

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO.
v.	:	DATE FILED:
DONTAYA S. DEVORE	:	VIOLATIONS:
	:	18 U.S.C. § 371 (conspiracy to commit
	:	loan and wire fraud - 1 count)
	:	18 U.S.C. § 1010 (false statement in
	:	connection with Federal Housing
	:	Administration loan - 1 count)
	:	18 U.S.C. § 1014 (loan fraud - 1 count)
	:	18 U.S.C. § 2 (aiding and abetting)
	:	Notice of forfeiture

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. Willie G. Manley, Jr., charged elsewhere, worked as a self-employed accountant at a tax preparation service.
2. John William Polosky, charged elsewhere, was a mortgage broker in Pittsburgh, Pennsylvania. Polosky's duties as a mortgage broker included preparing loan applications and submitting them, along with supporting documentation, to potential lenders to secure loans and mortgages.
3. Eric Ponder, charged elsewhere, held himself out as a real estate developer and the president of Ponder Development Inc., a Philadelphia company providing home improvement services.
4. K.F., R.F., E.B., and W.B. created a real estate settlement company,

REGGL Inc d/b/a KREW Settlement Services (“KREW”), which had its office in Philadelphia, Pennsylvania. “KREW” is an acronym for the first names of these four individuals, who also created a second real estate settlement company, Briser Abstract Company (“Briser Abstract”), which operated out of KREW’s office in Philadelphia, Pennsylvania and generally operated under the KREW name.

5. K.F. worked as a Title Agent at 21st Century Abstract Company and PA/NJ Abstract prior to creating KREW.

6. The following companies were in the business of providing mortgage loans and did business in interstate commerce:

a. The CIT Group

7. The following banks did business in interstate commerce and were financial institution whose deposits were insured by the Federal Deposit Insurance Corporation (“FDIC”):

a. Washington Mutual Bank, FDIC Certificate Number 32633; and

b. Wells Fargo Bank, FDIC Certificate Number 3511.

8. The Federal Housing Administration (“FHA”) is a Department within the U.S. Department of Housing and Urban Development (“HUD”) and provides mortgage insurance on loans made by FHA-approved lenders throughout the United States and its territories. FHA mortgage insurance provides lenders with protection against losses as the result of homeowners’ defaulting on their mortgage loans. The lenders bear less risk because FHA will reimburse the lenders in the event of a homeowner’s default.

9. FHA has requirements that must be met before FHA will insure a loan from an FHA-approved lender. One of those requirements is the property must be

owner-occupied. FHA requires a borrower to establish bona fide occupancy in a home as the borrower's principal residence within 60 days of signing the security instrument, with continued occupancy for at least one year. FHA will not insure a mortgage if it is determined that the transaction was designed to use FHA mortgage insurance as a vehicle for obtaining investment properties. Wells Fargo Bank and PNC Mortgage were FHA-approved lenders during the time period set forth in this information.

THE CONSPIRACY

10. From in or about May 2004, to in or about December 2009, in the Eastern District of Pennsylvania, and elsewhere, defendant

DONTAYA S. DEVORE

conspired and agreed with E.B., K.F., R.F., W.B., F.C., G.T., C.B., M.M., Rashika J. Moon, charged elsewhere, Willie G. Manley, Jr., John William Polosky, and Eric Ponder, and others known and unknown to the United States Attorney, to knowingly make and cause to be made to federally-insured banks a false statement for the purpose of influencing the actions of the federally-insured banks upon a loan and to knowingly devise a scheme to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, and to use interstate wires to further the scheme to defraud mortgage lenders and financial institutions, in violation of Title 18, United States Code, Sections 1014, 1343, and 1349.

MANNER AND MEANS

It was part of the conspiracy that:

11. Defendant DONTAYA S. DEVORE, co-conspirators E.B., K.F., R.F., W.B., F.C., G.T., C.B., M.M., Rashika J. Moon, Willie G. Manley, Jr., John William Polosky,

and Eric Ponder, and others known and unknown to the United States Attorney, assembled and submitted loan applications containing false information to lenders to dupe the lenders into loaning funds to purchase real properties within the Eastern District of Pennsylvania, the Eastern District of Virginia, the District of New Jersey, and elsewhere.

