

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE SUPREME COURT OF THE STATE OF NEVADA

FILED

MAR 01 2016

TRACIE K. LINDEMAN
CLERK OF SUPREME COURT
BY _____
CHIEF DEPUTY CLERK

In the Matter of)
STEVEN E. JONES,)
)
)
Respondent.)

Case No. 69870

CERTIFIED COPY OF FINDINGS OF FACT, CONCLUSIONS OF LAW AND IMPOSITION OF DISCIPLINE

Pursuant to Commission Procedural Rule 28(2), I hereby certify that the document attached hereto is a true and correct copy of the FINDINGS OF FACT, CONCLUSIONS OF LAW AND IMPOSITION OF DISCIPLINE filed with the Nevada Commission on Judicial Discipline on March 1, 2016.

DATED this 1st day of March, 2016.

NEVADA COMMISSION ON
JUDICIAL DISCIPLINE
P. O. Box 48
Carson City, NV 89702
(775) 687-4017

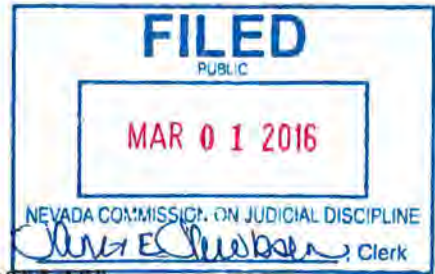


PAUL C. DEYHLE
General Counsel and Executive Director
Nevada Bar No. 6954

RECEIVED
MAR 01 2016
TRACIE K. LINDEMAN
CLERK OF SUPREME COURT
DEPUTY CLERK

1 **BEFORE THE NEVADA COMMISSION ON JUDICIAL DISCIPLINE**
2 **STATE OF NEVADA**

3
4 In the Matter of
5 STEVEN E. JONES,
6
7
8 Respondent.



Case No. 2006-100

9
10 **FINDINGS OF FACT, CONCLUSIONS OF LAW AND IMPOSITION OF DISCIPLINE**

11 The liability phase of the above-entitled matter was concluded on January 8, 2016, when the
12 Nevada Commission on Judicial Discipline (hereinafter, the "Commission"), granted summary
13 judgment on the Formal Statement of Charges against Respondent (the "Summary Judgment Order").
14 The Motion for Summary Judgment was filed by the Special Counsel to the Commission, Kathleen M.
15 Paustian, Esq., on or about November 10, 2015. No opposition was filed by Respondent's counsel, J.
16 Scott MacDonald, Esq.

17 Pursuant to NRS 1.452(2), the Nevada Rules of Civil Procedure ("NRCP") apply in
18 proceedings before the Commission after a formal statement of charges has been filed. The Nevada
19 Supreme Court has held that "[s]ummary judgment is appropriate under NRCP 56 when the pleadings,
20 depositions, answers to interrogatories, admissions, and affidavits, if any, that are properly before the
21 Court demonstrate that no genuine issue of material fact exists, and the moving party is entitled to
22 judgment as a matter of law." *Wood v. Safeway, Inc.*, 121 Nev. 724, 731, 121 P.3d 1026 (2005).

23 The Commission found no genuine issue of material fact. The Respondent signed a U.S.
24 District Court Plea Agreement admitting to every fact set forth therein (the "Federal Plea Agreement").
25 The Formal Statement of Charges filed against Respondent mirrors the facts set forth in the Federal
26 Plea Agreement. Accordingly, the Respondent has admitted to violating each of the two (2) Counts
27 set forth in the Formal Statement of Charges.

28 ///

1 The Commission met for a video conference hearing on February 12, 2016, to consider the
2 matter of discipline in accordance with its Summary Judgment Order. Kathleen M. Paustian, Esq., as
3 Special Counsel to the Commission (“Special Counsel”), and J. Scott MacDonald, Esq., as
4 Respondent’s counsel, appeared in Las Vegas, Nevada.

5 This document contains the findings of fact and conclusions of law contemplated by
6 Commission Procedural Rule 28. The findings set forth below establish that Respondent violated
7 multiple sections of the Revised Nevada Code of Judicial Conduct (“NCJC”).

