

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO

United States of America	)	Case No. 5:06 cr 571
	)	
Plaintiff,	)	Judge Peter C. Economus
	)	
v.	)	
	)	
Paul H. Jones	)	<b><u>Sentencing Memorandum</u></b>
	)	
Defendant.	)	

In anticipation of this Court’s determination of Paul H. Jones’ (“Jones”) sentence, the Defendant submits the following information regarding the offenses and his background which, pursuant to 18 U.S.C. §3553, are relevant to this Court’s determination of his sentence.

**I. THE OFFENSES**

The Information relates to a conflict of interest Jones had while the Mayor of the City of Ravenna, Ohio (“Ravenna”). The conflict of interest arose from Jones’ involvement in his son’s lawn mowing business, PJ Jones Lawn Mowing Service (“PJ’s Mowing”).

PJ’s Mowing, a sole proprietorship, was started in the summer of 1996 by Jones’ son, Paul Jones, II (“PJ”), when PJ was 15 years old. PJ intended to use the income generated from the mowing business to assist in paying for his college and graduate school education.

From the summer of 1996 through 2000, PJ performed all the work for PJ's Mowing. The business steadily increased in size as PJ grew older. At the end of September 2000, PJ was admitted to Harvard University. While at Harvard, Jones assisted PJ by fulfilling the mowing contracts and occasional snow plowing services until PJ returned to Ravenna for summer break. In addition to performing the mowing and plowing services while PJ was away at college, Jones performed those duties while PJ took part in a several week internship at the John Glenn Institute at The Ohio State University during the summer of 2002. During the summer of 2003, Jones performed services for PJ's Mowing while PJ volunteered as an intern in Senator John Kerry's office in Washington D.C. Jones was able to perform the mowing services in his spare time. At no time did the work Jones performed for PJ's Mowing interfere with his service as Mayor of Ravenna. In fact, the Ravenna City Charter does not prohibit the Mayor from outside employment.<sup>1</sup>

Not unlike any parent, Jones wanted to assist his son in maintaining and encouraging the entrepreneurial spirit which his son demonstrated at the age of 15. PJ's Mowing clients included Neighborhood Development Services ("NDS"), NDS Management, which was owned and operated by NDS, and the Community Economic and Development Corporation ("CED Corp."), an affiliate of NDS.<sup>2</sup> These clients of PJ's Mowing were directly affected by funding decisions made by Jones as Mayor. However, no funding decision was made by Jones as a result of the work PJ's Mowing performed on behalf of these entities.

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<sup>1</sup>The current Mayor of Ravenna, Kevin T. Poland, is a practicing attorney with the Law Offices of Kevin T. Poland.

<sup>2</sup>NDS was not the only client of PJ's Mowing. PJ's Mowing had a substantial number of other accounts for which it performed mowing and snow plowing services.

NDS sought competitive bids for its landscape services from several qualified vendors. PJ's Mowing consistently provided the lowest and best bid. PJ's Mowing provided all the lawn mowing and snow plowing services it was contracted to perform. Furthermore, it was well known at NDS and the community at large that Jones and his son performed the lawn mowing and snow plowing services for NDS and its affiliates. Jones did not conceal his involvement, as he could be seen on the mower mowing lawns in the neighborhood or in the motor vehicle plowing snow. Jones admits he neglected to disclose his interest in PJ's Mowing on his Ohio Ethics Commission Financial Disclosure Statements during the years 2001 through 2005. Jones also neglected to make a complete reporting of all of the monies received by PJ's Mowing for the years 2001 through 2003.<sup>3</sup>

Jones accepts full responsibility for his conduct. He, not any member of his family, is responsible for these reporting errors. Jones has answered all questions put to him by the government agents concerning his conduct. On December 1, 2006, Jones entered into a plea agreement with the government, whereby he agreed to plead guilty to three counts of filing false tax returns in violation of 26 U.S.C. §7206(1) and five counts of mail fraud in violation of 18 U.S.C. §§1341, 1346 and 2. On January 11, 2007 Jones appeared in open court and entered his plea of guilty pursuant to the plea agreement. Additionally, Jones has paid the IRS \$50,000. The net taxes due and owing the IRS is \$42,461. Accordingly, Jones has repaid the IRS for its total tax loss and begun payment on the penalties and interest accruing from the amount owed.

