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THREE CONVICTED ON CHARGES RELATED TO FORECLOSURE PREVENTION FRAUD SCHEME

Greenbelt, Maryland – Late on June 20, 2018, a federal jury convicted Michelle Sylethia Jordan, a/k/a Michelle Harris and Michelle Welsh, age 49; her husband, Michael Paul Anthony Welsh, a/k/a Michael A. Welsh and Michael Paul S. Welsh, age 44, both of Laurel, Maryland; and Carrol Antonio Jackson, a/k/a Jack Jackson, age 48, of Hinesville, Georgia, on conspiracy and mail and wire fraud charges in connection with a foreclosure prevention fraud scheme. After the verdict was announced, U.S. District Judge Roger W. Titus ordered that Jordan and Welsh be detained pending sentencing and they were immediately taken into custody.

The conviction was announced by United States Attorney for the District of Maryland Robert K. Hur; Deputy Inspector General for Investigations Rene Febles of the Federal Housing Finance Agency Office of Inspector General (FHFA-OIG); Special Agent in Charge Bertrand Nelson of the U.S. Department of Housing and Urban Development Office of Inspector General (HUD-OIG); Postal Inspector in Charge Eric Shen of the U.S. Postal Inspection Service - Washington Division; Chief Henry P. Stawinski of the Prince George's County Police Department; Chief J. Thomas Manger of the Montgomery County Police Department; Sheriff Steve Sikes of the Liberty County, Georgia, Sheriff's Office; and Vernon M. Keenan, Director of the Georgia Bureau of Investigation.

According to the evidence presented at the eight-day trial, Jordan was chief executive officer and director of MJ Loan Auditor Group, LLC (MJLAG), a limited liability company registered and doing business in Maryland. Welsh was president, vice president, and director of MJLAG. Jackson was the owner and manager of CJ Maxx Group LLC, a limited liability company doing business in Maryland, Virginia, and Georgia.

The evidence showed that from August 2012 until February 2017, Jordan and Welsh falsely told victim homeowners that, for a fee, MJLAG could help these homeowners modify their mortgage loans and prevent foreclosure of their homes. Jordan and Welsh falsely represented that MJLAG could help the homeowners get "free and clear" title to their homes, with no debt or liens against the property, and that MJLAG could obtain money from the homeowners' lenders, typically by suing the lenders. Jordan and Welsh told homeowners that they needed to purchase one or more "audits" of the homeowners' mortgage loans in order to uncover fraud and alleged illegal acts committed by the lenders, and that these "audits" could be used as evidence in lawsuits against the lenders and in negotiating for a loan modification.

Witnesses testified that as part of the scheme, Jordan and Welsh had homeowners sign a "contract fee agreement" setting out what fees would be charged for the "audit." The contract fee agreement contained

the seal of the National Association of Mortgage Underwriters (NAMU), even though the defendants and their companies had no current affiliation with NAMU. Jordan advised clients to submit baseless complaints about their lender to state and federal agencies, and to stop paying their mortgages. Jordan further advised MJLAG clients whose homes already were in foreclosure proceedings to file for bankruptcy in order to delay the foreclosure proceedings and as part of the process to prevent foreclosure of the clients' homes. Jordan assisted MJLAG clients in filing for bankruptcy, by preparing bankruptcy petitions and related documents and court filings.

The evidence proved that Jordan and Welsh paid Jackson to prepare fraudulent documents purporting to be "Forensic Audit Reports" and "Real Estate Securitization Audits" relating to loans for properties owned by MJLAG clients. The victim homeowners paid money to MJLAG with the expectation of receiving assistance with modifying their mortgage loans and preventing foreclosure of their homes.

The defendants each face a maximum sentence of 20 years in prison for conspiring to commit wire fraud, and 20 years in prison for each of ten counts of wire fraud. U.S. District Judge Roger W. Titus has scheduled sentencing for September 28, 2018 at 9:00 a.m.

The Maryland Mortgage Fraud Task Force was established to unify the agencies that regulate and investigate mortgage fraud and promote the early detection, identification, prevention and prosecution of mortgage fraud schemes. This case, as well as other cases brought by members of the Task Force, demonstrates the commitment of law enforcement agencies to protect consumers from fraud and promote the integrity of the credit markets. Information about mortgage fraud prosecutions is available <http://www.justice.gov/usao-md/financial-fraud-and-identity-theft>.

United States Attorney Robert K. Hur commended the FHFA-OIG, HUD-OIG, U.S. Postal Inspection Service, Prince George's County and Montgomery County Police Departments, Liberty County Sheriff's Office SWAT Team, and the Georgia Bureau of Investigation for their work in the investigation, and recognized the Maryland Department of Labor, Licensing, and Regulations for its assistance. Mr. Hur thanked Assistant U.S. Attorneys Kristi N. O'Malley and Nicolas A. Mitchell, and Special Assistant United States Attorney Elizabeth Boison, who are prosecuting the case.