



Department of Justice

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CLOSING ATTORNEY SENTENCED TO PRISON FOR MORTGAGE FRAUD

Ordered To Pay Over \$7 Million In Restitution Related To Properties In Alpharetta, Roswell, And Duluth

Atlanta, GA - RAYMOND JOSEPH COSTANZO, Jr., 63, of Clayton, Georgia, was sentenced today by United States District Judge Beverly B. Martin on charges of bank fraud and conspiracy related to a multi-million dollar mortgage fraud scheme.

United States Attorney David E. Nahmias said, "Such blatant fraud by a licensed professional and real estate market 'gatekeeper' cannot be tolerated. Closing attorneys are the lenders' eyes and ears at the closing table and must guard against mortgage fraud. The integrity of closing attorneys is essential in the effort to prevent mortgage fraud. Attorneys who choose to be part of the fraud problem rather than part of the solution should understand that their future may be in a federal prison."

COSTANZO was sentenced to 3 years, 5 months in prison to be followed by 4 years of supervised release, and ordered to pay \$7,843,184 in restitution. COSTANZO pleaded guilty to these charges on October 17, 2006, and has also surrendered his license to practice law.

According to United States Attorney Nahmias and the information presented in court: From late 2004 through early 2006, COSTANZO participated in closing millions of dollars in fraudulently inflated mortgage loans for unqualified straw borrowers. These straw borrowers were paid as much as \$600,000 from fraudulently obtained loan proceeds through shell companies. COSTANZO himself obtained mortgage loans totaling over \$1.5 million by providing the lender with false qualifying information, and he also falsified down payments. COSTANZO received \$250,000 in scheme proceeds from this transaction, and arranged for disbursements of fraudulently obtained loan proceeds to co-conspirators from this and other loans.

This case was investigated by Special Agents of the Federal Bureau of Investigation.

Assistant United States Attorneys Gale McKenzie, William L. McKinnon, Jr., and Douglas Gilfillan prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.