12. Co-conspirators E.B., Eric Ponder, and others known and unknown to the United States Attorney, typically sought out distressed properties to purchase in the West Philadelphia area. Sometimes, the properties were purchased in the name of defendant DONTAYA S. DEVORE or co-conspirators R.F., G.T., C.B., M.M., Rashika J. Moon, Eric Ponder, or other co-conspirators. Other times, co-conspirators E.B., W.B., G.T., and Eric Ponder, and other co-conspirators, recruited others to act as the straw buyers in whose name the properties could be titled.

13. In order to secure the mortgage loans for the properties, co-conspirators John William Polosky, W.B., and R.F., and others known and unknown to the United States Attorney, prepared and brokered fraudulent loan applications that they knew contained materially false information, such as false W-2 Forms, false income tax returns and false payroll stubs for co-conspirators E.B. and Eric Ponder, and others. In addition, the applications were often supported by false appraisals that grossly overstated the market values of the properties.

14. Co-conspirator Willie G. Manley, Jr., created false income documents such as W-2 Forms, paystubs, and Form 1040 income tax returns at the direction of E.B. and R.F., which were provided to the lenders and upon which the lenders relied when approving the mortgage loan applications.

15. Co-conspirator F.C. worked as a real estate appraiser and knowingly prepared and authorized the preparation of falsely-inflated appraisals for the properties, thereby

overstating the actual values of the cheap homes being bought.

16. Co-conspirator C.B. falsely represented to lenders that various straw buyers worked at the same company at which C.B. worked, when in reality they did not.

17. Starting in or about October 2007, co-conspirator K.F. began creating fake title insurance policies and falsely informed lenders that title insurance policies were genuine and had been obtained for the properties.

18. Co-conspirator K.F., who served as title agent for most of the transactions, prepared two deeds and settlement statements (referred to as "Form HUD-1") – one for the seller that showed the actual agreed-upon sales price, and a false one for the lender that showed the grossly inflated sales price. K.F. sometimes recorded the false deed showing the grossly inflated sales price with the City of Philadelphia Records Department, which the defendants could then use to establish comparable sales for subsequent false loans for properties in the surrounding area.

19. Lenders, including FDIC-insured banks, many of which were outside the state of Pennsylvania, approved and accepted the loans having relied on the false information contained in the loan applications provided by co-conspirators W.B., R.F., and John William Polosky, and other co-conspirators, and wired or mailed loan proceeds to title companies in Pennsylvania and Virginia, including title companies controlled by K.F. or at which K.F. worked.

20. After the loans funded, that seller was paid the agreed-upon sales price, and the difference between the actual sales price and the false sales price quoted to the lender was shared with and distributed by co-conspirators K.F. and E.B. to co-conspirator Mark Murphy and other co-conspirators who had been involved in securing the particular loan.

21. Defendant DONTAYA S. DEVORE, co-conspirators E.B., K.F., R.F.,

W.B., F.C., G.T, C.B, M.M., Rashika J. Moon, Willie G. Manley, Jr., John William Polosky, and Eric Ponder, others known and unknown to the United States Attorney, sometimes arranged and facilitated either a fraudulent sale of the property from one straw buyer to another straw buyer or a fraudulent refinancing of the property.

22. The mortgage fraud scheme involved more than 100 properties, mostly in the West Philadelphia area, and over \$20 million in loan proceeds were fraudulently obtained. Most properties have since fallen into foreclosure.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects, defendant DONTAYA S. DEVORE and her co-conspirators committed the following overt acts, among others, in the Eastern District of Pennsylvania, and elsewhere:

I. 1841 S. CONESTOGA STREET, PHILADELPHIA, PA

1. On or about February 27, 2007, defendant DONTAYA S. DEVORE and co-conspirators E.B., K.F., and Willie G. Manley, Jr., through J.G., a mortgage broker known to the United States Attorney, caused a mortgage loan application and supporting documents containing materially false statements to be submitted to The CIT Group that included, among other things, a false statement that 1841 S. Conestoga Street would be sold by E.B. to defendant DEVORE, a false statement that the property would be defendant DEVORE's primary residence, false employment and employment verification for defendant DEVORE, and false W-2s and paystubs showing false income for defendant DEVORE.

2. On or about February 27, 2007, co-conspirator Willie G. Manley, Jr. created false W-2s and paystubs for defendant DONTAYA S. DEVORE showing income that defendant DEVORE had not earned. These documents were submitted to The CIT Group.

3. On or about March 5, 2007, defendant DONTAYA S. DEVORE and co-conspirators E.B., K.F., and Willie G. Manley, Jr., caused The CIT Group to approve the mortgage application for 1841 S. Conestoga Street, issue a loan in the amount of \$73,150, and wire approximately \$71,882.24 in interstate commerce from an account at JPMorgan Chase Bank in New York to a bank account in Delaware utilized by PA/NJ Abstract, where K.F. worked as a title agent.

