



U.S. Department of Justice

Channing D. Phillips
*United States Attorney for the
District of Columbia*
Judiciary Center
555 Fourth St. N.W.
Washington, D.C. 20530

PRESS RELEASE

FOR IMMEDIATE RELEASE

Friday, January 6, 2017

For Information Contact:

Public Affairs

(202) 252-6933

<http://www.justice.gov/usao/dc/index.html>

Florida Man Sentenced to Prison for Scheming to Collect Compensation For Active-Duty Military Members Who Suffer Foreclosure Losses Defendant Falsely Claimed He Was on Active Duty in Iraq When Two Condominiums Were Targeted for Foreclosure

WASHINGTON – David Bernier, 52, of Fort Lauderdale, Fla., was sentenced today to six months in prison on a federal charge stemming from a scheme in which he forged military records and made false statements in an attempt to collect over \$700,000 under a federal law meant to protect active duty military members from suffering losses through mortgage foreclosures.

The sentence was announced by Channing D. Phillips, U.S. Attorney for the District of Columbia, Lew F. Sessions, Special Agent in Charge of the Department of Justice Office of the Inspector General's Fraud Detection Office, and James Springs, Inspector General for the National Archives and Records Administration.

Bernier pled guilty on June 20, 2016, in the U.S. District Court for the District of Columbia to making a false statement. He was sentenced by the Honorable Colleen Kollar-Kotelly. Following his prison term, Bernier will be placed on two years of supervised release.

The scheme involved Bernier's claims that he was entitled to protection under the Servicemembers Civil Relief Act, a law that provides protections for military members as they enter active duty. Among other things, the law prohibits non-judicial foreclosures against service members who are in military service or within the applicable post-service period, as long as they originated their mortgages before their period of military service began.

In 2012, the United States settled two lawsuits against financial institutions accused of improperly foreclosing on mortgages of active duty military service personnel. The court

agreements led to the creation of settlement funds out of which payments would be made to qualified individuals whose homes had been wrongfully foreclosed upon.

Bernier filed two such claims in 2014, involving foreclosures that took place in 2008 and 2009 of two condominiums he owned in Fort Lauderdale. In both claims, Bernier stated that the properties were foreclosed upon while he was on active duty in the U.S. Air Force in Iraq. He also provided documentation claiming he had received the Defense Meritorious Service Medal and Citation for conduct in Iraq from July 2008 to March 2010. Under the settlement agreements, if the claims were valid, Bernier could have received a total of \$730,000.

However, the financial institutions were unable to substantiate Bernier's claims, leading him to submit follow-up documents and make statements attesting to his service. In fact, an investigation determined that the documents Bernier had submitted were forgeries. At the time that Bernier supposedly was in Iraq, he was in fact working in the state of Washington. No money was paid to Bernier, whose actions became the subject of a criminal investigation.

"This defendant went to great lengths in his brazen attempts to defraud financial institutions of \$730,000 that was meant to protect veterans from foreclosures while they were in service to our country," said U.S. Attorney Phillips. "Fortunately, the banks and the Department of Justice fully vetted the defendant's many forgeries on documents and he was never paid. We will continue to hold people accountable for attempting to cash in on benefits meant for others."

"By falsely claiming mortgage relief benefits reserved for those on active duty, the defendant not only sought to defraud the government, his actions resulted in a delay of payments to those who actually deserved to receive them -- the brave men and women who lost their homes to foreclosure while serving their country overseas," said Special Agent in Charge Sessions. "We will continue to investigate all those who try to cheat the system in this manner."

In announcing the sentence, U.S. Attorney Phillips, Inspector General Horowitz, and Inspector General Springs commended those who investigated the case from the Offices of Inspector General for the Department of Justice and the National Archives and Records Administration. They also expressed appreciation for the efforts of those who worked on the case from the U.S. Attorney's Office, including Assistant U.S. Attorney Peter C. Lallas, who prosecuted the matter.

17-05

##