

NASA Scientist's Fall From Space in \$850,000 Mortgage Fraud



Noreen Khan worked for NASA as a Safety and Occupational Health Manager. But prosecutors say she was involved in a complicated mortgage fraud scheme that involved falsifying documentation to get her loans approved, and then later trying to eliminate the debt through credit washing.

Noreen and her husband pleaded guilty this week to orchestrating a scheme involving falsified income documents, fraudulent identity theft claims, and manipulated bank statements to finance and keep their \$850,500 luxury home in Missouri City, Texas.

The couple now face up to five years in federal prison and must pay \$276,709.42 in restitution 15 days before their December 18 sentencing.

Credit Washing For Mortgages Is Not Common

Court documents reveal Khan and Mayberry engaged in "credit washing," a practice where borrowers try to scrub negative information from their credit reports through false identity theft claims. This is pretty uncommon in mortgage lending but far more common for credit cards and auto loans.

The scheme began in 2016 when the couple needed money for a down payment on their dream home at 42 Commanders Cove.

Between September 2016 and August 2017, Khan and Mayberry took out six personal loans totaling approximately \$220,000 from companies including SoFi, Goldman Sachs, Best Egg, and Lending Club. Khan doctored a NASA pay stub to show she earned \$161,900 annually when her actual salary was \$126,986.

When the couple couldn't keep up with payments by early 2018, they stopped paying altogether. Then came phase two of their plan.

Disputing Tradelines Through False Claims

Rather than face the consequences of default, Khan launched an aggressive campaign to make the debts disappear. She filed false reports with the Federal Trade Commission claiming identity theft, disputed accounts with all three major credit bureaus, and even filed a police report with the Fort Bend County Sheriff's Office in March 2021.

"She identified multiple accounts as fraudulent that she had personally applied for and used," according to the indictment. Khan went further, filing a civil lawsuit against the lenders claiming violations of the Fair Credit Reporting Act.

The strategy worked, at least it did so temporarily. Lenders eventually wrote off \$276,709 of the couple's debt, believing Khan's identity theft story.

Manufacturing Employment and Income In The Mortgage Loan

Their fraud didn't just involve credit washing. When the couple sought to refinance their home in 2019 and again in 2021, they created forged documents about their employment status.

For a 2021 refinance application with Oaktree Funding Corporation, Khan claimed she worked for Mori & Associates, while her husband said he was employed directly by NASA. In reality however, Khan had just resigned from NASA days earlier on September 29, 2021, and Mayberry was a contractor through Mori, not a direct NASA employee. They switched employment up for some reason.

When Oaktree called to verify employment in October 2021, Khan provided a phone number for what she said was a Mori human resources representative.

The person who answered was actually a longtime friend of Mayberry's who had no connection to the company. Mayberry himself called Oaktree pretending to be someone else to verify his own fake employment at NASA.

Falsified Documents Paint The Picture

The paper trail of fraud was large. The couple submitted altered bank statements to their first mortgage lender in 2017, inflating account balances and changing transaction descriptions to appear more financially stable.

For their 2019 refinance, Khan signed a Business Purpose Affidavit falsely stating the home was an investment property, not their residence. When refinancing again in 2021, court documents reveal they altered an October 2020 bank statement by changing the account owner name from Khan to Mayberry.

Tax records were doctored, pay stubs were fabricated, and settlement agreements were forged. In August 2022, Khan attempted to redirect lender payoff checks to herself by providing falsified settlement agreements to the loan servicing company.

Khan's resignation from NASA on September 29, 2021, came just days before she closed on the final fraudulent refinance. Mayberry lost his contractor position in February 2022.

The Cost of Their Fraud Is High

For Khan and her husband, they will face prison time and financial penalties. They will also have to forfeit the Commanders Cove home that started it all. As part of Khan's plea agreement, she acknowledged the property at 42 Commanders Cove would not have been obtained without the criminal activity.

Read Indictment

Sealed

Public and unofficial staff access
to this instrument are
prohibited by court order

United States Courts
Southern District of Texas
FILED

December 12, 2023

Nathan Ochsner, Clerk of Court

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

UNITED STATES OF AMERICA

v.

