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Commission on Judicial Discipline

**BEFORE THE NEVADA COMMISSION ON JUDICIAL DISCIPLINE**

IN THE MATTER OF STEVEN E. JONES, )  
Respondent. )

Case No.: 2006-100

**MOTION FOR SUMMARY JUDGMENT**  
**ON THE FORMAL STATEMENT OF CHARGES AND MOTION TO STAY A HEARING**  
**ON THE FORMAL STATEMENT OF CHARGES**

COMES NOW Kathleen M. Paustian, Special Counsel for the Nevada Commission on Judicial Discipline (“Commission” or “NCJD”), established under Article 6, Section 21 of the Nevada Constitution, who, in the name of and by the authority of the Commission, as found in NRS 1.425- 1.4695, files this Motion for Summary Judgment on the Formal Statement of Charges and Motion to Stay a Hearing on the Formal Statement of Charges (“Motion”). This Motion is based on the information and Memorandum of Points and Authorities below and the documents on file in this case.

**I. UNDISPUTED FACTS**

1. On September 3, 2014, Respondent Jones signed a U.S. District Court Plea Agreement admitting to the facts below in paragraphs 2 to 11. See, attached **EXHIBIT 1**, the Plea Agreement. On February 26, 2015, U.S. District Judge Jennifer A. Dorsey sentenced the Respondent to twenty-six (26) months in the U.S. Prison in Taft, California, beginning May 25, 2015. The Respondent is currently incarcerated there.

1           2.       Beginning in or about September 2002 and continuing to in or about October 2012,  
2 Respondent Jones knowingly used the status and prestige of his office as an Eighth Judicial District  
3 Court Judge in the Family Division to conspire with others to devise and execute a scheme which  
4 used false and fraudulent pretenses, misrepresentations, half-truths and false promises to defraud  
5 victims of their money. The Respondent knew the scheme was devised to induce victims to invest  
6 money in non-existent projects and that he would then convert the funds to his own use. At all  
7 times relevant, the Respondent was a duly elected Nevada District Court Judge who knew that  
8 co-conspirators were using the name, title and prestige of his office to vouch for their credibility and  
9 the alleged existence of the fake projects.

10           3.       One such project involved soliciting investments in alleged water rights associated  
11 with large unspecified parcels of land in the Southwestern United States. The conspirators,  
12 including the Respondent, falsely represented that Thomas Cecrle, Mr. Jones' former brother-in-law  
13 and ultimate Co-Defendant in U.S. District Court, was a contractor for the U.S. Department of  
14 Homeland Security. They further alleged Cecrle was involved in a top-secret project to purchase  
15 and sell water rights throughout the Southwest. The conspirators misrepresented the project,  
16 allegedly worth hundreds of millions of dollars, as being near completion and said Cecrle needed a  
17 short-term cash loan to invest in the project's completion. The conspirators falsely represented that  
18 when the project was finished, Cecrle would repay all monies the victims had loaned him, along  
19 with large returns on their investments.

20           4.       Respondent Jones knew that Cecrle and other conspirators were making such false  
21 and misleading statements and promises to induce the victims to turn over money to Cecrle which  
22 would, in turn, be distributed among the conspirators, including the Respondent.

23           5.       During the course of the conspiracy, in March 2006, the Respondent used his  
24 position as a Judge to assist Cecrle in obtaining release from custody on his own recognizance.  
25 Cecrle had been in custody on state charges for writing bad checks to re-pay a victim of the  
26 conspiracy.

27           6.       From March 2006 to June 2009, Respondent Jones used the status and prestige of his  
28 judicial office to assure at least one (1) victim of the conspiracy that Cecrle was difficult to reach,

1 because he was traveling in connection with a non-existent project. The Respondent assured the  
2 victim that the fake project was lucrative and the Respondent was helping Cectlre complete it in any  
3 way possible, knowing the victim was relying on the Respondent's position as a Judge to assess the  
4 credibility of Cectlre and the project.

5 7. From March 2006 to November 2008, the Respondent used his position as a judge to  
6 meet with at least one (1) victim repeatedly in his Chambers and in other locations in the Family  
7 Division of the Eighth Judicial District Court, to discuss the victim's payment of money to Cectlre  
8 for the water rights project. Respondent Jones knew the victim was relying on Jones'  
9 representations under the cloak of his judicial office to assess the legitimacy of the project.

10 8. Between February and June 2007, the Respondent accepted a cash payment from a  
11 victim of the water rights scheme in the parking lot of the Family Division Courthouse. The  
12 Respondent knew the victim was relying on Jones' representations under the cloak of his judicial  
13 office to assess the legitimacy of the project.

14 9. Beginning in or about December 2006 to in or about March 2008, the Respondent  
15 established and maintained a joint checking account with Cectlre knowing the account would be  
16 used by the conspirators to receive and disburse proceeds from the fraudulent investment scheme.  
17 The conspirators conducted over one thousand (1,000) transactions through the account in which  
18 they eventually deposited over two-hundred-sixty-thousand dollars (\$260,000) in illegal proceeds  
19 from their scheme. The Respondent personally withdrew portions of these illegal proceeds for his  
20 own use.

21 10. On or about December 13, 2012, the conspirators made, or caused to be made, at  
22 least one (1) interstate electronic mail (e-mail) communication from a conspirator to a victim. The  
23 conspirator attached to the e-mail a document entitled "Settlement Agreement and Mutual Release"  
24 which related to the fraudulent water rights scheme.