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<sup>3</sup>The tax returns for these years includes all monies for which NDS issued an IRS Form 1099 to PJ's Mowing.

Since his plea before this Court on January 11, 2007, Jones has amended and paid the taxes owing on his State of Ohio and City of Ravenna tax returns for the calendar years 2001, 2002 and 2003. These payments of state and local taxes total over \$19,500 which is in addition to the \$50,000 already paid to the IRS.

## **II. THE MAN**

Paul Jones is 56 years old. He has been married to his wife Bonnie for 29 years. He is the father of three children, Paul (“PJ”), Tiffany, and Cameron. PJ and Tiffany are both currently in law school, while Cameron is a sophomore in college. Jones is not only a dedicated husband and father, but he has also spent his life dedicated to public service.

After Jones graduated from Earlham College in 1973 with a degree in political science, Jones returned home to Ravenna to assist his community. Jones first job was as the Job Placement Coordinator at Ravenna High School. Jones was responsible for securing jobs in the local community for high school students and monitoring the students’ performance at their jobs and the employers’ participation.

While working at Ravenna High School, Jones continued his studies in City Management at Kent State University. Jones obtained a Masters in Public Administration from Kent State University in August 1977. It was while studying at Kent State, that at the age of 23, Jones decided to run for Mayor of Ravenna. In 1975, at the age of 24, Jones became the youngest Mayor of Ravenna. Jones was re-elected and served as Mayor of Ravenna for seven years. As Mayor, Jones took over a city operating from a deficit and returned it to fiscal soundness. Also as Mayor, Jones obtained \$10 million in state and federal grants, built two new elderly housing projects, began an ambulance service for the community, purchased and built Havre’s Woods

Park, constructed a new fire station, police station, water plant, wastewater treatment facility, and water tower, and rebuilt, with federal funds, \$2 million worth of storm sewers and a new recreation and health center.

While Mayor, Jones realized he could do even more for his community by becoming a member of the Ohio House of Representatives. In 1982, Jones entered the freshman class of the Ohio General Assembly.

One law Jones drafted was the Ohio Tuition Trust Authority. The law was created to assist families in planning, saving and paying for their children's college education. The Ohio Tuition Trust Authority still exists today and offers a dual program whereby Ohioans can purchase tax-free college savings bonds and/or prepay tomorrow's college tuition at today's prices. Jones also drafted the Care Assurance for the Working Poor law which provided \$85 million (\$35 million dollars was used to leverage \$50 million in medicaid funds) to be used to reimburse hospitals for the care provided to those who are indigent. Robinson Memorial Hospital, a hospital in Jones' district, obtained \$2 million to treat the poor of Portage County through passage of this bill. Other examples of legislation Jones was responsible for include the: Ohio Dental Act; Medicaid Fraud Law; Elderly and Mental Retardation Abuse Law; Benefits for Widows/Orphans of Police and Fire Killed in Action; and Child Abuse Prevention Law.

As a member of the General Assembly, Jones represented 130,000 constituents and was responsible for sponsoring over 60 bills which became law. Upon leaving the Ohio House of Representatives after Jones failed to secure re-election following a very close race in his district during state-wide elections which resulted in Republicans obtaining a majority in the Ohio House of Representatives, Jones returned as Mayor of Ravenna in 1995 where he remained until his

retirement in December 2005 after 31 years in public service. During this time as Mayor, Jones supported four successful annexations to Ravenna. Jones also provided capital improvement packages to facilitate: (1) a 100,000 square expansion of the Parker Hannifin Corporation; (2) development of the new Highlander Corporation; and (3) a \$200,000 state grant to develop the roadway and utilities to facilitate the expansion of the Cleveland Punch & Die Company. Jones also spearheaded the replacement of the fire department's outdated and aging equipment.

Jones spent 31 years in public service, 29 of which were spent in elected office. Jones worked hard at serving his constituents and making Ravenna a better place to work, live and raise a family. Following his retirement from office in December, 2005, Jones moved to Florida to become the Director of the Institute of Public Policy at the University of South Florida. However, after a short two weeks, Jones was asked to leave his employment as reports of the investigation appeared in the media. Consequently, Jones is currently unemployed.

