



# SIGTARP

OFFICE OF THE SPECIAL INSPECTOR GENERAL  
FOR THE TROUBLED ASSET RELIEF PROGRAM

ADVANCING ECONOMIC STABILITY THROUGH TRANSPARENCY, COORDINATED OVERSIGHT AND ROBUST ENFORCEMENT

**FOR IMMEDIATE RELEASE**

Thursday, February 2, 2012

[www.SIGTARP.gov](http://www.SIGTARP.gov)

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## NEW YORK HOUSING COUNSELOR SENTENCED FOR DEFRAUDING 136 CLIENTS SEEKING MORTGAGE MODIFICATIONS

WASHINGTON, DC – The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) and U.S. Attorney for the Western District of New York William J. Hochul, Jr., today announced that Lori J. Macakanja, 35, of Dunkirk, New York, who was convicted of mail fraud and theft of government money, was sentenced to 72 months in prison and three years supervised release by U.S. District Court Judge Richard J. Arcara. Judge Arcara also ordered the defendant to pay \$298,639 in restitution to the victims.

Assistant U.S. Attorney Trini E. Ross, who handled the case, stated that Macakanja, in her capacity as a housing counselor employed by HomeFront, Inc., inappropriately requested money from clients. The defendant told HomeFront clients that the money would be used toward loan modifications to prevent foreclosure on their homes. However, after receiving the funds, Macakanja used the money for her own personal use, including gambling, and failed to obtain the loan modifications for the victims.

A total of 136 HomeFront clients were defrauded with losses totaling approximately \$300,000. In addition, Macakanja also obtained federal grant monies from the Buffalo Urban Renewal Agency (BURA) for HomeFront clients. On two occasions, she diverted \$2,000 worth of BURA money to pay her own personal mortgage.

"Macakanja preyed on the most vulnerable homeowners," said Christy Romero, Deputy Special Inspector General for SIGTARP. "While an employee of a federally-approved housing counselor, she illegally solicited and received payments from 136 homeowners facing foreclosure with the promise that the funds would be used to secure mortgage modifications. Little did the homeowners know, the payments were being used by Macakanja to support her gambling habit and to pay her own mortgage. SIGTARP will aggressively investigate and pursue those who exploit the federal government's aid to homeowners under TARP and, with the help of its partners in law enforcement, ensure that they are brought to justice."

"Many Americans are struggling to hold on to the American dream, ownership of a home," said U.S. Attorney Hochul. "The victims turned to the defendant for help in keeping their home. Instead, the defendant abused their trust and stole their money. Unfortunately, because of the defendant's actions, some of the victims lost their homes. Our Office, along with our federal law enforcement partners, will work vigorously to protect federal funding targeted to help those who are struggling. We will also continue to prosecute those, like this defendant, who attempt to take advantage of those who are most vulnerable."

Advice from federally-approved housing counselors is free, as are mortgage modifications under the federal Home Affordable Modification Program (HAMP). For more information, visit [www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov). HAMP is funded by the U.S. Department of the Treasury's Troubled Asset Relief Program (TARP).

For tips on how to identify and avoid mortgage scams, see the Consumer Fraud Alert recently issued by SIGTARP, the Consumer Financial Protection Bureau, and the U.S. Department of the Treasury, located here [http://www.sig tarp.gov/pdf/Consumer\\_Fraud\\_Alert.pdf](http://www.sig tarp.gov/pdf/Consumer_Fraud_Alert.pdf).

The plea is the result of an investigation by the Mortgage Fraud Task Force of WNY which includes agents and personnel from SIGTARP, under the direction of Special Agent in Charge John Feiter; the U.S. Postal Inspection Service under the direction of Inspector in Charge Robert Bethel; the Housing and Urban Development Office of Inspector General, under the direction of Cortez Richardson, Special Agent in Charge, New York Region; the United States Secret Service under the direction of Special Agent in Charge Tracy Gast; the Federal Bureau of Investigation under the direction of Special Agent in Charge Christopher M. Piehota; and the Internal Revenue Service under the direction of Special Agent in Charge Charles R. Pine. The Mortgage Fraud Task Force of WNY is led by the U.S. Attorney's Office and also includes Veterans Affairs Office of Inspector General and the U.S. Bankruptcy Trustee.

This prosecution was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force, which was established to wage an aggressive and coordinated effort to investigate and prosecute financial crimes. SIGTARP is a member of the task force. To learn more about the President's Financial Fraud Enforcement Task Force, please visit [www.stopfraud.gov](http://www.stopfraud.gov).

### **About SIGTARP**

The Office of the Special Inspector General for the Troubled Asset Relief Program investigates fraud, waste, and abuse in connection with TARP.

To report suspected illicit activity involving TARP, dial the **SIGTARP Hotline**: 1-877-SIG-2009 (1-877-744-2009).

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