25 11. The conspirators, including the Respondent, defrauded at least twenty-two (22)  
26 victims of more than two-million-six-hundred-thousand dollars (\$2.6 million) as a result of their  
27 scheme.

28 ///

1 **II. MEMORANDUM OF POINTS AND AUTHORITES**

2 **A. The Commission Has Ample Discretion to Grant Summary Judgment.**

3  
4 NRS 1.462 (2) provides the Nevada Rules of Civil Procedure (NRCP) apply to proceedings  
5 before the Commission after the filing of a formal statement of charges. Additionally, *Nyberg v.*  
6 *Nevada Indus. Comm'n*, 100 Nev. 322, 324, 683 P.2d 3 (1984) holds the NRCP may be applied to  
7 administrative agency proceedings, if the Rules are not inconsistent with the agency's statutes or  
8 rules.

9  
10 Under a standard set by a trilogy of 1986 cases, the U.S. Supreme Court held cases survive  
11 summary judgment only if there are genuine issues of material fact sufficient to sustain a judgment  
12 at trial for the non-moving party. See, *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475  
13 U.S. 574, 586, 106 S. Ct. 1348, (1986); *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S. Ct. 2548,  
14 (1986); and *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 106 S. Ct. 2505, (1986). Under  
15 *Celotex*, the moving party has the burden of demonstrating the absence of a genuine issue of  
16 material fact and the commission or court must draw all inferences in favor of the non-moving  
17 party.

18  
19  
20 In 2005, in *Wood v. Safeway, Inc.*, 121 Nev. 724, 731, 121 P. 3<sup>rd</sup> 1026, the Nevada  
21 Supreme Court joined this trilogy of cases:

22 We now adopt the standard employed in *Liberty Lobby*, *Celotex*,  
23 and *Matsushita*. Summary Judgment is appropriate under NRCP  
24 56 when the pleadings, depositions, answers to interrogatories,  
25 admissions, and affidavits, if any, that are properly before the  
26 Court demonstrate that no genuine issue of material fact exists,  
27 and the moving party is entitled to judgment as a matter of law.  
28 The substantive law controls which factual disputes are material  
and will preclude summary judgment; other factual disputes are  
irrelevant. A factual dispute is genuine when the evidence is such  
that a rational trier of fact could return a verdict for the  
non-moving party. (Emphasis added.)

1 See also Bond v. Sterling, Inc., 77 F.Supp. 2d 300 (N.D.N.Y. 1999); Raymond v. Albertson's, Inc.,  
2 38 F. Supp. 2d 866, (Dist. Nev. 1999).

3 The Commission acts as the “trier of fact”. Based on the evidence, it determines whether  
4 there is a material factual dispute here which may preclude summary judgment. It is an  
5 undisputed fact the Respondent signed the federal Plea Agreement; the federal court accepted it  
6 and used it to sentence Mr. Jones to federal prison. The Formal Statement of Charges against the  
7 Respondent, **EXHIBIT 2**, mirrors the Plea Agreement. Thus, Respondent has admitted to every  
8 fact in the two (2) Counts in the Formal Statement of Charges:  
9

#### 10 **COUNT ONE**

11 By engaging in the fraudulent and conspiratorial actions detailed  
12 above, the Respondent violated Canon 1, Rule 1.1 requiring a judge to  
13 comply with the law, including the Code of Judicial Conduct; as well as  
14 Rule 1.2, which provides: “A judge shall act at all times in a manner  
15 that promotes public confidence in the independence, integrity, and  
16 impartiality of the judiciary and shall avoid impropriety and the  
17 appearance of impropriety,” and Rule 1.3 which requires a judge to avoid  
18 abusing “the prestige of judicial office to advance the personal or  
19 economic interests of the judge or others, or allow others to do so.”  
20 Canon 1 Comment [1] states: “Public confidence in the judiciary is  
21 eroded by improper conduct ... . This principle applies to both the  
22 professional and personal conduct of a judge. ” The Respondent has  
23 pled guilty in U.S. District Court to the facts specified above and been  
24 sentenced accordingly. Thus, by his own admission, he has violated the  
25 law and violated the principle of public confidence and trust in the  
26 integrity of the judiciary. He also admits that he abused the prestige of  
27 judicial office to advance his own economic interest and that he allowed  
28 others to do the same to advance their interests.

#### 23 **COUNT TWO**

24 By engaging in the fraudulent and conspiratorial actions detailed  
25 above, the Respondent violated Canon 3.1(C) prohibiting participation in  
26 extrajudicial “activities that would appear to a reasonable person to  
27 undermine the judge’s independence, integrity or impartiality,” along  
28 with (D) which prohibits participation in “conduct that would appear to a  
reasonable person to be coercive,” and (E) prohibiting use of “court  
premises...or other resources... ” for unlawful extrajudicial activities.  
The Respondent’s admitted conspiratorial and fraudulent activities and

1 the use of his judicial chambers and other parts of the Family Division  
2 Courthouse, including the parking lot, to pursue them violates these three  
3 (3) provisions of Canon 3.1.

4 **B. The NCJD Also Has Authority to Bar the Respondent From**  
5 **Serving in a Judicial Office in the Future.**

6 Accepting the Respondent's admissions, the Commission has more than adequate  
7 discretion to impose the sanctions and/or discipline it deems appropriate under the governing  
8 Rules and Statutes. NRS 1.4677(1)(e) allows the Commission to "Bar the judge from serving in a  
9 judicial office in the future."

