



RICHARD A. BROWN
DISTRICT ATTORNEY

**DISTRICT ATTORNEY
QUEENS COUNTY
125-01 QUEENS BOULEVARD
KEW GARDENS, NEW YORK 11415-1568
718-286-6000**

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CONTACT: KEVIN RYAN
HELEN PETERSON
MERIS CAMPBELL
(718) 286-6315

QUEENS REAL ESTATE APPRAISAL FIRM AND CEO INDICTED
IN ALLEGED SCHEME THAT INFLATED REAL ESTATE VALUES
Allegedly Stole Identities of Other Appraisers As Part of Scheme

____ Queens District Attorney Richard A. Brown, joined by Police Commissioner Raymond W. Kelly and New York State Secretary of State Lorraine A. Cortes-Vasquez, today announced the indictment of a Whitestone real estate appraisal company and its chief executive officer for allegedly inflating the value of properties in connection with numerous residential mortgage applications.

In a 397-count indictment, D & T National Appraisals, Inc., and its CEO, Donato Odato, 54, of 166-11 Cryders Lane in Whitestone, have been variously charged with second- and third-degree forgery, criminal possession of a forged instrument, first- and second-degree falsifying business records, first- and third-degree identity theft, first-degree scheme to defraud and fifth-degree conspiracy. Odato faces up to seven years in prison if convicted. The corporate defendant faces a fine of up to \$10,000 for each felony count conviction or double the amount of the illegal gain.

District Attorney Brown said, "The arrests are the result of a nine-month investigation which alleges a pattern of fraud committed by the defendants in the sale of numerous homes in Queens County and elsewhere in the United States and resulted in artificially high appraisals of the properties. This type of mortgage fraud has the potential to needlessly cost lenders and purchasers millions of dollars, as well as undermine the credibility of the entire real estate market. I want to acknowledge the hard work of all the investigative agencies involved. Without their team efforts, we would not have been able to have uncovered and pursued these allegations."

Secretary of State Cortes-Vasquez said, "We at the Department of State are pleased to have been able to assist the Queens District Attorney in bringing about today's indictment. As we all recognize, abuses in the real estate industry have caused serious problems afflicting many New Yorkers. As an integral partner of Governor Spitzer's "HALT" (Halt Abusive Lending Transactions) Task Force, the Department of State has been working closely with the Department of Banking to uncover illicit transactions involving real estate brokers, mortgage brokers and home inspectors as well as appraisers. Anyone who intentionally defrauds homeowners and potential buyers deserves to be prosecuted to the full extent of the law. Today's indictment is a reminder that they will be."

(more)

District Attorney Brown said that, according to the indictment, Odatto, as the chief executive officer of D & T National Appraisals, Inc., recruited licensed appraisers over the Internet and offered them positions with his company as part of a ruse to steal their personal identity information. Thereafter, it is alleged he would forge the names of the prospective job seekers on numerous appraisals that he filed in connection with residential mortgage applications.

It is further alleged that Odatto took advantage of the Internet's anonymity, as well as his own background as a former licensed assistant appraiser, to fraudulently induce lenders and other real estate professionals to use his company's claimed appraisal services. It is alleged that instead of actually doing the appraisal work, Odatto would simply concoct information on real estate values from various sources and then inflate the values to match mortgage applications.

The alleged scheme came to light when financial institutions began reaching out to the appraisers who allegedly had their identities stolen and advised them that their services would no longer be needed due to their inappropriate and highly inflated valuations of properties based on falsified data. The appraisers, in turn, contacted the Queens District Attorney's Office to report the identity theft.

The defendants were arraigned yesterday afternoon before Acting Queens Supreme Court Justice James P. Griffin who released Odatto on \$100,000 bail and set a return date of January 14, 2008.

The investigation was conducted by Detective David Gilbert, of the District Attorney's NYPD Squad, under the supervision of Sergeant Frank Horvath, and Captain John Zanfardino, and under the overall supervision of Deputy Chief Louis M. Croce, Jr. and Chief of Detectives George F. Brown, and by Senior Investigator Ernest Delaney, of the Investigations Unit of the Division of Licensing at the New York State Department of State (DOS), under the supervision of Chief Investigator Michael Elmendorf, as well as by DOS Senior Attorney Whitney Clark.

Also assisting in the investigation were Detectives Investigators Joseph Brancaccio and Lester Frank and Sergeant Evelyn Alegre, of the District Attorney's Detective Bureau, under the supervision of Sergeant John Kenna, Lieutenant Robert Burke and the overall supervision of Deputy Chief Al Velardi and Chief Lawrence Festa, and Supervisory Forensic Accountant James Dever and Investigations Division Analyst-Intern Jason J. Bush.

Peter A. Crusco, Executive Assistant District Attorney for Investigations, is prosecuting the case.

It should be noted that an indictment is merely an accusation and that a defendant is presumed innocent until proven guilty.

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Note to Editors: E-version of this press release posted at www.queensda.org