



**FOR IMMEDIATE RELEASE**

Friday, July 17, 2015

Media Inquiries: 202-927-8940

Twitter: @SIGTARP

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

## THREE CHARGED IN INVESTMENT SCHEMES CAUSING MILLIONS IN LOSSES

WASHINGTON, DC - Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP); Eileen M. Decker, United States Attorney for the Central District of California; David Bowdich, Assistant Director in Charge of the Federal Bureau of Investigation (FBI) Los Angeles Field Office, today announced that three people, including a Coachella Valley, California, man who allegedly posed as a war hero and a successful attorney, have been charged by a federal grand jury for their roles in a variety of fraudulent schemes that victimized at least 20 investors and caused losses of more than \$2 million.

The three defendants were charged in a superseding indictment filed on July 8, 2015. The 24-count indictment alleges that the defendants lied to investors in a series of schemes and then used investor money for personal expenses rather than investing the funds as promised. The defendants named in the indictment are:

- Jerome Whittington, 65, of La Quinta, California, who was initially charged in June 2014 in this case and who is charged in a separate case with posing as a former federal prosecutor in a case involving a former DEA agent (see: <http://www.justice.gov/usao-cdca/pr/former-dea-agent-arrested-lax-fraud-and-passport-charges>)
- Patricia Torres Zavala, 42, of Benicia, California, who was arrested on July 14, 2015, in Northern California; released subsequently on bond; and ordered to appear for an arraignment in federal court in Southern California on August 4, 2015
- Kathleen Moore, 68, of Olympia, Washington, who has agreed to surrender to federal authorities on August 5, 2015

“Whittington is charged with operating a multimillion-dollar ‘con’ scheme with the help of Moore and Zavala, a former employee at TARP recipient Bank of America, through which he defrauded victims out of their hard-earned savings,” said Christy Romero, Special Inspector General for TARP (SIGTARP).

“Whittington is alleged to have duped multiple victims by first winning their romantic interest with claims that he was a wealthy real estate investor, an attorney, a former federal prosecutor, a CEO, a movie producer, and a decorated war veteran. Having won victims’ trust, Whittington purportedly then presented victims with various ‘get rich’ schemes that required victims’ immediate investment.

However Whittington is alleged to have pocketed most of the money himself, in addition to distributing proceeds to Moore and Zavala, to cover personal expenses. Allegations of fraud related to TARP will be investigated aggressively, and SIGTARP and our law enforcement partners will ensure that perpetrators are brought to justice for their crimes.”

The superseding indictment alleges that Whittington and his two codefendants made false statements and misrepresentations to induce victims to invest money in various business ventures and real estate purchases. Among other misrepresentations detailed in the indictment, Whittington falsely claimed to be a wealthy real estate investor, a Purple Heart recipient, and an attorney to gain the admiration of victims and add legitimacy to the scheme. In one instance, Whittington told a victim he owned a private jet and a movie company as he solicited an investment in a company known as “Sesma.” Whittington claimed Sesma had developed an Internet browser that was being used in China, and while Whittington told the victim his investment would be used to purchase stock in Sesma, he instead used the money for personal expenses.

In another scheme, Zavala, a former Bank of America employee, purported to be a short-sales expert working with Whittington in order to help victims obtain real estate properties at very low rates, according to the indictment. Zavala, who allegedly used her position at the bank to coerce victims to send money, was paid by Whittington from the proceeds of the fraud.

Moore purported to be Whittington’s accountant and, in that capacity, handled all finances and received money from various victims. The indictment alleges that Moore promised investors returns of up to \$25 for every \$2 invested in Sesma.

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed to be innocent unless and until proven guilty in court.

If convicted of the charges in the indictment, Whittington faces a statutory maximum penalty of 480 years in federal prison. If convicted, Moore faces a maximum of 240 years, and Torres faces up to 200 years. The government will also seek forfeiture of real estate and money derived from the scheme if the defendants are convicted.

This investigation was conducted by SIGTARP and the FBI, with the assistance of the Bossier Parish Sheriff’s Office in Bossier City, Louisiana, and the Ventura County (California) Sheriff’s Department. SIGTARP agents led the arrest of Zavala on Tuesday and were assisted by the Federal Housing and Finance Agency Office of Inspector General and the Benicia (California) Police Department.

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, 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 SIGTARP at 1-877-SIG-2009 (1-877-744-2009) or visit [www.SIGTARP.gov/Pages/crimetips.aspx](http://www.SIGTARP.gov/Pages/crimetips.aspx).

To receive alerts about quarterly reports, new audits, and media releases issued by SIGTARP, sign up at [www.SIGTARP.gov/pages/press.aspx](http://www.SIGTARP.gov/pages/press.aspx). Follow SIGTARP on Twitter @SIGTARP.

###