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**United States Attorney Benjamin B. Wagner**

**Eastern District of California**

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**FIVE INDIVIDUALS INDICTED FOR BID RIGGING AND FRAUD AT PUBLIC REAL ESTATE FORECLOSURE AUCTIONS**

***14 Individuals Charged in the Continuing Investigation***

 SACRAMENTO, Calif. – The U.S. District Court in Sacramento today unsealed an indictment against four real estate investors and an auctioneer for their participation in conspiracies to rig bids and commit mail fraud at public real estate foreclosure auctions held in San Joaquin County, Calif., Sharis A. Pozen, Acting Assistant Attorney General of the Department of Justice’s Antitrust Division, and Benjamin B. Wagner, U.S. Attorney for the Eastern District of California, announced.

The indictment, which was returned by a federal grand jury in Sacramento on Dec. 7, 2011, charges real estate investors Wiley C. Chandler, Andrew B. Katakis, Donald M. Parker and Anthony B. Joachim, and auctioneer W. Theodore Longley with conspiring with other unnamed co-conspirators to rig bids and commit mail fraud when purchasing selected properties at public real estate foreclosure auctions. The indictment also charges Longley with aiding and abetting the conspirators.

According to the indictment, Chandler, Katakis, Parker, Joachim, Longley and co-conspirators agreed to suppress and restrain competition by rigging bids to obtain selected properties offered at public auctions in San Joaquin County, Calif. The conspirators also devised a scheme to fraudulently acquire titles to selected properties sold at the public auctions and to divert money to co-conspirators that would have gone to the beneficiaries. The indictment alleges that the conspiracy lasted from at least September 2008 until at least October 2009.

“The ongoing investigation demonstrates the Antitrust Division’s resolve to stop conspiracies that suppress competition at real estate foreclosure auctions.” said Acting Assistant Attorney General Pozen. “The division will continue to work with our law enforcement partners to investigate bid-rigging conspiracies in real estate foreclosure auctions in the Sacramento area and northern California.”

“The indictment unsealed today alleges that the defendants engaged in conspiracy, deceit, and heavy-handed tactics to take advantage of a depressed housing market,” said U.S. Attorney Wagner. “This indictment follows a lengthy investigation and a series of guilty pleas by other participants in this activity. But our work is not done. Anticompetitive practices in real estate foreclosure auctions not only harm financial institutions, but drive down home values for other homeowners throughout the region. My office will continue to investigate and prosecute such conduct.”

 According to the court documents, after the conspirators’ designated bidder bought a property at a public auction, they would hold a second, private auction, at which each participating conspirator would bid the amount above the public auction price he or she was willing to pay. The conspirator who bid the highest amount at the end of the private auction won the property. The difference between the price at the public auction and that at the second auction was the group’s illicit profit, and it was divided among the conspirators in payoffs.

 To date, eight individuals have pleaded guilty in U.S. District Court for the Eastern District of California in connection with the investigation: Anthony B. Ghio, John R. Vanzetti, Theodore B. Hutz, Richard W. Northcutt, Yama Marifat, Gregory L. Jackson, Walter Daniel Olmstead and Robert Rose. In addition to those who have pleaded guilty, on Nov. 22, 2011, Kenneth A. Swanger was charged with participating in bid-rigging conspiracies at public real estate foreclosure auctions.

 Chandler, Katakis, Parker, Joachim and Longley are charged with bid rigging, a violation of the Sherman Act, which carries a maximum penalty of 10 years in prison and a $1 million fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine. They are also charged with conspiracy to commit mail fraud, which carries a maximum sentence of 30 years in prison and a $1 million fine.

 These charges arose from an ongoing federal antitrust investigation of fraud and bidding irregularities in certain real estate auctions in San Joaquin County. The investigation is being conducted by the Antitrust Division’s San Francisco Office, the U.S. Attorney’s Office for the Eastern District of California, the FBI’s Sacramento Division and the San Joaquin County District Attorney’s Office. Trial attorneys Anna Pletcher, Richard Cohen and Tai Milder from the Antitrust Division’s San Francisco Office and Assistant U.S. Attorney Russell L. Carlberg are prosecuting the case.

 Today’s charges are part of efforts underway by President Barack Obama’s Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. One component of the task force is the national Mortgage Fraud Working Group, co-chaired by U.S. Attorney Wagner. For more information on the task force, visit www.StopFraud.gov.

 Anyone with information concerning bid rigging or fraud related to real estate foreclosure auctions should contact the Antitrust Division’s San Francisco Office at 415-436-6660, visit www.justice.gov/atr/contact/newcase.htm, contact the U.S. Attorney’s Office for the Eastern District of California at 916-554-2700 or contact the FBI’s Sacramento Division at 916-481-9110.

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