



Department of Justice

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AT
(202) 514-2007
TTY (866) 544-5309

FORMER CONTRACTOR OF A 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 repair contractor of a Florida property management company was sentenced to serve time in prison for his participation in a wire fraud scheme related to housing repairs made under a contract between Ocwen Loan Servicing LLC, and the U.S. Department of Veterans Affairs (VA), the Department of Justice announced today.

Ronald B. Hurst was sentenced by Judge Philip G. Reinhard of the U.S. District Court for the Northern District of Illinois in Rockford to serve 24 months in prison for his role in the conspiracy.

In addition, a second former repair contractor, Bryant A. Carbonell, was sentenced by Judge Reinhard to serve six months of home confinement for his role in the conspiracy. Hurst and Carbonell were sentenced to pay \$147,825 jointly and severally in restitution to the VA. Hurst pleaded guilty on Feb. 15, 2013, to two wire fraud counts of a 10-count indictment and Carbonell pleaded guilty on Sept. 21, 2012, to the same charges.

An indictment, originally filed in January 2012, charged Hurst, Carbonell and Ryan J. Piana with conspiring to commit bribery and wire fraud from at least January 2006 until as late as September 2007. Hurst, Carbonell and Piana were also charged with bribery and wire fraud. As part of the plea agreements, the United States agreed to dismiss the remaining counts against Hurst and Carbonell at the time of their sentencing.

“By paying kickbacks in exchange for contracts to companies they secretly owned or with which they were affiliated, the conspirators created the illusion of competition while illegally steering contracts to themselves,” said Bill Baer, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “Today’s sentencing reaffirms the Antitrust Division’s commitment to prosecuting schemes that undermine competition in the VA Mortgage Guarantee Program.”

Hurst and Carbonell were former contractors for West Palm Beach, Fla.-based Ocwen Loan Servicing LLC. Piana was a former residential sales manager at 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.

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, Fla., to wire fraud in connection with the VA contract. On Jan. 25, 2012, Joshua R. Nusbaum, another former Ocwen employee, and Andrew J. Nusbaum, a former Ocwen contractor, pleaded guilty in U.S. District Court in Orlando, Fla., to wire fraud in connection with the same VA contract. Piana pleaded guilty to the same counts as Carbonell and Hurst on July 16, 2013, in U.S. District Court in Orlando, Fla. Piana was sentenced on Sept. 30, 2013, to serve 24 months in prison and to pay \$147,285 in restitution to the VA.

The sentence announced today resulted from a 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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