

Department of Justice
U.S. Attorney's Office
Middle District of Pennsylvania

FOR IMMEDIATE RELEASE
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Scranton Business Owners Charged In Unemployment Benefits Scheme

SCRANTON - The United States Attorney's Office for the Middle District of Pennsylvania announced today that a Criminal Information was filed in U.S. District Court in Scranton charging a Scranton man and a Dunmore man with conspiracy to commit wire fraud in connection with the fraudulent receipt of unemployment benefits.

According to United States Attorney Bruce D. Brandler, Samuel Borgia, age 52, and Steven Borgia, age 46, owned and operated Home Resource Corporation, a home improvement company in Scranton. From 2009 to 2012, the defendants allegedly filed fraudulent claims for unemployment compensation and received unemployment benefits to which they were not entitled.

The defendants also allegedly instructed a number of their employees to falsely report to the Pennsylvania Department of Labor that the employees were not employed in order for the employees to also fraudulently receive unemployment benefits. The Information charges that the defendants and their co-conspirators received more than \$150,000 as a result of the scheme.

The government also filed plea agreements which are subject to the approval of the court, where the defendants indicate that they intend to plead guilty to the charge when they appear in federal court for their arraignment.

The charges stem from an investigation by the United States Department of Labor, Office of the Inspector General, and the Commonwealth of Pennsylvania's Department of Labor. The case is being prosecuted by Assistant United States Attorney Evan Gotlob.

Indictments and Criminal Informations are only allegations. All persons charged are presumed to be innocent unless and until found guilty in court.

A sentence following a finding of guilt is imposed by the Judge after consideration of the applicable federal sentencing statutes and the Federal Sentencing Guidelines.

The maximum penalty under federal law for the offense charged in this case is five years' imprisonment, a term of supervised release following imprisonment, and a maximum fine of \$250,000. Under the Federal Sentencing Guidelines, the Judge is also required to consider and weigh a number of factors, including the nature, circumstances and seriousness of the offense; the history and characteristics of the defendant; and the need to punish the defendant, protect the public and provide for the defendant's educational, vocational and medical needs. For these reasons, the statutory maximum penalty for the offense is not an accurate indicator of the potential sentence for a specific defendant.