to potential clients for [Entity E]. Reviewing my materials on [Entity E], I have noticed that they are dated October 2013.

Would you have available more recent marketing materials? I want to make sure that I have the most up to date materials to share with potential clients.

78. In June 2017, Person #1 asked Jones to assist Entity E regarding a shipment of thermostats from China that was being held by U.S. Customs in Kansas City, Missouri.

79. On or about January 1, 2016, Person #3, on behalf of PFH, and Jones executed a document entitled, "CONSULTING AGREEMENT," the main body of which described Jones's "consulting duties" as follows:

CONSULTING DUTIES: Client retains Consultant as an independent contractor to provide to Client the consulting services more particularly described in Appendix A, which is attached and incorporated by reference as a part of the Agreement, and which can generally be described as government and public relations pertinent to the Client's development and delivery of management of treatment, employment, and training services.

While the main body of the "consulting agreement" listed duties generally consistent with those of a professional hired as a consultant, an unsigned Appendix A more particularly described Jones's duties not as consulting services, but as advocacy:

- Meet with elected or appointed officials, employees, departments, divisions, agencies, or boards or commissions of the executive branch of the government that may have an impact on Preferred Family Healthcare, Inc.
- Executive Branch assistance on issues before HUD, Department of Labor, VA, etc.
- Serve as a liaison between Preferred Family Healthcare, Inc. and federal department staff.
- Procurement issues relating Preferred Family Healthcare, Inc. existing contracts and grants.
- Federal Legislative issues including liaison with U.S. Senators and Representatives

80. On each of the dates set forth below, Persons #1, #2, #3 and #4 caused the Charity to pay to Jones the amounts listed below, from or by way of the source accounts listed below:

	<u>Date</u>	<u>Name on Source Account</u>	<u>Account no. (last 4)</u>	<u>Amount</u>
A	02/28/2011	Person #4 dba Lobbying Firm B	5171	\$2,000.00
B	03/24/2011	Lobbying Firm A	2316	\$2,000.00
C	04/09/2011	Person #4 dba Lobbying Firm B	5171	\$3,000.00
D	12/15/2011	Lobbying Firm A	2316	\$4,000.00
E	01/02/2012	Entity A	3101	\$72,000.00
F	10/08/2012	Dayspring Behavioral Health Svc	8747	\$2,813.38
G	01/01/2013	Entity A	3101	\$72,000.00
H	01/01/2013	Entity A	3101	\$48,000.00
I	01/18/2013	Entity A	3101	\$5,000.00
J	04/17/2013	Lobbying Firm A	2316	\$3,000.00
K	09/30/2013	Alternative Opportunities, Inc.	2595	\$60,000.00
L	12/05/2013	Alternative Opportunities, Inc.	2595	\$120,000.00
M	01/24/2014	Dayspring Behavioral Health Svc	8747	\$1,786.42
N	07/01/2014	Alternative Opportunities, Inc.	2595	\$30,000.00
O	07/25/2014	Lobbying Firm A	2316	\$2,350.00
P	08/22/2014	Dayspring Behavioral Health Svc	8747	\$1,000.00
Q	12/01/2014	Alternative Opportunities, Inc.	2595	\$120,000.00
R	02/03/2015	Lobbying Firm A	2316	\$2,500.00
S	03/06/2015	Lobbying Firm A	2316	\$7,500.00
T	03/17/2015	Lobbying Firm A	2316	\$10,000.00
U	03/30/2015	Lobbying Firm A	2316	\$7,500.00
V	04/03/2015	Lobbying Firm A	2316	\$7,500.00
W	04/06/2015	Lobbying Firm A	2316	\$7,500.00
X	04/09/2015	Lobbying Firm A	2316	\$7,500.00
Y	04/21/2015	Lobbying Firm A	2316	\$8,500.00
Z	04/22/2015	Lobbying Firm A	2316	\$6,500.00
AA	06/28/2015	Lobbying Firm A	2316	\$2,500.00
BB	07/17/2015	Preferred Family Healthcare, Inc.	3560	\$1,349.96
CC	08/18/2015	Lobbying Firm A	2316	\$2,500.00
DD	08/18/2015	Lobbying Firm A	2316	\$10,000.00
EE	08/23/2015	Lobbying Firm A	2316	\$12,500.00
FF	08/23/2015	Lobbying Firm A	2316	\$2,500.00
GG	09/17/2015	Preferred Family Healthcare, Inc.	3609	\$991.80
HH	10/09/2015	Preferred Family Healthcare, Inc.	3587	\$1,200.00
II	10/29/2015	Lobbying Firm A	2316	\$15,000.00
JJ	11/17/2015	Lobbying Firm A	2316	\$5,000.00
KK	12/16/2015	Preferred Family Healthcare, Inc.	3587	\$150,000.00