NOREEN KHAN

aka "NOREEN KHAN-MAYBERRY"

CHRISTOPHER MAYBERRY

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§

CRIMINAL NO. 4:23-cr-00592

INDICTMENT

THE GRAND JURY CHARGES:

INTRODUCTION

At all times relevant to this Indictment:

1. Civic Financial Services, LLC ("CFS"), a California limited liability company, was a mortgage lending business.

2. LJC Financial, LLC ("LJC"), a Texas limited liability company, was a mortgage lending business.

3. Oaktree Funding Corporation ("Oaktree"), a California corporation, was a mortgage lending business.

4. Defendant NOREEN KHAN ("KHAN") was a resident of Pearland, Texas until on or around October 14, 2017, at which time she became a resident of Missouri City, Texas, where she currently resides. KHAN was employed with the National Aeronautics and Space Administration ("NASA") at the Johnson Space Center, Office of Inspector General in Houston, Texas, as a Safety and Occupational Health Manager in the Office of Audits. She resigned her position there on or about September 29, 2021.

5. Defendant CHRISTOPHER MAYBERRY ("MAYBERRY") was a resident of Pearland, Texas until on or about October 14, 2017, at which time he became a resident of Missouri

City, Texas, where he currently resides. MAYBERRY was employed with Mori & Associates, a contractor who worked for NASA. Mori & Associates terminated him from his position on or about February 2, 2022.

COUNT ONE
(Conspiracy to Make False Statements to Mortgage Lending Businesses)

6. The Grand Jury realleges the factual allegations set forth above in Paragraphs 1-5 and incorporates them as if fully set forth in Count One of this Indictment.

7. From in or around July 2016 through in or around August 2022, within the Southern District of Texas and elsewhere, defendants,

**NOREEN KHAN aka NOREEN KHAN-MAYBERRY and
CHRISTOPHER MAYBERRY,**

did knowingly and willfully combine, conspire, confederate, and agree with each other and with one or more persons known and unknown to the Grand Jury to commit certain offenses against the United States, namely, to willfully and knowingly make false statements in loan applications for the purpose of influencing mortgage lending businesses, in violation of 18 U.S.C. § 1014 (false statement to mortgage lending businesses).

PURPOSE OF THE CONSPIRACY

8. Using various means, including filing a fraudulent police report, filing fraudulent reports with the Federal Trade Commission, fraudulently disputing credit accounts with Transunion, Experian, and Equifax, and fabricating and submitting fraudulent documents for various mortgage loans, Defendants KHAN and MAYBERRY conducted a debt elimination scheme to unlawfully enrich themselves and obtain mortgage loans. It was a purpose of the conspiracy for the Defendants and their co-conspirators, known and unknown to the Grand Jury, to fraudulently represent material information about their debts, income, employment, and

financial condition to obtain mortgage loans for the purchase of real property located at 42 Commanders Cove, Missouri City, Texas (“Commanders Cove”).

MANNER AND MEANS OF THE CONSPIRACY

9. KHAN and MAYBERRY initiated the scheme by applying for personal loans in order to pay for the down payment and closing costs on the Commanders Cove mortgage loan.

10. KHAN and MAYBERRY defaulted on the personal loans.

11. KHAN disputed the personal loans to the credit bureaus, demanding that the debts, collections, late payments, and credit inquiries be removed and blocked from her credit report based on a claim of identity theft.

12. KHAN made a false report, under penalty of perjury, to the Federal Trade Commission (“FTC”), disputing the personal loans and claiming the accounts did not belong to her due to identity theft.

13. KHAN filed a false report with the Fort Bend County Sheriff’s Office (“FBCSO”) in Fort Bend County, Texas, claiming she had been the victim of identity theft and fraudulent credit accounts had been opened in her name.

14. KHAN and MAYBERRY then applied for two additional mortgage loans, seeking to refinance Commanders Cove. In these loan applications, KHAN and MAYBERRY made numerous false statements and submitted fabricated documents to the lenders in order to qualify for the loans. The false information provided to the lenders included false statements regarding the intended use of the property, false employment information, falsified income information, falsified tax forms, and falsified bank account statements.

15. KHAN filed a civil lawsuit against the personal loan creditors, seeking to eliminate or charge off the debts that she claimed were not hers.

16. During the course of the lawsuit, KHAN fabricated settlement agreements and transmitted them to the loan servicing company in order to have payoff monies intended for the creditors issued to her personally.

