



Department of Justice

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FORMER EMPLOYEE OF FLORIDA PROPERTY MANAGEMENT COMPANY SENTENCED TO SERVE TIME IN PRISON FOR WIRE FRAUD

Scheme Affected U.S. Department of Veterans Affairs Mortgage Guarantee Program

WASHINGTON – A former residential sales manager of a Florida property management company was sentenced to serve 24 months in prison today in the U.S. District Court for the Middle District of Florida, in Orlando, for his participation in a wire fraud scheme involving housing repair contracts for the U.S. Department of Veterans Affairs (VA), the Department of Justice announced.

Ryan J. Piana pleaded guilty on July 16, 2013, to two wire fraud counts of a 10-count indictment. In addition to his prison sentence, U.S. District Court Judge Roy B. Dalton Jr. also sentenced Piana to pay \$147,285 in restitution to the VA.

The indictment, originally filed in January 2012, in the U.S. District Court for the Northern District of Illinois, in Rockford, charged Piana, Ronald B. Hurst and Bryant A. Carbonell with conspiring to commit bribery and wire fraud from beginning at least as early as January 2006 continuing until as late as September 2007. Piana, Hurst and Carbonell were also charged with bribery and wire fraud. As part of the plea agreement, the United States agreed to dismiss the remaining counts against Piana at the time of his sentencing.

“Steering contracts to a company in return for kickbacks distorts the competitive process and harms consumers,” said Bill Baer, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “The Antitrust Division will not tolerate anticompetitive activity that defrauds the Department of Veterans Affairs.”

Piana is a former residential sales manager at West Palm Beach, Fla.-based Ocwen Loan Servicing LLC, and Hurst and Carbonell are former contractors for Ocwen. According to court documents, Ocwen managed foreclosed properties under contract with the VA, which guaranteed qualifying residential mortgages for veterans. Under the contract between the VA and Ocwen, if a veteran defaulted, Ocwen completed necessary repairs and re-sold the property. Proceeds from the re-sale of VA-acquired properties directly benefit the VA by reducing the cost of guaranteeing residential mortgages to veterans.

According to the charges, Hurst and Carbonell paid Piana to steer housing repair work to companies affiliated with Hurst and Carbonell. Piana recruited other Ocwen employees into the scheme and paid them on behalf of himself and the other conspirators. The department said in order to execute the scheme, the conspirators sent, or caused to be sent, various transmissions via wire communication.

Carbonell pleaded guilty to the wire fraud counts on Sept. 21, 2012. Hurst pleaded guilty to the same counts on Feb. 15, 2013. Both Hurst and Carbonell entered their guilty pleas in the U.S. District Court in Rockford. Their sentencing dates are scheduled for Dec. 5 and 6, 2013, respectively.

This is the third case involving properties managed by Ocwen under contract with the VA. On Dec. 3, 2010, Benjamin K. Graves, also a former Ocwen employee, pleaded guilty in U.S. District Court in Orlando to wire fraud in connection with the VA contract. On Jan. 25, 2012, Joshua R. Nusbaum, another a former Ocwen employee, and Andrew J. Nusbaum, a former Ocwen contractor, pleaded guilty in U.S. District Court in Orlando to wire fraud in connection with the same VA contract.

The sentence announced today resulted from an ongoing federal investigation of housing repair contracts performed under contract with the VA. The investigation is being conducted by the Antitrust Division's Chicago Office and the Central Field Office of the U.S. Department of Veterans Affairs, Office of Inspector General, Criminal Investigations Division, located in Hines, Ill. Anyone with information concerning suspicious activity relating to housing repairs performed under a contract with the VA should contact the Antitrust Division's Chicago Office at 312-353-7530 or visit www.justice.gov/atr/contact/newcase.htm.

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