	<u>Date</u>	<u>Name on Source Account</u>	<u>Account no. (last 4)</u>	<u>Amount</u>
LL	04/20/2016	Preferred Family Healthcare, Inc.	3587	\$5,000.00
MM	06/01/2016	Preferred Family Healthcare, Inc.	3587	\$1,315.72
NN	08/03/2016	Lobbying Firm A	2316	\$10,000.00
OO	12/14/2016	Preferred Family Healthcare, Inc.	3587	\$140,000.00
Total:				\$973,807.28

81. On September 30, 2013, December 5, 2013, July 1, 2014, December 1, 2014, December 16, 2015, April 20, 2016, and December 14, 2016, Persons #1, #2 and #3 caused the checks to Jones listed in the paragraph above to be falsely classified as a consulting expense in the books and records of the Charity, when in truth and in fact the checks were payments for Jones's advocacy services, including direct contact with elected and appointed public officials.

82. On each of the dates set forth below, Jones sent payments in the amounts set forth below to the persons and entities set forth below:

	<u>Deposit Date</u>	<u>Check/Wire Date</u>	<u>Payee</u>	<u>Amount</u>
A	01/12/2012	01/02/2012	Lobbying Firm A	\$36,000.00
B	01/20/2012	01/20/2012	Lobbying Firm A	\$2,000.00
C	11/02/2012	10/26/2012	Person #4	\$1,000.00
D	01/04/2013	01/01/2013	Person #4	\$27,000.00
E	01/08/2013	None	Person #7	\$25,000.00
F	10/04/2013	10/01/2013	Person #4	\$20,000.00
G	10/04/2013	10/01/2013	Lobbying Firm A	\$20,000.00
H	12/31/2013	12/26/2013	Person #7	\$20,000.00
I	01/03/2014	12/20/2013	Person #4	\$25,000.00
J	07/24/2014	07/05/2014	Lobbying Firm B	\$15,000.00
K	01/07/2015	01/05/2015	Person #4	\$7,000.00
L	01/21/2015	01/20/2015	Person #4	\$6,000.00
M	01/26/2016	12/23/2015	Person #4	\$30,000.00
N	01/17/2017	01/17/2017	Person #4	\$30,000.00
Total:				\$264,000.00

All in violation of Title 18, United States Code, Section 371.

FORFEITURE ALLEGATION
(18 U.S.C. § 981(a)(1)(C) and 28 U.S.C § 2461)

83. The factual allegations of Paragraphs One through Eighty-Two (1-82) of this Information are hereby re-alleged and incorporated as if fully set forth for the purpose of alleging forfeiture to the United States pursuant to the provisions of Title 18, United States Code, Sections 981(a)(1)(C), 371, 666, and Title 28, United States Code, Section 2461.

84. As a result of the offenses alleged in Count One of this Information, and pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, the defendant, **DONALD ANDREW JONES**, shall forfeit to the United States all property, real and personal, constituting, or derived from, proceeds traceable to the offenses, directly or indirectly, as a result of the violations of law, including but not limited to:

Money Judgment

85. A money judgment representing proceeds obtained by **DONALD ANDREW JONES** in that the sum in aggregate, constitutes or is derived from proceeds traceable to the offenses set forth in Count One.


Substitute Assets

86. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

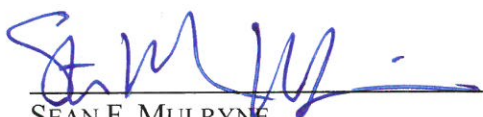
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred, sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be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

it is the intention of the United States, pursuant to Title 21, United States Code, Section 853(p) as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of forfeitable property.

THOMAS M. LARSON
Acting United States Attorney

By: 
STEVEN M. MOHLHENRICH
Assistant United States Attorney

ANNA LOU TIROL
Acting Chief, Public Integrity Section

By:  for
SEAN F. MULRYNE
Trial Attorney, Public Integrity Section
United States Department of Justice

DATED: 12/18/17
Springfield, Missouri