10 A federal judge saw the admissions by the Respondent as sufficiently egregious to warrant  
11 over two (2) years in prison. There is no question as to the severity of the nature of the  
12 undisputed facts in the Plea Agreement and the Formal Statement of Charges. These facts raise  
13 an inherent need to protect the citizens of all regions of Nevada from Mr. Jones ever again sitting  
14 on the bench. The Respondent has been stripped of his law license, so it would be impossible for  
15 him to return, for example, to the Eighth Judicial District Court bench. However, there are rural  
16 areas which employ non-lawyers as municipal court judges and justices of the peace. This  
17 Commission has the responsibility to maintain high standards for the judiciary in all corners of the  
18 state. Leaving the door open for Mr. Jones' return in any judicial capacity would not further this  
19 mandate.

20 Thus, it follows that an order granting summary judgement must include a prohibition  
21 against the Respondent seeking, either through election or appointment, any judicial office in the  
22 state. This includes, but is not limited to, a seat on any municipal or justice of the peace bench or  
23 as a special or hearing master, or any other position requiring the exercise of adjudicative  
24 authority.

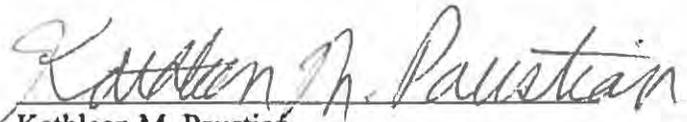
25 **C. To Protect the Interests of All Parties, Any Further Action Must Be Stayed Pending the**  
26 **Resolution of this Motion for Summary Judgment.**

27 Pending the ruling on this Motion, the Commission also has authority to stay the hearing on  
28 the Formal Statement of Charges required in NRS 1.4673(1)(a). If the Commission does not grant  
the Summary Judgment Motion, a hearing will be scheduled accordingly.

1 **III. CONCLUSION**

2 In the interest of protecting the citizens of Nevada and maintaining an “independent, fair  
3 and impartial” and “competent” judiciary as provided for in paragraph [1] of the Preamble to the  
4 Revised Code of Judicial Conduct, this Commission must insure that Mr. Jones is barred from  
5 serving in the future in any adjudicatory capacity. It has ample discretion under the case law and  
6 statutes to grant summary judgment on the Formal Statement of Charges and order that Mr. Jones  
7 may never again sit on a bench in Nevada. Until the decision is handed down on the Summary  
8 Judgment Motion, the Commission may stay any potential hearing as provided for under the  
9 statutes.

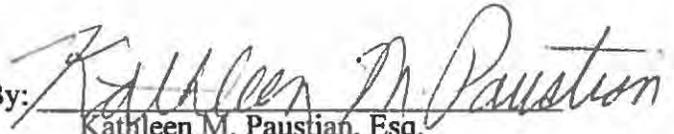
10 DATED this 5th day of November, 2015.

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14 Kathleen M. Paustian  
15 Special Counsel to the NCJD  
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1 **CERTIFICATE OF SERVICE**

2 I hereby certify that a true and correct copy of the **MOTION FOR SUMMARY JUDGEMENT**  
3 **ON THE FORMAL STATEMENT OF CHARGES AND MOTION TO STAY A HEARING**  
4 **ON THE FORMAL STATEMENT OF CHARGES** has been forwarded to the following party  
5 via U.S. mail, postage pre-paid, on this 5<sup>th</sup> day of November, 2015.  
6  
7

8 J. Scott MacDonald, Esq.  
9 MacDonald & Associates, LTD  
10 6625 W. Sahara Ave., Ste 3  
11 Las Vegas, NV 89146  
12 Counsel for the Respondent

13  
14 By:   
15 Kathleen M. Paustian, Esq.  
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# **EXHIBIT 1**

1 Daniel G. Bogden  
2 United States Attorney  
3 Steven W. Myhre  
4 First Assistant United States Attorney  
5 Daniel R. Schiess  
6 Assistant United States Attorney  
7 333 Las Vegas Boulevard, Suite 5000  
8 Las Vegas, Nevada 89101  
9 (702)388-6336

7 Attorneys for Plaintiff  
8 United States of America

9  
10 UNITED STATES DISTRICT COURT  
11 DISTRICT OF NEVADA

12 **United States of America,**  
13  
14 Plaintiff,

2:12-cr-400-JAD-GWF

15 v.

**Plea Agreement**

16 **Steven E. Jones,**  
17 Defendant.

18  
19 The United States, by and through Daniel G. Bogden, United States  
20 Attorney, and Steven W. Myhre, First Assistant United States Attorney, and  
21 Daniel R. Schiess, Assistant United States Attorney, the defendant, Steven E.  
22 Jones, and his attorney, Robert M. Draskovich, submit this Plea Agreement under  
23 Fed. R. Crim. P. 11(c)(1)(A) and (B).

24 **I. SCOPE OF AGREEMENT**

25 The parties to this Plea Agreement are the United States of America and  
26 Steven E. Jones. This Plea Agreement binds the defendant and the United States  
27 Attorney's Office for the District of Nevada. It does not bind any other prosecuting,  
28

1 administrative, or regulatory authority, the United States Probation Office, or the  
2 Court.

3 The Plea Agreement sets forth the parties' agreement regarding criminal  
4 charges referenced in the Plea Agreement and applicable sentences, fines,  
5 restitution and forfeiture. It does not control or prohibit the United States or any  
6 agency or third party from seeking any other civil or administrative remedies  
7 directly or indirectly against the defendant.

