



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

Tuesday, October 6, 2015

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CALIFORNIA WOMAN SENTENCED TO 70 MONTHS IN FEDERAL PRISON FOR NATIONWIDE MORTGAGE SCAM

Defendant Defied CFPB Restraining Order to Continue Swindling Homeowners

WASHINGTON, DC – Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Eileen M. Decker, U.S. Attorney for the Central District of California announced today that Najia Jalan was sentenced to 70 months in federal prison, followed by a three-year supervised release period, and was ordered to pay \$236,785 in restitution for her role in devising and executing a scheme to defraud and obtain money from distressed homeowners.

“Najia Jalan masqueraded that she was part of Treasury, that she was an attorney, and that she was a consumer advocate, convincing homeowners to pay her as the first step in getting their mortgage modified under HAMP, when the reality is that this was one in a long list of crimes of dishonesty for this convicted felon,” said Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP). “She made up fake corporations, stole people’s names, and even set up a fake Homeowners HOPE Hotline to lure in desperate homeowners. She stole their money and provided no service at all, and as a result people lost their homes. She continued the scheme after the Government shut down her operations, and she tried to flee the country after SIGTARP unraveled her fraud scheme. SIGTARP caught her as she attempted to flee and worked to bring her to justice with our law enforcement partners.”

“Najia Jalan preyed on families and individuals that were already facing tremendous financial strain,” said U.S. Attorney Eileen M. Decker of the Central District of California. “Jalan’s persistent and devastating fraud warranted this significant sentence.”

Beginning in December 2012, and continuing through October 2014, in Orange County, California and elsewhere, Najia Jalan devised, participated in, and executed a scheme to defraud and obtain money from distressed homeowners across the country. In the scheme, Jalan operated businesses promising mortgage relief assistance to consumers through entities titled National Legal Help Center (NLHC), United National mortgage Protection Center – National Consumer Assistance Center Business Trust, also known as Bank & Trust (UNMPC), OC NonProfit, American Consumer Law Center (ACLC), and the US Litigation Firm, also known as The US Law Firm (USLF).

Jalan induced homeowners facing foreclosure to pay an illegal advance fee to one of her entities, including NLHC, UNMPC, OC NonProfit, ACLC, and USLF, for purported mortgage relief services,

including legal services, to save their homes from foreclosure. To obtain the homeowner's money, defendant made material omissions and false promises and statements, including:

- Falsely promising consumers mortgage loan modifications that would substantially reduce their mortgage payments or interest rates or help consumers avoid foreclosure;
- Falsely claiming her services were subject to a money back guarantee;
- Falsely claiming to be a law firm, or legal services;
- Impersonating the identities of licensed attorneys; and
- Omitting the material fact that she had been prohibited by a temporary restraining order and preliminary injunction to offer such services.

In executing the scheme, Jalan provided false statements to distressed homeowners, claiming that she was a licensed attorney of another name, that her companies were working directly with the Department of Treasury, that her fake company USLF was a law firm, and that homeowners needed to open a "mortgage fraud investigation" against their servicer as a required first-step in applying for the TARP Home Affordable Modification Program (HAMP). None of these statements were true.

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 and co-chairs the Rescue Fraud Working Group. To learn more about the President's Financial Fraud Enforcement Task Force, please visit 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 date, SIGTARP investigations have yielded more than 200 convictions and resulted in the recovery of over \$1.5 billion to the Government.

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

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