

## **JPMorgan Chase Settles Whistleblower Lawsuit Alleging Fraud in Veteran Loans for \$45 Million**

**MEDIA CONTACT:** Leigh May (leigh@butlerwooten.com), Tel: (404) 579-5166 or Brandon Peak (brandon@butlerwooten.com), Tel: (404) 550-8190

ATLANTA – March 12, 2012 – JPMorgan Chase Bank has finalized a settlement that will pay the federal government \$45 million to settle a lawsuit alleging that it cheated military veterans and taxpayers out of millions of dollars by hiding illegal fees in veterans' home mortgage refinancing transactions and then seeking to collect on void government loan guarantees.

This “qui tam” (whistleblower) lawsuit, brought under the False Claims Act by two whistleblowers, seeks to recover this money on behalf of the U.S. government from eight banks and mortgage companies. JPMorgan Chase Bank is the first to settle these claims.

The case is still pending against Wells Fargo Bank, Bank of America, CitiMortgage, Suntrust Mortgage, Washington Mutual Bank, PNC Bank (which acquired National City Mortgage Co.), Countrywide Home Loans, Mortgage Investors Corp., and First Tennessee Bank (which acquired First Horizon Home Loan Corp.).

“We are proud to be part of an effort to return tens of millions of dollars to the government for fraud that would have otherwise gone undetected,” said co-lead counsel in the case, James E. Butler, Jr., of the Atlanta law firm Butler, Wooten & Fryhofer, LLP. “JPMorgan Chase is but one lender that thought it could get away with charging illegal fees to veterans and hiding these illegal charges.”

Butler Wooten & Fryhofer, LLP teamed with Wilbanks & Bridges, LLP of Atlanta and Phillips & Cohen, LLP of Washington, D.C., to pursue the lawsuit on behalf of the whistleblowers and the government. The three law firms have won record verdicts and settlements and have extensive experience in whistleblower cases.

“Our lawsuit alleges that these lenders committed blatant fraud,” said co-lead counsel Marlan Wilbanks of Atlanta. “Although JPMorgan Chase has paid to settle its claims, we are looking forward to moving the case against the other defendant lenders. These banks should be held accountable for causing the government to pay millions of dollars on void loan guarantees.”

“This case involves illegal fees charged in millions of veterans' home mortgage refinancing transactions and illegally obtained taxpayers funds used to back those mortgages,” said Mary Louise Cohen, a Washington, D.C., attorney who is co-counsel on the case. “Banks shouldn't be allowed to get away with cheating veterans and taxpayers.”

The whistleblower lawsuit was filed in 2006 in federal district court in Atlanta, Ga., by two mortgage brokers. For more information about the case and examples of fraudulent refinancing transactions, visit [www.vamortgagefraud.com](http://www.vamortgagefraud.com).