

# **CITY OF LOS ANGELES AND CITY ATTORNEY ACCUSED OF FRAUD, COVER-UP AND ILLEGAL WASTE OF TAXPAYER DOLLARS IN LAWSUIT**

Los Angeles, CA, December 21, 2020--In a federal lawsuit filed today, Los Angeles resident Antwon Jones accused the City of Los Angeles, City Attorney Mike Feuer, and two other lawyers from Feuer's office--James Clark and Thomas Peters--of conducting an egregious scheme and cover-up which defrauded Jones, violated his civil rights, and wasted city funds.

The law firm of Isaacs | Friedberg LLP filed the lawsuit in the United States District Court for the Central District of California.

"Mr. Jones was the victim of fraud, corruption and a massive government cover-up, which violated his constitutional rights and cost taxpayers like himself millions of dollars," said attorney Jeffrey Isaacs. "He was exploited and betrayed by his own attorneys, who individually benefitted tremendously from their wrongdoing, and who then conspired with City officials to conceal their malfeasance from Mr. Jones, the Superior Court and ultimately the public for the past five years. Through this lawsuit, Mr. Jones seeks justice for himself as well as his fellow City taxpayers."

Jones was among more than one million utility customers who were overcharged--in many instances by enormous amounts--in 2014 by the Los Angeles Department of Water and Power (LADWP), a public utility owned and operated by the City of Los Angeles (the City). The erroneous bills resulted from LADWP's premature and disastrous rollout of a new billing system. The system was implemented by the global consulting firm PricewaterhouseCoopers (PwC), which the City had contracted with in 2013.

At the time, Jones was in his early twenties, living in a small, one-bedroom apartment in Van Nuys, California, without a washer, dryer, dishwasher, or central air conditioning. His average LADWP bill was \$25 to \$30 for a month. In August 2014, however, he received an LADWP bill for \$1,374 for four months (averaging more than \$340 per month).

After complaining about LADWP online, Jones was contacted in late 2014 by New York attorney Paul Paradis about becoming a plaintiff in a class action lawsuit to be brought against the City and LADWP. Jones signed a retainer agreement with Paradis and his law firm, becoming their client.

Unbeknownst to Jones, Paradis and his co-counsel Paul Kiesel were simultaneously retained by the City as it began moving forward with a lawsuit against PwC relating to the implementation of the failed billing system (*City v. PwC*). This massive conflict of interest would be covered up by the participants for approximately the next five years.

Jones's class action lawsuit (*Jones v. City*) was filed in April 2015. To keep his participation in both suits a secret, Paradis recruited Ohio attorney Jack Landskroner and Los Angeles attorney Michael Libman to serve as counsel of record for Jones. Paradis ghost-wrote the *Jones v. City* complaint himself with the City's input.

The Superior Court approved the settlement in *Jones v. City* in 2017, with Landskroner and Libman receiving approximately \$11.9 million in attorney's fees even though they filed no motions, conducted no discovery and engaged in no litigation, and although the settlement was highly advantageous to the City and not particularly favorable to many members of the settling class. Landskroner and Libman's fees were paid by the City.

As is now well established, Paradis and the City had used Jones as an unwitting pawn in procuring the fraudulent and collusive settlement in the *Jones v. City* case. But due to a cover-up that included Paradis, Kiesel, Landskroner, Libman, Feuer, Clark, Peters and others, the collusion and fraud underlying the settlement did not come to light until 2019, when it was exposed by PwC in the course of defending itself in *City v. PwC*.

It was also later revealed that Paradis used Jones and the *Jones v. City* case to obtain \$36 million in no-bid contracts from LADWP for shell companies he created and controlled. The award of the contracts was approved by then-LADWP head David Wright, who invoked his privilege against self-incrimination and resigned effective immediately when later questioned about Paradis and the contracts in deposition.

The City's part of the cover-up included: perjury by Clark and Peters in declarations and deposition testimony; misrepresentations to the Court; the suppression and destruction of evidence; violations of court orders; invalid invocations of the attorney-client privilege, work-product doctrine and mediation privilege; numerous instances of discovery abuses; and using over \$175,000 in taxpayer funds to commission the preparation of a bogus ethics report in an attempt to falsely exonerate Feuer, Clark, Peters and the City Attorney's Office of their misconduct.

As a result of the cover-up, Jones was unaware of Paradis and the City's malfeasance and the legal actions he would have had against them until after those claims were barred by the statute of limitations and the Government Claims Act. The City thus deprived Jones of his constitutional right to access to the courts.

Jones's lawsuit is brought in his individual capacity against the City to recoup the damages and other monetary relief to which he was entitled and would have received but for the City's violation of his civil rights. Jones is also suing Feuer, Clark and Peters on behalf of California taxpayers to require them to reimburse the City for having caused it to illegally expend and waste taxpayer funds in concealing and covering up their wrongdoing.

## Media Inquiries

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