## 8 II. DISPOSITION OF CHARGES AND WAIVER OF TRIAL RIGHTS

9 A. Guilty Plea. The defendant knowingly and voluntarily agrees to plead  
10 guilty to Count One of the Indictment filed October 24, 2012, charging conspiracy  
11 to commit wire fraud in violation of 18 U.S.C. § 1349.

12 B. Waiver of Trial Rights. The defendant acknowledges that he has been  
13 advised and understands that by entering a plea of guilty he is waiving – that is,  
14 giving up – certain rights guaranteed to all defendants by the law and the  
15 Constitution of the United States. Specifically, the defendant is giving up:

16 1. The right to proceed to trial by jury on all charges, or to a trial  
17 by a judge if the defendant and the United States both agree;

18 2. The right to confront the witnesses against the defendant at  
19 such a trial, and to cross examine them;

20 3. The right to remain silent at such a trial, with assurance that  
21 his silence could not be used against him in any way;

22 4. The right to testify in his own defense at such a trial if he so  
23 chooses;

24 5. The right to compel witnesses to appear at such a trial and  
25 testify in the defendant's behalf; and

26 6. The right to have the assistance of an attorney at all stages of  
27 such proceedings.

1 C. Withdrawal of Guilty Plea. The defendant will not seek to withdraw  
2 his guilty plea after he has entered it in court.

3 D. Additional Charges. The United States agrees not to bring any  
4 additional charges against the defendant arising out of the investigation in the  
5 District of Nevada which culminated in this Plea Agreement and based on conduct  
6 known to the United States, except that the United States reserves the right to  
7 prosecute the defendant for any crime of violence as defined by 18 U.S.C. § 16.

8 **III. ELEMENTS OF THE OFFENSE**

9 A. The essential elements of Count One, Conspiracy to Commit Wire  
10 fraud, in violation of Title 18, United States Code, Section 1349, are as follows:

11 First: From in or about September 2002, to in or about October 2012,  
12 there was an agreement between two or more persons to commit  
13 the crime of wire fraud, in violation of Title 18, United States  
14 Code, Section 1343; and

15 Second: During the dates set forth above, the defendant became a  
16 member of the conspiracy knowing of at least one of its objects  
17 and intending to help accomplish it.

18 See Ninth Circuit Manual of Model Jury Instruction, Criminal 8.20 (2010  
19 ed.) (modified for 18 U.S.C. § 1349 by eliminating the element requiring proof of an  
20 overt act).

21 B. The essential elements of Wire Fraud, in violation of Title 18, United  
22 States Code, Section 1343, are as follows:

23 First: The defendant knowingly devised, intended to devise, or  
24 participated in a scheme or plan to defraud, or a scheme or plan  
25 for obtaining money or property by means of false or fraudulent  
26 pretenses, representations, or promises;



1 means of false and fraudulent pretenses, representations, half-truths, and  
2 promises.

3           2.     The objectives of the scheme and artifice were to induce victims  
4 to invest money in fake projects, convert the proceeds of the investment to their  
5 own use and purpose, and to lull investors into a false sense of legitimacy about the  
6 investment in an attempt to have them invest again and/or to avoid investigation  
7 and legal process.

8           3.     One of the fake projects was an offering to invest in water  
9 rights associated with large unspecified parcels of land located in the southwestern  
10 United States. The conspirators falsely represented that defendant Cecrle worked  
11 secretly as a contractor for the U. S. Department of Homeland Security as part of a  
12 top-secret government project devised to purchase and sell water rights throughout  
13 the southwestern United States. About the project, the conspirators falsely  
14 represented, among other things, that: (1) it was immensely valuable, exceeding  
15 hundreds of millions of dollars; (2) Cecrle's superiors were high-level government  
16 officials who forbade him from sharing any details about the program for fear of  
17 breaching secrecy; (3) by virtue of his position, Cecrle could invest his own money  
18 in the project but could not solicit money from others or invest money for others; (4)  
19 the project was near completion and Cecrle had an immediate need for a short-  
20 term cash loan to complete it; and (5) when the project was completed and within a  
21 very short time, Cecrle would repay any money loaned to him by the victims along  
22 with very large returns.

23           4.     At all times relevant, defendant Jones was a public official in  
24 the State of Nevada, having been duly-elected to the position of Judge, Nevada  
25 Eighth Judicial District Court, Family Division.

26           5.     While serving as a Judge, defendant Jones became a member of  
27 the conspiracy knowing that materially false statements like those described above  
28

1 were made about Cecrle and the water rights project as a means to fraudulently  
2 induce others to pay money to Cecrle. He further knew that Cecrle and other  
3 conspirators were associating Jones's name, title, and office with Cecrle, and  
4 thereby with the fake project, as a means to vouch for Cecrle's credibility and to  
5 lull the investors into a false sense about the project's legitimacy.

6           6. As part of scheme and conspiracy and with the intent to  
7 advance and further its objectives, defendant Jones, among other things, did the  
8 following:

9           a. In March 2006, he used his office as a Judge to  
10 knowingly assist defendant Cecrle in obtaining an "Own Recognizance" release  
11 from custody following Cecrle's arrest on state charges for bad checks he wrote to  
12 repay a victim of the scheme;

13           b. From March 2006 to June 2009, he falsely told at least  
14 one victim – who knew that Jones was a judge and was using that fact to assess the  
15 credibility and legitimacy of Cecrle – that defendant Cecrle was involved in a  
16 lucrative project, that he would help defendant Cecrle complete the project in any  
17 way he could, and that Cecrle was difficult to reach because he was traveling in  
18 connection with the project.