OVERT ACTS

17. In furtherance of the conspiracy and to achieve the purpose and objects thereof, defendants KHAN, MAYBERRY, their co-conspirators, and others known and unknown to the Grand Jury, committed at least one of the following overt acts, among others:

18. On or about September 21, 2016, KHAN applied for and was approved for a personal loan from Lending Club Corporation (“Lending Club”), and Lending Club approved her for a loan in the amount of \$21,925.00, and with account ending in 7443. The last payment received by Lending Club from KHAN for this account was on or about February 26, 2018. KHAN disputed this account through the FTC, FBCSO, credit bureaus and in a civil lawsuit. The Lending Club debt was ultimately charged off for \$14,583.00.

19. On or about July 5, 2017, KHAN submitted an application for a personal loan from SoFi Lending Corporation (“SoFi”) and was approved for a loan in the amount of \$58,087.00. KHAN submitted her last payment for the SoFi loan on or about March 1, 2018, and disputed this account through the FTC, FBCSO, credit bureaus and in a civil lawsuit. The SoFi debt was ultimately charged off for \$56,210.00.

20. On or about July 12, 2017, KHAN and MAYBERRY submitted a bid to purchase Commanders Cove.

21. On or about July 12, 2017, KHAN applied to Goldman Sachs Bank USA (“Goldman Sachs”) for a personal loan in the amount of \$25,000.00, which Goldman Sachs approved. KHAN submitted her last payment to Goldman Sachs for this loan on or about February

16, 2018, and disputed this account through the FTC, FBCSO, credit bureaus and in a civil lawsuit. Goldman Sachs ultimately charged off \$26,111.00 of this debt.

22. On or about July 12, 2017, KHAN applied to Best Egg, LLC (“Best Egg”) for a personal loan in the amount of \$35,000.00, which Best Egg approved. KHAN submitted her last payment to Best Egg for this loan on or about March 12, 2018, and disputed this account through the FTC, FBCSO, credit bureaus and in a civil lawsuit. The Best Egg debt was ultimately charged off for \$35,872.00

23. On or about July 12, 2017, KHAN electronically provided Goldman Sachs and Sofi with a fabricated NASA paystub for pay period ending June 24, 2017, falsely showing that her annual income was \$161,900. KHAN’s salary at the time with NASA was \$126,986.00 per year.

24. On or about August 2, 2017, a personal loan application in the name of MAYBERRY was submitted and approved by Prosper Funding, LLC (“Prosper”), in the amount of \$40,000. The last payment for this loan was submitted on or about March 8, 2018. This account was disputed through the FTC, and Prosper ultimately charged off \$36,006.00 of this debt.

25. On or about August 2, 2017, a personal loan application in the name of MAYBERRY was submitted and approved by Lending Club, in the amount of \$40,000.00, account ending in 0280. The last payment submitted for this loan was on or about March 8, 2018. This account was disputed through the FTC, and Lending Club ultimately charged off \$36,721.00 of this debt.

26. On or about July 14, 2017, KHAN and MAYBERRY signed a purchase agreement to purchase Commanders Cove for \$850,500.00.

27. In the loan application filed with CFS in or about October 2017, KHAN and MAYBERRY included a falsified August 2017 bank statement for Wells Fargo account ending in

x2909, held in the names of KHAN and MAYBERRY. The monthly beginning balance, transaction descriptions and other items were altered on the statement, inflating the beginning monthly account balance and amounts of deposits.

28. On or about October 11, 2017, CFS approved the loan of \$656,250 based on falsified bank statements submitted by KHAN and MAYBERRY. On or about October 13, 2017, KHAN and MAYBERRY each reviewed, signed and submitted a secured note with CFS, financing the Commanders Cove property.

29. On or about November 5, 2019, KHAN and MAYBERRY each reviewed, signed and submitted a promissory note in the amount of \$820,000.00 to refinance Commanders Cove with LJC Financial. As a term of the loan, KHAN signed a Business Purpose Affidavit wherein she falsely represented that the property was being held for business purposes and not as a homestead.

30. On or about April 21, 2020, a false report was submitted, under penalty of perjury, to the FTC, disputing the personal loans issued to MAYBERRY from Prosper and Lending Club. The report claimed MAYBERRY was the victim of identity theft.

31. On or about November 5, 2020, KHAN caused to be mailed from Sunrise, Florida, to Transunion in Chester, Pennsylvania, Equifax in Atlanta, Georgia, and Experian in Allen, Texas, credit bureau letters identifying credit accounts that she disputed were opened or authorized by her, including the Goldman Sachs loan detailed above.

