

Former State Delegate Sentenced for Role in Defrauding United States - GSA Office of Inspector General

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Department of Justice

U.S. Attorney's Office

Eastern District of Virginia

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NORFOLK, Va. – A former member of the Virginia General Assembly was sentenced today to two and a half years in prison for his role in a conspiracy that resulted in the fraudulent award of over \$80 million in government contracts.

According to court documents, Ronald A. Villanueva, 49, participated in a nine-year conspiracy involving over \$80 million in fraudulently obtained government contracts. More specifically, Villanueva conspired with others to help two Virginia Beach companies secure Small Business Administration contracts that had been set aside for minority-owned businesses. Villanueva began working for one company, SEK Solutions, in or about 2005. When that company's 8(a) status was set to expire in 2010, Villanueva and his co-conspirators set up a new company, Karda Systems, which on paper was run by Villanueva's brother-in-law. However, in reality Karda's contracting business was managed by Villanueva and others associated with SEK.

As part of the conspiracy, Villanueva and others misrepresented whether SEK and Karda were eligible for government contracts under the 8(a) program. In fact, neither company was eligible to participate in the program, yet Villanueva and his co-conspirators made numerous false statements and certifications to the contrary. During part of the conspiracy, Villanueva was a member of the Virginia General Assembly, and in one instance used his House of Delegates letterhead to send a letter to the SBA in support of Karda's application to participate in the 8(a) program, knowing that it contained false and misleading statements about who actually operated the company. As a result of the fraud, the two companies were awarded over \$80 million dollars in government contracts for which they were not eligible.

As part of the sentence, Villanueva was ordered to pay \$524,533 in restitution.

G. Zachary Terwilliger, U.S. Attorney for the Eastern District of Virginia, Martin Culbreth, Special Agent in Charge of the FBI's Norfolk Field Office, Carol Fortine Ochoa, Inspector General, General Services Administration (GSA), Hannibal "Mike" Ware, Inspector General of the Small Business Administration (SBA), and Glen A. Fine, Acting Inspector General, Department of Defense (DoD), made the announcement after sentencing by U.S. District Judge Rebecca Beach Smith. Assistant U.S. Attorneys Alan Salsbury and Daniel Young prosecuted the case.

A copy of this press release is located on the website of the [U.S. Attorney's Office](#) for the Eastern District of Virginia. Related court documents and information are located on the website of the [District Court](#) for the Eastern District of Virginia or on [PACER](#) by searching for Case No. 2:19-cr-2.

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Source: U.S. Department of Justice [press release](#).