19           c. From at least March 2006 to November 2008, he used his  
20 position as a judge to meet with at least one victim on numerous and diverse  
21 occasions in chambers and elsewhere within the Family Division courthouse to  
22 discuss the payment of money to defendant Cecrle in connection with the water  
23 project when he knew the victim was relying on Jones's representations and his  
24 position as a judge to assess the legitimacy of the project.

25           d. Between February and June 2007, defendant Jones  
26 received one in-person cash payment of money in the parking lot of the Family  
27 Division courthouse, knowing that the money he received was from a victim for the  
28

1 purpose investing in the water project and knowing that the person making the  
2 payment relied on Jones's position as a judge to assess the credibility and  
3 legitimacy of the project.

4 e. From December 2006 to about March 2008, defendant  
5 Jones established and maintained a joint checking account with defendant Cecrle,  
6 a checking account that Jones knew would be used by the conspirators to receive  
7 and disburse proceeds from the fraudulent investment scheme, that ultimately  
8 received over \$260,000 of illegal proceeds, where the conspirators conducted over  
9 1,000 transactions involving illegal proceeds, and from which defendant Jones  
10 personally withdrew illegal proceeds.

11 7. On or about December 13, 2012, and in furtherance of the  
12 scheme and conspiracy to defraud, the conspirators made, or caused to be made, at  
13 least one interstate electronic communication from defendant Fenton to victim C.D.  
14 in the form of an e-mail attaching a document entitled Settlement Agreement and  
15 Mutual Release, relating to the fraudulent water rights investment.

16 8. As a result of the scheme and conspiracy, at least 22 victims  
17 were defrauded of an amount in excess of \$2.6 million.

#### 18 **V. COLLATERAL USE OF FACTUAL ADMISSIONS**

19 The facts set forth in Section IV of this Plea Agreement shall be admissible  
20 against the defendant under Fed. R. Evid. 801(d)(2)(A) at sentencing for any  
21 purpose. If the defendant does not plead guilty or withdraws his guilty plea, the  
22 facts set forth in Section IV of this Plea Agreement shall be admissible at any  
23 proceeding, including a trial, for impeaching or rebutting any evidence, argument  
24 or representation offered by or on the defendant's behalf. The defendant expressly  
25 waives all rights under Fed. R. Crim. P. 11(f) and Fed. R. Evid. 410 regarding the  
26 use of the facts set forth in Section IV of this Plea Agreement.

1 VI. APPLICATION OF SENTENCING GUIDELINES PROVISIONS

2 A. Discretionary Nature of Sentencing Guidelines. The defendant  
3 acknowledges that the Court must consider the United States Sentencing  
4 Guidelines (“USSG” or “Sentencing Guidelines”) in determining the defendant’s  
5 sentence, but that the Sentencing Guidelines are advisory, not mandatory, and the  
6 Court has discretion to impose any reasonable sentence up to the maximum term of  
7 imprisonment permitted by statute.

8 B. Offense Level Calculations. The parties stipulate to the following  
9 calculation of the defendant’s offense level under the Sentencing Guidelines,  
10 acknowledge that these stipulations do not bind the Court, and agree that they will  
11 not seek to apply any other specific offense characteristics, enhancements or  
12 reductions:

13	Base Offense Level (USSG § 2B1.1(a)(1)):	7
14	Loss Amount: \$200,000 to \$400,000	
15	(USSG §2B1.1(b)(1)(G)):	12
16	More than 10 but less than 50 victims	2
17	(USSG §2B1.1(b)(2)(A)	
18	Abuse of Position of Trust	2
19	(USSG §3B1.3)	
20	Acceptance of Responsibility	
21	(USSG §3E1.1(a),(b))	(3)
22	Group Plea	(2)
23	Total	<u>18</u>

24 The defendant acknowledges that the statutory maximum sentence and any  
25 statutory minimum sentence limit the Court’s discretion in determining the  
26 defendant’s sentence notwithstanding any applicable Sentencing Guidelines  
27 provisions.

28 The 2-level reduction for “Group Plea” is contingent upon, and only  
applicable in, the event that on or before the defendant is sentenced in this case,

1 each of defendants named in the Indictment enters a plea of guilty to one or more  
2 of the counts charged therein.

3 C. Reduction of Offense Level for Acceptance of Responsibility. Under  
4 USSG §3E1.1(a), the United States will recommend that the defendant receive a  
5 two-level downward adjustment for acceptance of responsibility unless he (a) fails  
6 to truthfully admit facts establishing a factual basis for the guilty plea when he  
7 enters the plea; (b) fails to truthfully admit facts establishing the amount of  
8 restitution owed when he enters his guilty plea; (c) fails to truthfully admit facts  
9 establishing the forfeiture allegations when he enters his guilty plea; (d) provides  
10 false or misleading information to the United States, the Court, Pretrial Services,  
11 or the Probation Office; (e) denies involvement in the offense or provides conflicting  
12 statements regarding his involvement or falsely denies or frivolously contests  
13 conduct relevant to the offense; (f) attempts to withdraw his guilty plea; (g)  
14 commits or attempts to commit any crime; (h) fails to appear in court; or (i) violates  
15 the conditions of pretrial release.

16 Under USSG §3E1.1(b), the United States will move for an additional one-  
17 level downward adjustment for acceptance of responsibility before sentencing  
18 because the defendant communicated his decision to plead guilty in a timely  
19 manner that enabled the United States to avoid preparing for trial and to  
20 efficiently allocate its resources.

