



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

Date: March 2, 2017

Contact: *CI-HQ-COMMUNICATIONSEDCATION@ci.irs.gov
IRS – Criminal Investigation

CI Release #: CI-2017-03-02-A

Former Arkansas State Senator and Two Others Charged with Bribery and Fraud Scheme

A former Arkansas state senator, a college president and a consultant were charged in an indictment filed for perpetrating a bribery and fraud scheme involving tens of thousands of dollars in bribes provided to the senator and another legislator in exchange for directing approximately \$600,000 in government funds to two non-profit entities, announced Acting Assistant Attorney General Kenneth A. Blanco of the Justice Department's Criminal Division and U.S. Attorney Kenneth Elser of the Western District of Arkansas.

Jonathan E. Woods, 39, of Springdale, Arkansas, was charged with 11 counts of honest services wire fraud, one count of honest services mail fraud and one count of money laundering. Oren Paris III, 49, also of Springdale, and Randell G. Shelton Jr., 37, of Alma, Arkansas, were each charged with nine counts of honest services wire fraud and one count of honest services mail fraud. The defendants' arraignments will be scheduled at a later date.

As alleged in the indictment, Woods served as an Arkansas state senator from 2013 to 2017. Between approximately 2013 and approximately 2015, Woods used his official position as a senator to appropriate and direct government money, known as General Improvement Funds (GIF), to two non-profit entities by, among other things, directly authorizing GIF disbursements and advising other Arkansas legislators – including former state representative Micah Neal – to contribute GIF to the non-profits. Specifically, Woods and Neal authorized and directed the Northwest Arkansas Economic Development District, which was responsible for disbursing the GIF, to award a total of approximately \$600,000 in GIF money to the two non-profit entities. The indictment further alleges that Woods and Neal received bribes from officials at both non-profits, including Paris, who was the president of a college. The indictment alleges that Woods initially facilitated \$200,000 of GIF money to the college and later, together with Neal, directed another \$200,000 to the college, all in exchange for kickbacks. To pay and conceal the kickbacks to Woods and Neal, Paris paid a portion of the GIF to Shelton's consulting company. According to the indictment, Shelton then kept a portion of the money and paid the other portion to Woods and Neal. Paris also bribed Woods, the indictment alleges, by hiring Woods's friend to an administrative position at the college.

For his part in the scheme, Neal pleaded guilty on Jan. 4, 2017, before U.S. District Judge Timothy L. Brooks of the Western District of Arkansas to one count of conspiracy to commit honest services fraud. Sentencing will be scheduled at a later date.

The charges and allegations contained in an indictment are merely accusations. The defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

The FBI and the Internal Revenue Service investigated the case. Trial Attorney Sean Mulryne of the Criminal Division's Public Integrity Section and U.S. Attorney Elser and Assistant U.S. Attorneys Kyra Jenner and Ben Wulff of the Western District of Arkansas are prosecuting the case.

#