8 **A. Findings of Fact**

9 The Commission finds that the legal evidence presented in the above-entitled matter clearly
10 and convincingly establishes each of the following facts set forth in the Federal Plea Agreement and
11 Paragraphs 1 through 8 below:

12 1. From in or about September 2002, to in or about October 2012, Respondent, defendant
13 Cecrle, and others, entered into a conspiracy to devise and execute a scheme or artifice to defraud and
14 for obtaining money or property by means of false and fraudulent pretenses, representations, half-
15 truths, and promises.

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

20 3. One of the fake projects was an offering to invest in water rights associated with large
21 unspecified parcels of land located in the southwestern United States. The conspirators falsely
22 represented that defendant Cecrle worked secretly as a contractor for the U.S. Department of Homeland
23 Security as part of a top-secret government project devised to purchase and sell water rights throughout
24 the southwestern United States. About the project, the conspirators falsely represented, among other
25 things, that: (1) it was immensely valuable, exceeding hundreds of millions of dollars; (2) defendant
26 Cecrle’s superiors were high-level government officials who forbade him from sharing any details
27 about the program for fear of breaching secrecy; (3) by virtue of his position, defendant Cecrle could
28 invest his own money in the project but could not solicit money from others or invest money for others;

1 (4) the project was near completion and defendant Cecrle had an immediate need for a short-term cash
2 loan to complete it; and (5) when the project was completed and within a very short time, defendant
3 Cecrle would repay any money loaned to him by the victims along with very large returns.

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

6 5. While serving as a Judge, Respondent became a member of the conspiracy knowing
7 that materially false statements like those described above were made about defendant Cecrle and the
8 water rights project as a means to fraudulently induce others to pay money to defendant Cecrle.
9 Respondent further knew that defendant Cecrle and other conspirators were associating Respondent's
10 name, title, and office with defendant Cecrle, and thereby with the fake project, as a means to vouch
11 for defendant Cecrle's credibility and to lull investors into a false sense about the project's legitimacy.

12 6. As part of the scheme and conspiracy and with the intent to advance and further its
13 objectives, Respondent, among other things, did the following:

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

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

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

27 d. Between February and June 2007, Respondent received one in-person cash
28 payment of money in the parking lot of the Family Division courthouse, knowing that the money he

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

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

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

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

16 **B. Conclusions of Law**

17 1. As to Counts One and Two of the Formal Statement of Charges, the Commission finds
18 clear and convincing evidence that Respondent's actions constitute violations of Canon 1, Rules 1.1,
19 1.2 and 1.3, and Canon 3, Rules 3.1(C), 3.1(D), and 3.1(E) of the NCJC.

20 2. The Commission has both personal jurisdiction over the Respondent and subject matter
21 jurisdiction over the violations of the NCJC at issue in this case.

22 **C. Imposition of Discipline**

23 This Commission Order closes a very lengthy and sad chapter in the history of the Nevada
24 judiciary involving Respondent, whose actions not only defrauded victims of millions of dollars, but
25 also disgraced himself as an individual, a judge, and a Nevada citizen. In signing the Federal Plea
26 Agreement and admitting to his unlawful, deceitful and egregious actions, Respondent has proven
27 himself to be a liar, a manipulator and a thief for which he is now incarcerated as a federal felon in a
28 correctional facility in Taft, California.

1 For over a decade, Respondent took advantage of every opportunity to delay and thwart the
2 Commission's efforts to address and resolve the many troubling allegations of misconduct against him,
3 all at taxpayer expense. In doing so, Respondent enlisted and utilized a cadre of attorneys to do his
4 bidding, oftentimes replacing them at calculated times to further delay Commission action.
5 Respondent also repeatedly abused the legal system by filing duplicative litigation in multiple courts
6 throughout the state with the sole purpose of, again, delaying Commission action, all under the guise
7 of exercising his due process rights. Each of those efforts were ultimately found to be without merit.