21 These Sentencing Guidelines provisions, if applied, will result in a total  
22 adjusted offense level of 18, as stated above.

23 D. Criminal History Category. The defendant acknowledges that the  
24 Court may base his sentence in part on his criminal record or criminal history. The  
25 Court will determine the defendant's Criminal History Category under the  
26 Sentencing Guidelines.

1 E. Relevant Conduct. The Court may consider, and the government may  
2 present, any and all relevant conduct, whether charged or uncharged, in  
3 determining the applicable Sentencing Guidelines range and whether to depart  
4 from that range.

5 F. Additional Sentencing Information. The stipulated Sentencing  
6 Guidelines calculations are based on information now known to the parties. The  
7 parties may provide additional information to the United States Probation Office  
8 and the Court regarding the nature, scope, and extent of the defendant's criminal  
9 conduct and any aggravating or mitigating facts or circumstances. Good faith  
10 efforts to provide truthful information or to correct factual misstatements shall not  
11 be grounds for the defendant to withdraw his guilty plea.

12 The defendant acknowledges that the United States Probation Office may  
13 calculate the Sentencing Guidelines differently and may rely on additional  
14 information it obtains through its investigation. The defendant also acknowledges  
15 that the Court may rely on this and other additional information as it calculates  
16 the Sentencing Guidelines range and makes other sentencing determinations, and  
17 the Court's reliance on such information shall not be grounds for the defendant to  
18 withdraw his guilty plea.

19 **VII. APPLICATION OF SENTENCING STATUTES**

20 A. Maximum Penalty. The maximum penalty for conspiracy to commit  
21 wire fraud under 18 U.S.C. § 1349 is a 20-year prison sentence, a fine of \$250,000,  
22 or both.

23 B. Factors Under 18 U.S.C. § 3553. The Court must consider the factors  
24 set forth in 18 U.S.C. § 3553(a) in determining the defendants sentence. However,  
25 the statutory maximum sentence and any statutory minimum sentence limit the  
26 Court's discretion in determining the defendant's sentence.

1 C. Parole Abolished. The defendant acknowledges that his prison  
2 sentence cannot be shortened by early release on parole because parole has been  
3 abolished.

4 D. Supervised Release. In addition to imprisonment and a fine, the  
5 defendant will be subject to a term of supervised release not greater than three (3)  
6 years. 18 U.S.C. § 3583(b)(1). Supervised release is a period of time after release  
7 from prison during which the defendant will be subject to various restrictions and  
8 requirements. If the defendant violates any condition of supervised release, the  
9 Court may order the defendant's return to prison for all or part of the term of  
10 supervised release, which could result in the defendant serving a total term of  
11 imprisonment greater than the statutory maximum prison sentence of 20 years.

12 E. Special Assessment. The defendant will pay a \$100 special  
13 assessment at the time of sentencing.

#### 14 **VIII. POSITIONS REGARDING SENTENCE**

15 The defendant reserves the right to argue for a sentence that is below the  
16 Sentencing Guidelines range (as calculated in this Plea Agreement) pursuant to the  
17 factors set forth in 18 U.S.C. § 3553(a).

18 Further, the United States will recommend that the defendant be sentenced  
19 to the low-end of the applicable Sentencing Guidelines range as determined by the  
20 Court, unless: (a) the defendant commits any act that could result in a loss of the  
21 downward adjustment for acceptance of responsibility; or (b) the defendant argues  
22 for a non-custodial sentence under 18 U.S.C. § 3553(a). In the event the defendant  
23 argues for a non-custodial sentence, the government is bound only to recommend a  
24 sentence within the Sentencing Guidelines range as calculated in this Plea  
25 Agreement.

26 Notwithstanding its agreement to recommend a sentence within the  
27 applicable range, the United States reserves its right to defend any lawfully  
28

1 imposed sentence on appeal or in any post-conviction litigation. The defendant  
2 acknowledges that the Court does not have to follow the government's or the  
3 defendant's recommendation as to his sentence.

4 **IX. RESTITUTION**

5 In exchange for benefits received under this Plea Agreement, the defendant  
6 agrees to pay restitution in an amount as determined by the Court, jointly and  
7 ~~severally with all co-defendants. The defendant understands that the amount of~~  
8 restitution ordered may exceed the amount of loss in Sentencing Guideline  
9 calculation section set forth above because that loss calculation is a negotiated  
10 amount which does not reflect the loss sustained by the victims of the conspiracy.  
11 The defendant cannot discharge his restitution obligation through bankruptcy  
12 proceedings. The defendant acknowledges that restitution payments and  
13 obligations cannot offset or reduce the amount of any forfeiture judgment imposed  
14 in this case.

15 **X. FORFEITURE**

16 In consideration of the terms as set forth in this Plea Agreement, the  
17 government agrees not to seek forfeiture against the defendant for any offenses  
18 arising out of the investigation that led to the instant plea provided all other terms  
19 and conditions of this agreement remain in force.

20 **XI. FINANCIAL INFORMATION AND DISPOSITION OF ASSETS**

21 Before or after sentencing, upon request by the Court, the United States, or  
22 the Probation Office, the defendant will provide accurate and complete financial  
23 information, submit sworn statements, and/or give depositions under oath  
24 concerning his assets and his ability to pay. The defendant will surrender assets  
25 he obtained directly or indirectly as a result of his crimes, and will release funds  
26 and property under his control in order to pay any fine or restitution ordered by the  
27 Court.