II. 1243 N. 56TH STREET, PHILADELPHIA, PA

4. On or about May 14, 2007, co-conspirators E.B., Willie G. Manley, Jr., and John William Polosky, caused a mortgage loan application and supporting documents containing materially false statements to be submitted to Washington Mutual Bank that included, among other things, a false statement that 1243 N. 56th Street would be sold to defendant DEVORE, a false statement that the property would be defendant DEVORE's primary residence, and false W-2s and paystubs showing false income for defendant DEVORE.

5. On or about May 14, 2007, co-conspirator Willie G. Manley, Jr. created false W-2s and paystubs for defendant DONTAYA S. DEVORE showing income that defendant DEVORE had not earned. These documents were submitted to Washington Mutual Bank.

6. On or about May 25, 2007, defendant DONTAYA S. DEVORE signed a HUD-1 settlement that represented that she was purchasing 1243 N. 56th Street for \$105,000 and borrowing \$84,000 from Washington Mutual Bank to fund the transaction.

7. On or about May 25, 2007, defendant DONTAYA S. DEVORE signed an "Occupancy, Misrepresentation, and Non-Disclosure Affidavit and Agreement" that falsely stated, among other things, that defendant DEVORE would occupy 1243 N. 56th Street within 60 days.

8. On or about May 25, 2007, defendant DONTAYA S. DEVORE and co-conspirators E.B., Willie G. Manley, Jr., and John William Polosky, caused Washington Mutual Bank to approve the mortgage application for 1243 N. 56th Street, issue a loan in the amount of \$84,000, and send approximately \$71,882.24 in interstate commerce to the title company that handled the closing.

III. 5114 SPRINGFIELD AVENUE, PHILADELPHIA, PA

9. On or before July 15, 2008, defendant DONTAYA S. DEVORE and co-conspirators E.B., K.F., W.B., F.C., C.B., Rashika J. Moon, and Willie G. Manley, Jr., through G.F., a mortgage broker known to the United States Attorney, caused an FHA mortgage loan application and supporting documents containing materially false statements to be submitted to Wells Fargo Bank that included, among other things, a false statement that 5114 Springfield Avenue would be sold by co-conspirator Moon to defendant DEVORE, a false statement that the property would be defendant DEVORE's primary residence, false employment and employment verification for defendant DEVORE, and false W-2s, paystubs, and tax returns showing false income for defendant DEVORE.

10. On or about May 13, 2008, co-conspirator F.C. provided a falsely-inflated appraisal for 5114 Springfield Avenue that grossly overstated the actual value of 5114 Springfield Avenue, which was submitted to PNC Mortgage and Wells Fargo Bank.

11. On or about June 23, 2008, defendant DONTAYA S. DEVORE and co-conspirator C.B. signed a "gift letter" containing false statements both that defendant DEVORE was C.B.'s "niece," and that C.B. was giving a gift of \$10,000 to defendant DEVORE in time to close the mortgage transaction for 5114 Springfield Avenue. This gift letter was submitted to PNC Mortgage and Wells Fargo Bank.

12. On or about June 24, 2008, co-conspirator Willie G. Manley, Jr. created false W-2s, paystubs, and tax returns for defendant DONTAYA S. DEVORE showing income that defendant DEVORE had not earned. These documents were submitted to PNC Mortgage and Wells Fargo Bank.

13. On or about June 24, 2008, co-conspirator W.B., while working as a mortgage broker with Carteret Mortgage Corporation, caused to be sent a 60-page facsimile in interstate commerce from Carteret Mortgage Corporation in Virginia to G.F. at PNC Mortgage in Pennsylvania enclosing, among other things, a letter informing G.F. that defendant DONTAYA S. DEVORE's mortgage application for 5114 Springfield Avenue had been accepted by FHA, the false gift letter signed by defendant DEVORE and co-conspirator C.B., and false income tax returns for defendant DEVORE.

14. On or before July 15, 2008, co-conspirator K.F. created a false title insurance policy for 5114 Springfield Avenue, which was submitted to Wells Fargo Bank (who had been assigned the loan by PNC Mortgage).