8 While Respondent played this game of legal gymnastics, the Commission had no choice but to
9 adhere to the law and allow the legal process to play out. Consequently, the Commission, one of the
10 smallest agencies in the State of Nevada with one of the smallest operating budgets, was forced to
11 divert an already barebones staff, engage outside counsel at considerable expense, and exhaust limited
12 resources and funds to legally respond to Respondent's ongoing diversionary tactics. Unfortunately,
13 Respondent's actions caused significant delays and expended considerable taxpayer funds.

14 Even up until the very end, Respondent continued to show no regard or respect for Nevada
15 taxpayers or the legal system. When given the opportunity many months ago to sign a stipulation to
16 be permanently barred from judicial office and put this matter behind him, the judiciary and the Nevada
17 citizenry in an expeditious manner, and at the least amount of cost, Respondent, as in the past, chose
18 the path of most resistance, thereby forcing the Commission to file public charges in compliance with
19 the law and go through the lengthy and costly process of bringing this matter to a final resolution.
20 Respondent forced the Commission down this path despite, as his own counsel stated during the
21 disciplinary hearing, the absence of any case law or legal precedent to support any particular argument
22 to the contrary.

23 To argue, as Respondent's counsel did during the disciplinary hearing, that the Commission's
24 actions in this regard were a waste of time and money not only ignores Respondent's involvement and
25 culpability in the actions described, but also demonstrates the Respondent's continued disdain for
26 anything resembling honor, trustworthiness or the truth. The only one to blame for this spectacle of
27 events and deceitful behavior, not to mention the hundreds of thousands of dollars expended in
28 taxpayer funds and the millions of dollars stolen from at least 22 victims, is Respondent himself.

1 In consideration of the totality of Respondent's actions and his multiple violations of the NCJC,
2 the Commission concludes that the appropriate discipline under Commission Rule 28 as to said
3 violations shall be to permanently bar Respondent from serving in any judicial office in the future,
4 either elected office or appointed office, in the State of Nevada.

5 By unanimous vote of the Commission, after due deliberation and consideration of the evidence
6 and statements from Special Counsel and Respondent's counsel, it is decided that pursuant to
7 subsections 5(a) and (b) of Article 6, Section 21 of the Constitution of the State of Nevada, NRS
8 1.4653(2), NRS 1.4677(1)(e) and Commission Rule 28, the Respondent shall be, and he is hereby
9 permanently barred from serving in any judicial office in the future, either elected office or appointed
10 office, in the State of Nevada.


11 **D. Order**

12 IT IS HEREBY ORDERED by unanimous vote of Commissioners Chairman Gary Vause,
13 Judge Jerome Polaha, Judge Leon Aberasturi, Karl Armstrong, Mary Lau, Bruce Hahn and Joseph
14 "Mike" McGinness that the Respondent be and hereby is permanently and forever barred from
15 serving in any judicial office in the future, either elected office or appointed office, in the State of
16 Nevada for multiple violations of Canon 1, Rules 1.1, 1.2 and 1.3, and Canon 3, Rules 3.1(C), 3.1(D),
17 and 3.1(E) of the NCJC as fully set forth above.

18 IT IS FURTHER ORDERED by unanimous vote that the Chairman is authorized to sign this
19 document on behalf of all voting Commissioners.

20 DATED this 1st day of March, 2016.

21 NEVADA COMMISSION ON
22 JUDICIAL DISCIPLINE
23 P.O. Box 48
24 Carson City, NV 89702

25 By: 
26 GARY VAUSE
27 COMMISSION CHAIRMAN
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

CERTIFICATE OF SERVICE

I hereby certify that I am an employee of the Nevada Commission on Judicial Discipline and that on the 1st day of March, 2016, I served a copy of the FINDINGS OF FACT, CONCLUSIONS OF LAW AND IMPOSITION OF DISCIPLINE by e-mail and United States Mail, postage prepaid, addressed to the following:

Kathleen M. Paustian, Esq.
Law Offices of Kathleen Paustian
3205 Skipworth Drive
Las Vegas, NV 89107
kathleenpaustian@cox.net

J. Scott MacDonald, Esq.
MacDonald & Associates, Ltd.
6625 W. Sahara Ave., Suite 3
Las Vegas, NV 89146
scott@jsmaclaw.com



Janet Jacobsen, Commission Clerk