



United States Department of Justice

Offices of the United States Attorneys

THE UNITED STATES ATTORNEY'S OFFICE
DISTRICT *of* MASSACHUSETTS

U.S. Attorneys » District of Massachusetts » News

Department of Justice

U.S. Attorney's Office

District of Massachusetts

SHARE

FOR IMMEDIATE RELEASE

Wednesday, April 24, 2019

Mortgage Company President Sentenced for Defrauding Ginnie Mae

BOSTON – The president and founder of a Falmouth mortgage company was sentenced yesterday in federal court in Boston in connection with defrauding the Government National Mortgage Association (Ginnie Mae) out of approximately \$2.5 million.

Robert Pena, 69, the president and founder of the now-defunct mortgage company, Mortgage Security, Inc. (MSI), was sentenced by U.S. Senior District Court Judge Mark L. Wolf to 32 months in prison, two years of supervised release, and ordered to pay \$2.5 million in restitution to Ginnie Mae. In October 2017, Pena pleaded guilty to an indictment charging him with one count of conspiracy and six counts of wire fraud.

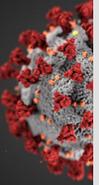
The charges arise out of Pena's scheme to defraud Ginnie Mae, a government-run corporation charged with making housing more affordable by injecting capital into the U.S. housing market. Ginnie Mae, which is part of the U.S. Department of Housing and Urban Development (HUD), guarantees the timely payment of principal and interest to investors in bonds backed by government-sponsored mortgage loans, such as those offered by the Federal Housing Administration and the U.S. Department of Veterans Affairs.

MSI contracted with Ginnie Mae to pool eligible residential mortgage loans and then sell Ginnie Mae-backed mortgage bonds to investors. MSI was responsible for servicing the loans in the pools it created, including collecting principal and interest payments from borrowers, as well as loan payoffs, and placing those funds into accounts held in trust by Ginnie Mae, which would ultimately pass them along to investors. Among other things, Ginnie Mae required issuers like MSI to provide regular reports to Ginnie Mae concerning the status of the loans in the pools.



REPORT COVID-19 CRIME

Contact the National Center for
Disaster Fraud Hotline:
866-720-5721 or
Justice.gov/DisasterComplaintForm



YOUR CHOICES MATTER.
#RESISTHERISK

VWA
VICTIM
WITNESS
ASSISTANCE

Making sure victims of
federal crimes are treated
with compassion, fairness
and respect.

LEARN MORE

Beginning in 2011, Pena began diverting money that borrowers were sending to MSI. Specifically, Pena deposited high-dollar, loan-payoff checks into bank accounts unknown to Ginnie Mae and then used those funds for personal and business expenses. Pena also diverted borrowers' escrow funds and mortgage-insurance premiums for his own use. In total, Pena took approximately \$2.5 million, which Ginnie Mae then had to pay to investors whose investments it had guaranteed. Pena also attempted to cover up his scheme by providing false reports to Ginnie Mae about the status of the loans MSI was servicing. These false reports made it appear that the loans were still in repayment.

Pena's co-conspirator, Gilda Andrade, who worked for Pena at MSI and helped Pena file false reports with Ginnie Mae, cooperated with the government's investigation. Andrade pleaded guilty to a misdemeanor charge of making a false statement to HUD in December 2017, and was previously sentenced by U.S. Magistrate Judge Judith G. Dein to one year probation and ordered to pay \$108,240 in restitution to Ginnie Mae.

United States Attorney Andrew E. Lelling; Christina Scaringi, Special Agent in Charge of the U.S. Department of Housing and Urban Development, Office of Inspector General, Northeast Regional Office; and Joseph Bonavolonta, Special Agent in Charge of the Federal Bureau of Investigation, Boston Field Division, made the announcement today. The U.S. Attorney's Office wishes to acknowledge the invaluable assistance of the U.S. Department of Veterans Affairs, Office of Inspector General; the U.S. Department of Agriculture, Office of Inspector General; and the Falmouth Police Department. Assistant U.S. Attorney Brian M. LaMacchia prosecuted the case.

Topic(s):
Mortgage Fraud

Component(s):
USAO - Massachusetts

Updated April 24, 2019



Information on the Boston Marathon bombing cases

[LEARN MORE](#)

- HOME**
 - ABOUT**
 - DIVISIONS**
 - NEWS**
 - OUTREACH & INITIATIVES**
 - RESOURCES**
 - CAREERS**
 - CONTACT**
- En Espanol
 - Meet the U.S. Attorney
 - District Organizational Chart
 - FAQ
 - Units
 - Press Releases
 - Events & Trainings
 - Civil Rights
 - Drug/Violent Crime
 - National Security
 - Prisoner Reentry
 - Project Safe Childhood
 - Project Safe Neighborhoods
 - Violent Extremism Prevention
 - Victim Witness Program
 - Daily Court Calendars
 - Search Case Information
 - Civil and Criminal Debt Repayment
 - Guide to Federal Court and Legal Terms
 - Assistant U.S. Attorneys
 - Administrative & Professional Staff
 - Internship Program

U.S. DEPARTMENT OF JUSTICE

[Accessibility](#) [Justice.gov](#)

[FOIA](#) [USA.gov](#)

[Privacy Policy](#)

[Legal Policies & Disclaimers](#)