



Department of Justice

UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT OF MISSOURI !

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For Immediate Release

FORMER LOAN OFFICER SENTENCED ON FRAUD CHARGES

St. Louis, MO – Joseph Brogan was sentenced to 14 months in prison on multiple fraud charges related to a scheme involving applications for home loans.

According to court documents, 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, 42, St. Louis, pled guilty in January to one felony count of conspiracy to commit bank fraud and two felony counts of bank fraud before U.S. District Judge Audrey G. Fleissig. He was also ordered to pay more than \$350,000 in restitution.

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, and the Postal Inspection Service. Assistant United States Attorney Reginald Harris is handling the case for the U.S. Attorney's Office.

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