



Department of Justice

UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT OF MISSOURI

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For Immediate Release

FORMER LOAN OFFICER PLEADS GUILTY TO FRAUD CHARGES

St. Louis, MO – Joseph Brogan pled guilty to multiple fraud charges related to a scheme involving applications for home loans.

According to statements made in court during the guilty plea, Joseph Brogan was employed as a loan officer for USA Mortgage Inc. where he handled both conventional mortgages and FHA loans. Michael Wallis owned and operated a company known as Missouri Builders and Home Remodeling (Missouri Builders), which performed interior construction and remodeling work on houses. Brogan, Wallis and others conspired to obtain loan funds by making false and fraudulent representations on home loan documents, including misrepresenting the source of down payments and misrepresenting remodeling expenses on HUD-1 forms and related loan documents. Brogan admitted that on at least one occasion, he provided \$8,000 in funds toward a down payment while knowing that loan forms and supporting documents falsely represented that the funds came from the nominal purchaser or a relative of the nominal purchaser. Wallis's company, Missouri Builders, received disbursements of loan funds based on the false HUD-1 forms and based on false invoices for remodeling expenses. Wallis then paid Brogan from the illegally obtained loan funds. Over the course of the conspiracy, Brogan received approximately \$94,948 in payments from Wallis.

Brogan, 41, St. Louis, pled guilty to one felony count conspiracy to commit bank fraud and two felony counts of bank fraud before U.S. District Judge Audrey G. Fleissig. Sentencing has been set for May 14, 2015.

He now faces a penalty range of up to 30 years in prison and/or fines up to \$1 million. In determining the actual sentences, a Judge is required to consider the U.S. Sentencing Guidelines, which provide recommended sentencing ranges.

Michael Wallis previously pled guilty to related charges and is awaiting sentencing.

This case was investigated by the Department of Housing and Urban Development Office of Inspector General, the Federal Housing Finance Agency Office of Inspector General, the Postal Inspection Service, and the Federal Bureau of Investigation. Assistant United States Attorney Reginald Harris is handling the case for the U.S. Attorney's Office.

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