



U.S. Department of Justice

United States Attorney

Eastern District of Pennsylvania

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April 22, 2010

**MORTGAGE BROKER AND TWO EMPLOYEES CHARGED IN FRAUD SCHEME  
THAT RESULTED IN FORECLOSURES**

PHILADELPHIA - Frank J. Dattilo, Michael Giello, and Jason Megow, were charged by indictment<sup>1</sup> today with two counts, each, of mail fraud, stemming from a scheme to defraud mortgage lenders in an effort to obtain money and property, announced United States Attorney Michael L. Levy. Dattilo was the owner and operator of the mortgage brokerage firm Provident Financial Group (“PFG”), which was located in Bensalem, PA. Dattilo employed Giello as a mortgage broker and loan officer, and Megow as a loan processor.

Dattilo marketed to people with poor credit or low incomes. According to the indictment, between January 2004 and February 2007, the defendants created false documents for use in mortgage application. The falsified forms, among other things, overstated borrowers’ income, falsely showed that borrowers had rental histories, and showed that a property was an income-producing rental property when, in fact, it was not. These fraudulent documents made borrowers appear more creditworthy than they were, thereby misleading the banks into funding the mortgage loans.

The indictment further alleges that, to enrich himself, Dattilo would present borrowers with a settlement sheet that included unexpected costs and fees. He then offered to cover closing costs by having the borrowers sign a second mortgage that they would owe to Dattilo and which was concealed from the lenders. This second mortgage resulted in a lien on the property in defendant Dattilo’s name. Several borrowers did not have enough income to cover both mortgages and defaulted on their loans, resulting in foreclosures.

“Everyone is entitled to their piece of the American dream,” said Levy. “For the victims of this scheme, that dream was exploited and transformed into a nightmare by the people - these defendants - who had promised to help make their dream a reality. Unfortunately, these victims are not alone. Predators are everywhere. We urge prospective home buyers to do a little extra homework by checking with the Department of Housing and Urban Development or a non-profit housing counseling agency to protect themselves from predators.”

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<sup>1</sup>An Indictment or Information is an accusation. A defendant is presumed innocent unless and until proven guilty.

“We are encouraged that the Department of Banking’s investigation of mortgage fraud in this case has resulted in a criminal prosecution by the U.S. Attorney,” said Steve Kaplan, Pennsylvania Secretary of Banking. “This cooperation between state and federal agencies reveals a new level of sophistication in the government’s ability to protect Pennsylvania consumers as well as the integrity of the mortgage marketplace.”

INFORMATION REGARDING THE DEFENDANTS

NAME	ADDRESS	AGE OR YEAR OF BIRTH
Frank J. Dattilo	Holland, PA	1946
Michael Giello	Holland, PA	1951
Jason Megow	Havertown, PA	1972

If convicted, each defendant faces a possible maximum sentence of 40 years in prison, a fine of up to \$500,000, restitution, and three years supervised release.

This case was investigated by the Federal Bureau of Investigation and Pennsylvania Department of Banking. It is being prosecuted by Assistant United States Attorney Maria M. Carrillo.

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