32. On or about February 20, 2021, KHAN submitted an Identity Theft Complaint online with the FTC alleging the Goldman Sachs, Lending Club, Best Egg, and Sofi accounts detailed above, among others, were not hers. KHAN also falsely stated she was a victim of identity theft and did not open these accounts.

33. On or about March 2, 2021, KHAN filed a police report with the FBCSO falsely claiming that her identity had been stolen and numerous fraudulent accounts were opened in her name. She identified the Goldman Sachs, Lending Club, Sofi, and Best Egg accounts detailed above as fraudulent accounts, among others.

34. On or about April 14, 2021, KHAN and MAYBERRY submitted another loan application to refinance Commanders Cove with Oaktree. As part of the loan application, KHAN and MAYBERRY submitted falsified bank statements, falsified tax records and falsified pay stubs. KHAN also falsely claimed to work for Mori & Associates (“Mori”) and MAYBERRY falsely claimed to work for NASA.

35. On or about September 3, 2021, KHAN filed a civil lawsuit against Best Egg, Goldman Sachs, Lending Club, and Sofi, among others, alleging they had each committed violations of the Fair Credit Reporting Act.

36. On or about October 5, 2021, KHAN and MAYBERRY executed a scheme to fraudulently verify their employment to Oaktree. Specifically, KHAN provided Oaktree a name and phone number of an individual she identified as a Mori Human Resources employee to verify her employment. However, that phone number belonged to a longtime friend of MAYBERRY who did not work for Mori. That person spoke with Oaktree and falsely represented themselves as a Human Resources Representative for Mori, falsely verifying KHAN’s employment at Mori. MAYBERRY called Oaktree and falsely represented himself as someone else verifying his employment at NASA. Oaktree relied on these false representations as verification of KHAN and MAYBERRY’s employment.

37. On or about October 6, 2021, KHAN and MAYBERRY reviewed, signed and submitted a Texas Home Equity note with Oaktree, refinancing the loan for Commanders Cove.

The loan amount was \$895,000. In the closing documents, KHAN and MAYBERRY made false statements about their employment. As a term of the loan, KHAN and MAYBERRY signed a Loan Applicant's Attestation which stated since the date of their original loan application, the status of their employment had not changed. KHAN and MAYBERRY also signed a letter previously provided to the lender by KHAN which falsely claimed KHAN was the victim of identity theft and there were fraudulent accounts and inquiries on her credit report.

38. As part of the Oaktree loan, KHAN and MAYBERRY were required to pay off or pay down certain debts, including Goldman Sachs. Oaktree issued checks to the creditors in order to pay off these debts but physically provided the checks to KHAN. On or about August 22, 2022, in an attempt to have these pay-off checks issued in her name, KHAN falsified settlement agreements and provided them to the loan servicing company for the Oaktree loan.

All in violation of Title 18, United States Code, Section 371.

NOTICE OF FORFEITURE
(18 U.S.C. §§ 981(a)(1)(C) & 982(a)(2))

Pursuant to 18 U.S.C. §§ 981(a)(1)(C) & 982(a)(2), and 28 U.S.C. § 2461(c), the United States gives notice to Defendants,

**NOREEN KHAN aka NOREEN KHAN-MAYBERRY and
CHRISTOPHER MAYBERY,**

that upon conviction for making a false statement to mortgage lending businesses and for conspiracy to do so, in violation of 18 U.S.C. §§ 371 & 1014, the United States will seek the forfeiture of any property constituting or derived from proceeds obtained, directly or indirectly, as the result of such violations.

The property to be forfeited includes, but is not limited to, the following:

- a. real property at 42 Commanders Cove, Missouri City, Texas 78549, together with all improvements, buildings, structures and appurtenances, which is legally described as SIENNA VILLAGE OF WATERS LAKE SEC 7A, BLOCK 2, LOT 5.

Money Judgment and Substitute Assets

The United States will seek the imposition of a money judgment against each defendant. In the event that one or more conditions listed in 21 U.S.C. § 853(p) exists, the United States will seek to forfeit any other property of the defendants in substitution, up to the amount of the money judgment against that defendant.


A TRUE BILL:

Original Signature on File

FOREPERSON OF THE GRAND JURY

ALAMDAR S. HAMDANI
United States Attorney

By:

A handwritten signature in black ink, appearing to read 'H Winter', is written over a horizontal line.

Heather Winter
Assistant United States Attorney