

Department of Justice
U.S. Attorney's Office
District of Massachusetts

FOR IMMEDIATE RELEASE

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Ludlow Couple Sentenced to 18 Months in Prison for Six Year Bid-Rigging Scheme

BOSTON – A Ludlow couple was sentenced yesterday in federal court in Springfield for a six-year bid-rigging and kickback scheme.

Joanne Murray, 54, and James Murray, 53, both of Ludlow, were each sentenced by U.S. District Court Judge Mark G. Mastroianni to 18 months in prison and three years of supervised release. In February 2019, the defendants pleaded guilty to conspiracy to commit mail fraud, aggravated identity theft and tax evasion.

From approximately 2010 through 2015, the Murrays, along with others, engaged in a scheme to defraud the Federal Home Loan Mortgage Corporation, commonly known as Freddie Mac. Joanne worked at a Springfield real estate brokerage, which managed hundreds of foreclosed properties owned by Freddie Mac. In the scheme, Joanne, James and others agreed to submit fraudulent “reimbursements” by the brokerage to Freddie Mac for James’s company, amounting to approximately \$1,372,099 in repair, improvement and maintenance projects. After Freddie Mac paid the purported reimbursements, the brokerage paid James approximately 90% of those amounts and retained an approximately 10% skim. Joanne ensured that James’s company would win these projects by submitting fraudulent bids to Freddie Mac by purported competitors. To avoid detection by Freddie Mac, Joanne submitted bids in the name of a friend of the Murrays, without his knowledge, instead of James’s company, for work that was ultimately performed by James’s company. The Murrays and others also agreed to submit similar fraudulent requests for reimbursement of minor cleaning projects for James’s relative, amounting to approximately \$68,960, in exchange for the brokerage’s retention of approximately 10% of the relative’s payments.

In addition, from 2012 through 2014, the Murrays evaded payment on outstanding federal tax debts based upon their 2008, 2009, 2010 and 2011 tax years by cashing numerous checks from the brokerage totaling approximately \$461,030 rather than depositing those checks into their bank accounts. Lastly, in 2014, the Murrays jointly filed an individual federal income tax return that under-reported their gross receipts by approximately \$151,178.

United States Attorney Andrew E. Lelling; Robert Manchak, Acting Special Agent in Charge of the Federal Housing Finance Agency; Kristina O'Connell, Special Agent In Charge of the Internal Revenue Service's Criminal Investigations in Boston; Joseph R. Bonavolonta, Special Agent in Charge of the Federal Bureau of Investigation, Boston Field Division; and Joseph W. Cronin, Inspector in Charge of the U.S. Postal Inspection Service, Boston Division, made the announcement today. Assistant U.S. Attorneys Steven H. Breslow and Deepika Shukla of Lelling's Springfield Branch Office prosecuted the case.