

False Socioeconomic Business Certification Lands Leads to Plea Bargain

Written by Nick Sanders

Thursday, 16 August 2012 00:00

Mr. Tyrone Jones, age 48, of Sterling, Massachusetts, pleaded guilty to one count of conspiracy to commit wire fraud, as part of a plea bargain deal that avoided any potential violations of the False Statements Act, according to this Department of Justice [press release](#). The DOJ asserted that—

Had the case proceeded to trial, the Government's evidence would have proven that Jones and his co-conspirators submitted statements to the Small Business Administration and other government agencies falsely representing that a minority and service-disabled veteran owned and managed the daily operations of the business. Jones and his conspirators arranged the charade in order to get federal government contract awards that were set aside for, or preferentially awarded to, disadvantaged minority and service-disabled veteran-owned and operated businesses.

The Telegram & Gazette news organization [provided](#) a few more details. It reported—

The conviction stems from the awarding of federal contracts from the Department of Veterans Affairs, the U.S. Army, and the Small Business Association for nearly \$800,000 in 2009 to B&J Multi Service Corp. The construction company, with a post office box address in Fitchburg, was supposedly owned and operated by Brian Bauman, a Korean-born disabled veteran living in Woodstock, Conn.

Allegedly, Mr. Jones met Mr. Bauman while building a house for him, and shortly thereafter founded "B&J Multi Service Corp." Mr. Jones allegedly submitted false affidavits to the Small Business Administration (SBA) that stated that Mr. Bauman owned at least 51 percent of the business, and managed it on a day-to-day basis. According to the news story, "It was later discovered that Mr. Bauman worked and lived in Connecticut, and had no role in Mr. Jones' company."

In other words, Mr. Bauman was a dupe, an unknowing front for Mr. Jones' business. (Allegedly.)

Mr. Jones was apparently no stranger to controversy and litigation. The Telegram & Gazette story stated that the local Commission had denied him a license to run a rooming house "because of questions about his character and previous business dealings." Mr. Jones appealed the denial, and the local Superior Court ordered the license granted because the allegations were "arbitrary and capricious."

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According to the Telegram & Gazette story, “Documents on file with the state list Mr. Bauman’s address as 18 Allen St., Leominster”—which is the same rooming house for which Mr. Jones battled to win licensure.

Yeah, we wonder how that Worcester Superior Court Judge feels now about the whole “arbitrary and capricious” allegations of bad character thingee. Maybe those local Commission members knew something, after all?