15. On or about July 15, 2008, defendant DONTAYA S. DEVORE signed an "Addendum to HUD-1 Settlement Statement" which indicated that the loan was an FHA-insured loan and on which defendant DEVORE falsely certified that she would not be reimbursed for any of the cash downpayment or closing costs associated with the loan other than as shown in the sales contract and mortgage application.

16. On or about July 15, 2008, defendant DONTAYA S. DEVORE and co-conspirators E.B., K.F., W.B., F.C., C.B., Rashika J. Moon, and Willie G. Manley, Jr., caused FHA to accept the loan for FHA insurance and caused Wells Fargo Bank to approve the mortgage application for 5114 Springfield Avenue, issue a loan in the amount of \$329,824, and

wire approximately \$322,740.34 in interstate commerce from Iowa to a bank account in Pennsylvania utilized by KREW, where co-conspirator K.F. was the title agent.

17. On and after July 15, 2008, co-conspirator K.F. failed to record Wells Fargo Bank's mortgage on 5114 Springfield Avenue with the City of Philadelphia Records Department and failed to repay BNC Mortgage Inc.'s existing mortgage on the property, as stated on the Form HUD-1 that was submitted to Wells Fargo Bank. Instead, K.F. retained the funds to distribute to himself and other co-conspirators.

18. On or about July 16, 2008, unbeknownst to Wells Fargo Bank, co-conspirator K.F. disbursed approximately \$22,000 to himself and other funds to other co-conspirators known and unknown to the grand jury, including approximately \$23,200 to defendant DONTAYA S. DEVORE, approximately \$15,000 to co-conspirator Mark Murphy, and over \$241,000 to co-conspirator E.B., who in turn disbursed funds to co-conspirators F.C., Rashika J. Moon, and Willie G. Manley, Jr.

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

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 9 and 11 through 22, and Overt Acts 9 through 18, of Count One are incorporated here.

2. On or about July 15, 2008, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

DONTAYA S. DEVORE

together and with E.B., K.F., W.B., F.C., C.B., Rashika J. Moon, charged elsewhere, and Willie G. Manley, Jr., charged elsewhere, and others known and unknown to the United States Attorney, made, passed, uttered and published, and caused to be made, passed, uttered and published, and aided and abetted such, a false statement, that is, a title insurance policy, inflated appraisal, a representation that defendant DEVORE earned \$9,380 per month, a tax returns that represented that defendant DEVORE had \$111,627 in adjusted gross income for 2007 and \$85,500 in adjusted gross income for 2006, and a gift letter that represented that defendant DEVORE was C.B.'s niece and had received a \$10,000 gift from C.B., knowing all of these representations were false, for the purpose of obtaining a loan and advance credit from a corporation, namely Wells Fargo Bank, that is, a \$329,824 Wells Fargo Bank mortgage for 5114 Springfield Avenue, Philadelphia, PA, with the intent that such loan shall be offered to and accepted by the Department of Housing and Urban Development for insurance.

In violation of Title 18, United States Code, Sections 1010 and 2.

COUNT THREE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 9 and 11 through 22, and Overt Acts 4 through 8, of Count One are incorporated here.

2. On or about May 25, 2007, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

DONTAYA S. DEVORE

together and with E.B., Willie G. Manley, Jr., charged elsewhere, and John William Polosky, charged elsewhere, and others known and unknown to the United States Attorney, knowingly made and caused to be made to Washington Mutual Bank, and aided and abetted the making of, a false statement for the purpose of influencing the actions of Washington Mutual Bank, upon a loan, that is, an \$84,000 mortgage for 1243 N. 56th Street, Philadelphia, PA, in that defendant DEVORE together and with E.B., Willie G. Manley, Jr., and John William Polosky, caused to be submitted to Washington Mutual Bank a false loan application and supporting documents that represented that the property would be defendant DEVORE's primary residence and that defendant DEVORE earned more income than she truly earned, when, as defendant DEVORE knew, the representations were not true.

All in violation of Title 18, United States Code, Sections 1014 and 2.

NOTICE OF FORFEITURE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. As a result of the violation of Title 18, United States Code, Sections 371 and 1014, as set forth in this information, defendant

DONTAYA S. DEVORE

shall forfeit to the United States of America any property that constitutes, or is derived from, proceeds obtained directly or indirectly from the commission of such offenses, including, but not limited to, the sum of \$467,574.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 982(b), both incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant(s) up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Sections 981(a)(1)(c) and 982(a)(2)
and Title 28, United States Code, Section 2461.


ZANE DAVID MEMEGER
UNITED STATES ATTORNEY