1           B.     Waiver of Appeal and Post-Conviction Proceedings. The defendant  
2 knowingly and expressly waives: (a) the right to appeal any sentence imposed  
3 within or below the applicable Sentencing Guideline range as determined by the  
4 Court; (b) the right to appeal the manner in which the Court determined that  
5 sentence on the grounds set forth in 18 U.S.C. § 3742; and (c) the right to appeal  
6 any other aspect of the conviction or sentence and any order of restitution or  
7 forfeiture.

8           The defendant also knowingly and expressly waives all collateral challenges,  
9 including any claims under 28 U.S.C. § 2255, to his conviction, sentence, and the  
10 procedure by which the Court adjudicated guilt and imposed sentence, except non-  
11 waivable claims of ineffective assistance of counsel.

12           The defendant reserves only the right to appeal any portion of the sentence  
13 that is an upward departure from the Sentencing Guidelines range determined by  
14 the Court.

15           The defendant acknowledges that the United States is not obligated or  
16 required to preserve any evidence obtained in the investigation of this case.

17           C.     Removal/Deportation Consequences. The defendant understands and  
18 acknowledges that if he is not a United States citizen, then it is highly probable  
19 that he will be permanently removed (deported) from the United States as a  
20 consequence of pleading guilty under the terms of this Plea Agreement. The  
21 defendant has also been advised if his conviction is for an offense described in 8  
22 U.S.C. § 1101(a)(43), he will be deported and removed from the United States and  
23 will not be allowed to return to the United States at any time in the future. The  
24 defendant desires to plead guilty regardless of any immigration consequences that  
25 may result from his guilty plea, even if the consequence is automatic removal from  
26 the United States with no possibility of returning. The defendant acknowledges  
27  
28

1 that he has specifically discussed these removal/deportation consequences with his  
2 attorney.

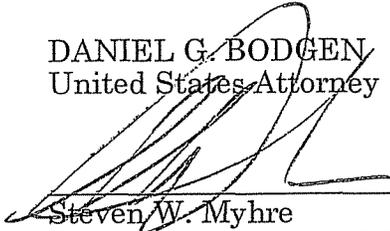
3 **XIV. ADDITIONAL ACKNOWLEDGMENTS**

4 This Plea Agreement resulted from an arms-length negotiation in which  
5 both parties bargained for and received valuable benefits in exchange for valuable  
6 concessions. It constitutes the entire agreement negotiated and agreed to by the  
7 parties. No promises, agreements or conditions other than those set forth in this  
8 agreement have been made or implied by the defendant, the defendant's attorney,  
9 or the United States, and no additional promises, agreements or conditions shall  
10 have any force or effect unless set forth in writing and signed by all parties or  
11 confirmed on the record before the Court.

12  
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15  
16 DATE

9/9/14

DANIEL G. BODGEN  
United States Attorney

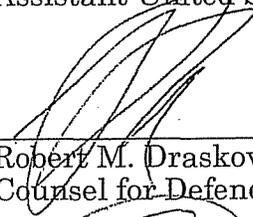


Steven W. Myhre  
First Assistant United States Attorney  
Daniel R. Schiess  
Assistant United States Attorney

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19  
20 DATE

9/3/14

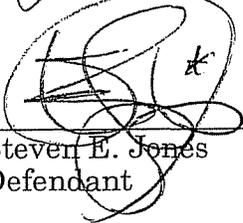
Robert M. Draskovich  
Counsel for Defendant



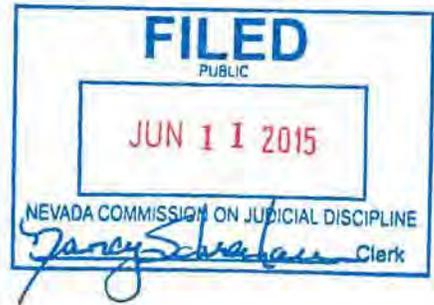
21  
22  
23 DATE

9/3/14

Steven E. Jones  
Defendant



# EXHIBIT 2



1 Kathleen M. Paustian, Esq. SBN 3785  
2 Law Office of Kathleen M. Paustian  
3 3205 Skipworth Drive  
4 Las Vegas, NV 89107  
5 Telephone (702) 321-2222  
6 Facsimile (702) 369-5727  
7 [kathleenpaustian@cox.net](mailto:kathleenpaustian@cox.net)  
8 Special Counsel for the Nevada  
9 Commission on Judicial Discipline

6 **BEFORE THE NEVADA COMMISSION ON JUDICIAL DISCIPLINE**

8 IN THE MATTER OF STEVEN E. JONES, )  
9 Respondent. )  
10 \_\_\_\_\_ )

Case No.: 2006-100

11 **FORMAL STATEMENT OF CHARGES**

12 COMES NOW Kathleen M. Paustian, Special Counsel for the Nevada Commission on  
13 Judicial Discipline (“Commission” or “NCJD”), established under Article 6, Section 21 of the  
14 Nevada Constitution, who, in the name of and by the authority of the Commission, as found in NRS  
15 1.425- 1.4695, files this Formal Statement of Charges and informs the Respondent, Steven E. Jones,  
16 former District Judge, Eighth Judicial District Court, County of Clark, State of Nevada, that the  
17 following acts were committed by Respondent and warrant disciplinary action by the Commission  
18 under the Nevada Code of Judicial Conduct.

