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PRESS RELEASE

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Former HUD Employee Sentenced to 26 Months in Prison For Theft of Over \$843,000 of Government Money Defendant Sold HUD Properties, Kept a Portion of the Proceeds for Himself

WASHINGTON – Brian E. Thompson, 54, a former loan guarantee specialist for the U.S. Department of Housing and Urban Development, was sentenced today to 26 months in prison for a scheme in which he stole over \$843,000 of government money.

The sentencing was announced by U.S. Attorney Ronald C. Machen Jr., Gary R. Barksdale, Inspector in Charge of the Washington Division of the U.S. Postal Inspection Service, and Cary A. Rubenstein, Special Agent in Charge of the Mid-Atlantic Region of the Office of the Inspector General of the U.S. Department of Housing and Urban Development (HUD-OIG).

Thompson, of Washington, D.C., pled guilty in October 2014 in the U.S. District Court for the District of Columbia to one count of wire fraud. He was sentenced by the Honorable Senior Judge Paul L. Friedman. Upon completion of his prison term, Thompson will be placed on three years of supervised release. He also must pay \$843,400 in restitution to the federal government. Finally, he is subject to a forfeiture money judgment in the amount of \$645,700, in addition to over \$150,000 previously seized from his financial accounts.

According to a statement of offense, signed by the defendant as well as the government, Thompson carried out his scheme from May 2013 until March 2014, while he was working for HUD's Office of Loan Guarantee for Native American programs. This Office handles the reselling of properties that have been acquired by HUD after borrowers defaulted on their HUD-guaranteed mortgages. Thompson was a loan guarantee specialist. His duties included selling these HUD real estate owned properties for the best possible price in order to reimburse the government for the payments made to the mortgage lender for the insured loan. He advised

supervisors of the progress of reselling properties, and he also coordinated with the title and escrow agents at settlements.

From June 2013 until March 2014, Thompson sold parcels of such real estate properties on behalf of HUD. For five of those parcels, he made materially false misrepresentations to third parties and diverted \$843,000 of the sales proceeds to bank accounts under his control. In order to conceal these thefts from HUD, Thompson used and submitted fictitious settlement statements that falsely listed the buyer, and/or the contract sales prices, and/or the seller proceeds.

“Brian Thompson will be a federal inmate because of his crooked dealings,” said U.S. Attorney Machen. “He ripped off the taxpayer and harmed the integrity of program designed to help underprivileged Native American homeowners. Public service is a calling, not a get-rich-quick opportunity. I want to thank the other public servants at the Office of Native American Programs who came forward and raised concerns about Thompson’s conduct.”

“As today’s sentence demonstrates, those who attempt to defraud the U.S. government will be held accountable,” said Postal Inspector in Charge Barksdale. “Postal Inspectors applaud the efforts of its law enforcement partners at HUD-OIG. Our combined efforts brought the individual responsible for this crime, which involved the U.S. mail system, to justice.”

“The United States Department of Housing and Urban Development, Office of the Inspector General is tasked with investigating allegations of waste, fraud, and abuse in HUD-sponsored programs,” said Special Agent in Charge Rubenstein. “When we learn of HUD employees who engage in fraud, and in this instance elect to enrich themselves at the expense of a HUD program designed to ensure that Native Americans are provided the American dream of home ownership, we vigorously investigate these allegations in order to bring the employees to justice and remove them from current and future employment with HUD and the Federal Government. We wish to thank our law enforcement partners at the U.S. Postal Inspection Service and United States Attorney’s Office for their steadfast efforts, hard work and dedication. This was a truly collaborative effort that led to the sentencing today.”

In announcing the sentence, U.S. Attorney Machen, Inspector in Charge Barksdale, and Special Agent in Charge Rubenstein commended the work of those who investigated the case from the U.S. Postal Inspection Service and HUD’s Office of the Inspector General. They also acknowledged the efforts of those who worked on the case from the U.S. Attorney’s Office, including Paralegal Specialist Kristy Penny, the Asset Forfeiture and Money Laundering Section’s staff, and Assistant U.S. Attorneys Diane Lucas and Virginia Cheatham.