

## Department of Justice Press Release

**For Immediate Release**  
November 12, 2009

**United States Attorney's Office**  
**Southern District of Ohio**  
**Contact: (937) 225-2910**

### **Grand Jury Indicts Mortgage Loan Officer, Former Local Radio Host, Family Member in Mortgage Fraud Scheme** ***Three Men Allegedly Obtained More Than \$4.5 Million in Fraudulent Mortgage Loans***

DAYTON—A federal grand jury here has indicted James L. Mack, 64, a former loan officer at the Centerville branch of Republic Bank, Walter A. Millat, 70, and his son William E. Millat, 49, all of Dayton charging the three men with operating a scheme to fraudulently obtain more than \$4.5 million in mortgage loans by fraudulently orchestrating the purchase and sale of more than 100 properties in the Dayton area between 2001 and 2006.

Carter M. Stewart, United States Attorney for the Southern District of Ohio; and Nancy Grinnell, Special Agent in Charge, Federal Deposit Insurance Corporation Office of Inspector General (FDIC), and other members of the Greater Dayton Mortgage Fraud Task Force announced the indictment returned Tuesday, November 10, 2009.

The indictment charges each man with one count of conspiracy, four counts of mail fraud and four counts of bank fraud. Each count is punishable by up to 30 years' imprisonment. The indictment also charges William Millat and Walter Millat with conspiracy to launder money, punishable by up to 20 years imprisonment. The indictment also seeks forfeiture of the proceeds of the scheme.

The indictment identifies Mack as a former mortgage loan officer at the Republic Bank branch in Centerville. William Millat and his father, Walter Millat, operated various real estate businesses and corporations in the time period covered by the indictment. Between April 2005 and May 2006, William Millat hosted a Saturday morning radio call-in talk show entitled "Real Estate Investing for Everyone" on a Dayton radio station.

The indictment alleges that William Millat and Walter Millat recruited investors through newspaper ads in Dayton, New York City and Indianapolis to participate in a plan to buy and renovate single family houses in distressed inner city neighborhoods in Dayton. Investors were promised a 50 percent return on their investment if they would invest for three months.

The men are charged with directing potential buyers to Mack and preparing false and fraudulent loan documents. Prospective buyers were promised that they would receive the properties without putting any money down, receive a check at closing, and that the properties would be renovated, rented, and generating positive cash flow without any cost to the buyers. The scheme victimized at least 12 separate individual property investors.

The three allegedly used the buyers' information and created false documents to obtain all the mortgages from Republic Bank, netting more than \$2 million in proceeds for themselves through the scheme.

Stewart commended the joint investigation by the FDIC Office of Inspector General and members of the Greater Dayton Mortgage Fraud Task Force. Agencies participating in the Greater Dayton Mortgage Fraud Task in addition to the FDIC include the FBI, IRS-Criminal Investigation, the Ohio Department of Commerce, Ohio Attorney General Richard Cordray's Office, the U.S. Postal Inspection Service, the U.S. Department of Housing and Urban Development Office of Inspector General, and the Perry Township Police Department.

An indictment is merely an accusation. All defendants should be presumed innocent until and unless proven guilty in court.

[Press Releases](#) | [Cincinnati Home](#)