### **III. THE PLEA AGREEMENT**

Pursuant to the plea agreement, the parties agreed to recommend a sentence within the range determined by the following calculation under the advisory United States Sentencing Guidelines ("USSG"). As to Counts 1-3 of the Information, filing false tax returns, the parties agreed USSG §2T4.1 applied, and that offense level was a 14. As to Counts 4-8 of the Information, mail fraud, the parties agreed USSG §2C1.3 applied because the offense involved a violation of 18 U.S.C. §§1341 and 1346.

Section 2C1.3 of the USSG is to be used for the determination of sentences for offenses involving a conflict of interest. Importantly, and contrary to certain media reports following the filing of the Information, Jones' conduct does not involve the embezzlement or theft of federal,

state or local funds. Further, no agency was defrauded or lost funds as a consequence of Jones' neglect in not disclosing his interest in PJ's Mowing. Counts 4-8 of the Information concern an undisclosed interest charged in part under 18 U.S.C. §1346. Accordingly, the parties stipulate that the offense is to be treated as a conflict of interest offense.

Under USSG §2C1.3, the offense level for counts 4-8 of the Information is a base offense level 6. Since counts 1-3 and counts 4-8 involve separate groups of offenses under USSG §3D1.2, one offense level is added to the highest group offense level (14) to obtain a total offense level, before acceptance of responsibility, of 15.

The plea agreement further provides that the U.S. Attorney's Office has no reason to believe that Jones has not clearly and affirmatively accepted personal responsibility for the conduct at issue. There has been no indication that the government has reason to claim Jones has not accepted responsibility. In fact Jones did more than just accept responsibility, he met with representatives of U.S. Attorney's Office, FBI, IRS and Ohio Ethics Commission to answer all questions posed to him. Jones' cooperation with government authorities has been timely, forthcoming, and truthful. Jones timely accepted responsibility for his conduct thereby avoiding the diminution of law enforcements resources. Jones is profoundly remorseful for what he did. Jones desires to make amends for his wrongful actions and hopes his acceptance of responsibility and assistance to government authorities is a good first step.

The plea agreement further provides that Jones will, to the extent of his financial ability, pay together with penalties and interest, the taxes determined to be due and owing. He has already paid the IRS \$50,000 toward this obligation. Jones at the time of sentencing will have

made an initial \$50,000 payment and is prepared to satisfy his \$800 special assessment.<sup>4</sup>

Based on Jones' prompt and full acceptance of responsibility, his complete cooperation with the government, his payment of his tax obligations (federal, state and local), and the many positive actions he has completed for his community over the past 31 years, the Court will exercise its discretion when sentencing Jones. As an absolute maximum, Jones respectfully requests a sentence at the low end of the sentencing range provided under the USSG and sentence Jones to 12 months and 1-day. The government has represented to counsel for Jones that it does not oppose this recommendation to the Court.

#### **IV. TIME AND PLACE OF INCARCERATION**

Should the Court decide to impose a sentence that includes incarceration, Jones respectfully requests that the Court recommend to the Bureau of Prisons that he be incarcerated at the Federal Prison Camp located in Pensacola, Florida. FPC Pensacola is the closest facility to his home, and will facilitate visitation by his wife and children. Jones further requests that he be permitted to voluntarily surrender to the institution designated by the Federal Bureau of Prisons.

Respectfully submitted,

/s/ John F. McCaffrey

John F. McCaffrey (0039486)

McLAUGHLIN & McCAFFREY, LLP

Eaton Center, Suite 1350

1111 Superior Avenue, East

Cleveland, Ohio 44114-2500

(216) 623-0900 Telephone

(216) 623-0935 Facsimile

jfm@paladin-law.com

Attorney for Paul H. Jones

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<sup>4</sup>The source of the \$50,000 payment is a personal loan from Jones' brother, Thomas Jones.

**Certificate of Service**

I hereby certify that a copy of the foregoing Sentencing Memorandum has been filed electronically this 13<sup>th</sup> day of March, 2007. Notice of this filing will be sent to all parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

/s/ John F. McCaffrey \_\_\_\_\_  
John F. McCaffrey