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September 25, 2019

Honorable Steve Tabor
Sebastian County Circuit Judge
901 South "B" Street
Fort Smith, AR 72901

Re: Investigation of Jake Files

Dear Judge Tabor:

A little over a year ago, I was tasked with investigating the action of Jake Files as it related to several potential violations of state law. After an initial look at the case, I was able to identify three areas of inquiry, and I requested the Arkansas State Police to assist me with this investigation. After an exhaustive review of their thorough investigation that included the assistance of federal investigators, the State is unable to proceed with any further prosecution of Jake Files at this time. To further explain this conclusion, I will address each of the areas of inquiry individually.

First, there were two separate allegations of potential theft related to Jakes Files failing to perform contracted work with Mr. Keith Lau and Dr. Mark Willis. Both of the contracts were for Files, through his company, FFH Construction, to complete roofing repairs. In both cases, the contracts were agreed upon and both Mr. Lau and Mr. Willis had presented checks to cover the materials and begin the contracted repairs. In short, the repairs were never initiated or completed. Regarding this incident, it is certainly clear that Jake Files accepted money pursuant to a contract and failed to complete his portion of the contracted terms. While this is certainly a legal wrong-doing, that wrong is a breach of contract and cannot be shown to meet the more difficult standards of proof that a violation of criminal law requires.

Next, the State investigated the action of Files as it related to the River Valley Sports Complex (Complex) to determine if there were any violations of Arkansas law. Initially, it should be noted that Files was indicted for crimes related to the Complex by the Office of the United States Attorney for the Western District of Arkansas. Files tendered a guilty plea to the crimes of Wire Fraud, Mail Fraud, and Money Laundering and received three, concurrent 18-month sentences and was ordered to pay restitution in the amount of \$83,900. The State was mindful of this plea and sentence as it reviewed the evidence related to the Complex. Given this, many of the issues of fraud that were potentially violations of state law were actions that were previously investigated and prosecuted making any state prosecution duplicitous and improper at this time.

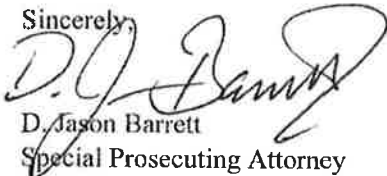
Similarly, it should be noted that the City of Fort Smith had inspectors that were mindful of the Complex and the limited work that was being performed by Files and the companies that he had contracted to complete various portions of the project. It appears that these inspectors addressed these concerns to the City Board of Directors, but those concerns were ignored and the presented invoices were paid in spite of those concerns. It is my understanding that a civil lawsuit between some of these contractors and the City of Fort Smith was conducted and the City was ordered to pay additional claims for the work that was completed. As a result, no additional criminal charges were available to the State based upon this portion of the investigation as it related to the Complex.

One final inquiry regarding the Complex was found regarding the actions of Mr. Files. Specifically, Files signed two W-9 documents in the name of Dianna Gonzales. The State investigated these acts in an attempt to determine if a Forgery had been committed by Files. During the investigation, Files admitted to signing Gonzales' name but claimed to have been authorized to complete the act. In an interview with the FBI, Ms. Gonzales claims to have never given Files permission to sign her name on the documents. Under Arkansas Law, Forgery occurs when a document is completed by one person with the purpose to defraud and is intended to be, when the document is completed, the act of someone who did not authorize the act. Here, the issue of whether the act was authorized by Ms. Gonzales, is a significant issue that would need to be litigated if the case was to go to trial on a charge of Forgery. The State has attempted to follow-up with Ms. Gonzales, but at present her whereabouts are unknown. Ms. Gonzales is currently wanted for felony drug trafficking out of Texas, and it is extremely likely that her unwillingness to cooperate with this investigation is due to her ongoing flight from justice in Texas. Because she is a necessary witness to this possible charge, no action can be taken at this time.

The final area of inquiry that this investigation dealt with concerns a monetary exchange that took place in June of 2015 between Jake Files, who was a member of the Arkansas Legislature at the time, and a state lobbyist, Bruce Hawkins. The bulk of the investigation into this issue was handled by the FBI and while I was unable to include that documentation in my file, I was allowed to view the material. There is substantial evidence that indicates that this monetary exchange was intended to be a loan from Mr. Hawkins to Files. Based upon this and the evidence that was made available to this investigation, there was no Arkansas law that covered this type of transaction. I should additionally point out that if it were possible to prove that this exchange was a gift and not a loan, the crime available would have been chargeable as a Class A Misdemeanor. As the crime took place in 2015 and was first known to law enforcement in December of 2015, the statute of limitations would have expired in December of 2016, which was approximately 17 months prior to my appointment in this case. As such, I have no ability to pursue any charge associated with this transaction.

Based upon the forgoing information, it is my conclusion that no charges can be filed in this case. While Mr. Files certainly engaged in criminal acts, those acts have either been appropriately handled in the federal court system or are outside my ability to prosecute in the State of Arkansas at this time.

Sincerely,



D. Jason Barrett
Special Prosecuting Attorney