



*United States Attorney  
Southern District of New York*

**FOR IMMEDIATE RELEASE  
APRIL 29, 2008**

**CONTACT: U.S. ATTORNEY'S OFFICE  
YUSILL SCRIBNER,  
REBEKAH CARMICHAEL  
PUBLIC INFORMATION OFFICE  
(212) 637-2600**

**FBI  
JIM MARGOLIN  
PUBLIC INFORMATION OFFICE  
(212) 384-2720**

**U.S. CHARGES FOUR IN MULTIMILLION-DOLLAR  
MORTGAGE AND INSURANCE FRAUD SCHEME**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and MARK J. MERSHON, Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced today the filing of a superseding Indictment charging DOMINICK DEVITO and ROBERT DIDONATO with participating in a wide-ranging scheme to commit mortgage fraud, and DOMINICK DEVITO, ROBERT DIDONATO, JOHN LISCIO, and LOUIS CORDASCO, JR. with participating in an associated insurance fraud scheme. DEVITO is also charged with obstruction of justice. According to the superseding Indictment filed in Manhattan federal court:

From January 2002 through November 2004, DEVITO was the leader of a fraudulent real estate investment scheme, which had as its primary objective the purchase of multimillion-dollar residential properties in various communities in Westchester County -- including Purchase, New York -- with loans obtained through the submission of false and misleading information to banks and other lenders. Many of the loans were for amounts equal to or more than one hundred percent of the property's actual sale price, so that the defendants and their co-conspirators did not have to put any of their own money at risk in the transaction.

DEVITO identified properties for sale, orchestrated the purchase of the properties and performed construction work at the properties. DIDONATO was a residential real estate broker for

DEVITO and other co-conspirators in their purchase of the properties which were the subject of the scheme.

In furtherance of the fraud, the defendants submitted to various federally-insured banks loan applications, contracts of sale, deeds, real estate transfer documents, title reports, and other documents which contained materially false or misleading information about the income, assets, existing debt and credit-worthiness of the borrower, the chain of title to the property, and the sale price of the home. They also indicated the borrower's intent to reside in the property as a primary residence, when the properties were typically purchased for investment purposes.

DEVITO and DIDONATO "cashed out" on certain properties by taking additional private loans against the already fraudulently-inflated sale price of the properties. The proceeds of these loans, which were never repaid in full, were deposited in a bank account used for the benefit of DEVITO.

As a result of the defendants' scheme to defraud, DEVITO and DIDONATO obtained millions of dollars in loan proceeds, enabling them to control certain properties that they otherwise would not have been able to purchase and finance. In addition, the defendants earned money from fees and commissions on the sale or re-financing of the properties. The banks, on the other hand, lost millions of dollars when the defendants and their co-conspirators defaulted on mortgage payments and caused several of the properties to go into foreclosure.

In addition, from January 2003 through February 2005, DOMINICK DEVITO, ROBERT DIDONATO, JOHN LISICIO, and LOUIS CORDASCO, JR., engaged in a scheme to defraud insurance companies by submitting false and misleading insurance claims and supporting documents for water damage caused by broken pipes at several of the homes purchased as part of the mortgage fraud scheme.

JOHN LISICIO was a licensed insurance agent who sold insurance policies to the owners of the homes purchased in the scheme and helped DEVITO submit insurance claims for water damage. LOUIS CORDASCO, JR., working for a company that specializes in emergency clean-up services for water damage to residential homes, was responsible for performing emergency clean-up services for some of the homes that were damaged as part of the insurance fraud scheme. In February 2005, CORDASCO and LISICIO also planned to break pipes at a home in Purchase, New York in order to submit a false insurance claim for water damage.

The Indictment also charges DOMINICK DEVITO with obstruction of justice in connection with a 2003 proceeding in Manhattan federal court. Specifically, DEVITO submitted false and misleading information regarding the value of his assets and his personal net worth following his sale of a property in Purchase, New York.

If convicted, the defendants face the maximum penalties, per count, as follows:

Count	Charge	Defendant	Maximum Penalty
1	Conspiracy to commit bank fraud	DEVITO DIDONATO	30 yrs prison; 3 yrs supervised release; \$1 million fine, or twice the pecuniary loss or gain from the offense
2, 3	Bank fraud	DEVITO	30 yrs prison; 3 yrs supervised release; \$1 million fine, or twice the pecuniary loss or gain from the offense
4, 5, 6	Bank fraud	DEVITO DIDONATO	30 yrs prison; 3 yrs supervised release; \$1 million fine, or twice the pecuniary loss or gain from the offense

7	Bank fraud	DIDONATO	30 yrs prison; 3 yrs supervised release; \$1 million fine, or twice the pecuniary loss or gain from the offense
8, 9, 10, 11	Bank fraud	DEVITO	30 yrs prison; 3 yrs supervised release; \$1 million fine, or twice the pecuniary loss or gain from the offense
12	Bank fraud	DEVITO DIDONATO	30 yrs prison; 3 yrs supervised release; \$1 million fine, or twice the pecuniary loss or gain from the offense
13	Obstruction of justice	DEVITO	10 yrs prison; 3 yrs supervised release; \$250,000 fine, or twice the pecuniary loss or gain from the offense
14	Conspiracy to commit mail fraud	DEVITO DIDONATO LISCIO CORDASCO	20 yrs in prison; 3 yrs supervised release; \$250,000 fine, or twice the pecuniary loss or gain from the offense

15	Mail fraud	DEVITO DIDONATO LISCIO CORDASCO	20 yrs in prison; 3 yrs supervised release; \$250,000 fine, or twice the pecuniary loss or gain from the offense
----	------------	--	--

DEVITO, DIDONATO, LISCIO, and CORDASCO are expected to be arraigned before United States District Court Judge BARBARA S. JONES on the charges in the superseding Indictment on May 5, 2008.

Mr. GARCIA praised the work of the FBI in the investigation of this case.

Assistant United States Attorneys KATHERINE R. GOLDSTEIN and JONATHAN B. NEW are in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

08-103

###