19 **FACTUAL ALLEGATIONS**

20 Beginning in or about September 2002 and continuing to in or about October 2012,  
21 Respondent Jones knowingly used the status and prestige of his office as an Eighth District Court  
22 Judge in the Family Division to conspire with others to devise and execute a scheme which used  
23 false and fraudulent pretenses, misrepresentations, half-truths and false promises to defraud victims  
24 of their money. The Respondent knew the scheme was devised to induce victims to invest money in  
25 non-existent projects and that he would then convert the funds to his own use. At all times relevant,  
26 the Respondent was a duly elected Nevada District Court Judge who knew that co-conspirators were  
27 using the name, title and prestige of his office to vouch for their credibility and the alleged existence  
28

1 of the fake projects.

2 One such project involved soliciting investments in alleged water rights associated with large  
3 unspecified parcels of land in the Southwestern United States. The conspirators, including the  
4 Respondent, falsely represented that Thomas Cecrle, Mr. Jones' former brother-in-law and ultimate  
5 Co-Defendant in U.S. District Court, was a contractor for the U.S. Department of Homeland  
6 Security. They further alleged Cecrle was involved in a top-secret project to purchase and sell water  
7 rights throughout the Southwest. The conspirators misrepresented the project, allegedly worth  
8 hundreds of millions of dollars, as being near completion and said Cecrle needed a short-term cash  
9 loan to invest in the project's completion. The conspirators falsely represented that when the project  
10 was finished, Cecrle would repay all monies the victims had loaned him, along with large returns on  
11 their investments.

12 Respondent Jones knew that Cecrle and other conspirators were making such false and  
13 misleading statements and promises to induce the victims to turn over money to Cecrle which would,  
14 in turn, be distributed among the conspirators, including the Respondent.

15 During the course of the conspiracy, in March 2006, the Respondent used his position as a  
16 Judge to assist Cecrle in obtaining release from custody on his own recognizance. Cecrle had been  
17 in custody on state charges for writing bad checks to re-pay a victim of the conspiracy.

18 From March 2006 to June 2009, Respondent Jones used the status and prestige of his judicial  
19 office to assure at least one (1) victim of the conspiracy that Cecrle was difficult to reach because he  
20 was traveling in connection with a non-existent project. The Respondent assured the victim that the  
21 fake project was lucrative and the Respondent was helping Cecrle complete it in any way possible,  
22 knowing the victim was relying on the Respondent's position as a Judge to assess the credibility of  
23 Cecrle and the project.

24 From March 2006 to November 2008, the Respondent used his position as a Judge to meet  
25 with at least one (1) victim repeatedly in his Chambers and in other locations in the Family Division  
26 of the Eighth Judicial District Court to discuss the victim's payment of money to Cecrle for the water  
27 rights project. Respondent Jones knew the victim was relying on Jones' representations under the  
28 cloak of his judicial office to assess the legitimacy of the project.



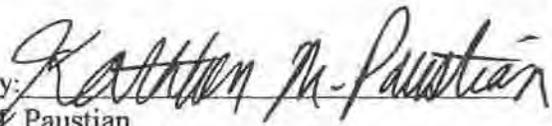
1 others, or allow others to do so.” Canon 1 Comment [1] states: “Public confidence in the judiciary  
2 is eroded by improper conduct ... . This principle applies to both the professional and personal  
3 conduct of a judge.” The Respondent has pled guilty in U.S. District Court to the facts specified  
4 above and been sentenced accordingly. Thus, by his own admission, he has violated the law and  
5 violated the principle of public confidence and trust in the integrity of the judiciary. He also admits  
6 that he abused the prestige of judicial office to advance his own economic interest and that he  
7 allowed others to do the same to advance their interests.

### 8 **COUNT TWO**

9 By engaging in the fraudulent and conspiratorial actions detailed above, the Respondent  
10 violated Canon 3.1(C) prohibiting participation in extrajudicial “activities that would appear to a  
11 reasonable person to undermine the judge’s independence, integrity or impartiality:” along with (D)  
12 which prohibits participation in “conduct that would appear to a reasonable person to be coercive,”  
13 and (E) prohibiting use of “court premises...or other resources... .” for unlawful extrajudicial  
14 activities. The Respondent’s admitted conspiratorial and fraudulent activities and the use of his  
15 judicial chambers and other parts of the Family Division Courthouse, including the parking lot, to  
16 pursue them violates these three (3) provisions of Canon 3.1.

17 Based on the information above, the Commission shall hold a public hearing on the merits of  
18 these charges, pursuant to NRS 1.4673 and other Nevada Revised Statutes governing the  
19 Commission. If violations as alleged are found to be true, the Commission shall impose whatever  
20 sanctions and/or discipline it deems appropriate, pursuant to NRS 1.4673 and other Nevada Revised  
21 Statutes governing the Commission.

22  
23 DATED this 5<sup>th</sup> day of June, 2015.

24  
25 Submitted by:   
26 Kathleen M. Paustian  
27 Special Counsel to the NCJD  
28

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the **FORMAL STATEMENT OF CHARGES** has been forwarded to the following parties via U.S. mail, postage pre-paid, on this 5<sup>th</sup> day of June, 2015.

Steven E. Jones  
850 Fairview  
Henderson, NV 89015

Steven E. Jones, Register No. 47332-048  
Taft Correctional Institute  
P. O. Box 7001  
Taft, CA 93268

Commission on Judicial Discipline  
P.O. Box 48  
Carson City, NV 89702

By:   
Kathleen M. Paustian, Esq.