



Department of Justice

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Southern District of Iowa

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Federal Court Sentences Bettendorf Owner of Whitehall Funding, Inc. on Wire Fraud Charges

DAVENPORT, IA - On October 2, 2014, Thomas Richard Jager, age 66, of Bettendorf, Iowa, was sentenced by United States Chief District Court Judge James E. Gritzner to 97 months imprisonment, after pleading guilty to four counts of wire fraud, announced United States Attorney Nicholas A. Klinefeldt. McDaniel was also ordered to serve five years of supervised release following imprisonment, and pay \$400 towards the Crime Victims Fund. Jager was also ordered to pay restitution to victims and forfeit personal property.

Thomas Richard Jager, was the owner and managing employee of Whitehall Funding, Inc., a mortgage servicing company located in Davenport, Iowa. In this capacity, Jager was responsible as sub-servicer to certain Department of Housing and Urban Development (HUD) insured mortgages pools to collect mortgage principal and interest payments and required escrow payments. Additionally, Jager was responsible for providing accurate remittance reports and remittance payments to the investors of certain mortgage backed securities secured by the loans in these pools, for making escrow payments and holding the remaining balances for escrow accounts of the mortgagors making payments, and for forwarding all funds received for the prepayment of any mortgages held in these same pools.

During a time period which included 2008 through 2010, Jager failed to forward monthly remittance payments to investors and provided false reports, failed to distribute lump sum payoffs of mortgages to investors, and then transferred money held in escrow to his personal bank account. Jager admitted to being responsible for over \$7 million in total losses.

Information at sentencing established that during the time of 2007 through 2010, Jager should have legitimately received approximately \$18,000 in fees for servicing the loans in these pools. Instead, during this same time period, Jager transferred funds owed to investors and property owners to his personal bank account of \$1,182,650. Evidence showed that he spent funds obtained as part of the fraud on credit card purchases, a hot tub for his home, purchase of vehicles, maid service, a Hilton Head time share, country club memberships, and other personal items, taxes and fees.

This case was investigated by the Federal Bureau of Investigation, the United States Department of Housing and Urban Development, and the case was prosecuted by the United States Attorney's Office for the Southern District of Iowa.