



Department of Justice



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**ALABAMA REAL ESTATE INVESTOR PLEADS GUILTY TO CONSPIRACIES TO
RIG BIDS AND COMMIT MAIL FRAUD FOR THE PURCHASE OF REAL ESTATE
AT PUBLIC FORECLOSURE AUCTIONS**

WASHINGTON – An Alabama real estate investor pleaded guilty today for his role in conspiracies to rig bids and commit mail fraud at public real estate foreclosure auctions in southern Alabama, the Department of Justice announced.

Charges were filed on June 25, 2012, in the U.S. District Court for the Southern District of Alabama in Mobile, Ala., against David R. Bradley. Bradley was charged with one count of bid rigging and one count of conspiracy to commit mail fraud. According to the plea agreement, Bradley has agreed to cooperate with the department's ongoing investigation.

According to court documents, Bradley conspired with others not to bid against one another at public real estate foreclosure auctions in southern Alabama. After a designated bidder bought a property at the public auctions, which typically take place at the county courthouse, the conspirators would generally hold a secret, second auction, at which each participant would bid the amount above the public auction price he or she was willing to pay. The highest bidder at the secret, second auction won the property.

Bradley was also charged with conspiring to use the U.S. mail to carry out a scheme to acquire title to rigged foreclosure properties sold at public auctions at artificially suppressed prices, to make and receive payoffs to co-conspirators and to cause financial institutions, homeowners and others with a legal interest in rigged foreclosure properties to receive less than the competitive price for the properties. Bradley participated in the bid-rigging and mail fraud conspiracies from as early as June 2003 until at least September 2008.

“By first rigging the public auctions, then bidding amongst themselves in secret afterwards, the conspirators illegally profited at the expense of distressed homeowners,” said Scott D. Hammond, Deputy Assistant Attorney General of the Antitrust Division's Criminal Enforcement Program. “This ongoing investigation into real estate foreclosure auctions underscores the division's commitment to protecting competition in real estate markets around the country.”

FBI Special Agent in Charge of the Mobile FBI Office Stephen E. Richardson reaffirmed his commitment to pursuing these complex economic investigations, stating, “This investigation has sent a strong message to the community at large, and the real estate community specifically, that abuses within the real estate industry will not be tolerated. Fraud related to home mortgage investments can have financial implications both locally and nationally, and the integrity of the system must be vigilantly maintained.”

Including today’s plea, to date, six individuals—Harold H. Buchman, Allen K. French, Bobby Threlkeld Jr., Steven J. Cox, Lawrence B. Stacy and Bradley—and one company—M & B Builders LLC— have pleaded guilty in the U.S. District Court for the Southern District of Alabama in connection with the investigation. Additionally, on June 28, 2012, real estate investors Robert M. Brannon and Jason R. Brannon, and their company, J & R Properties LLC, were indicted with participating in bid rigging and conspiracy to commit mail fraud at public real estate auctions in southern Alabama.

Each violation of the Sherman Act carries a maximum penalty of 10 years in prison and a \$1 million fine for individuals. The maximum fine for a Sherman Act charge may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime if either amount is greater than the statutory maximum fine. Each count of conspiracy to commit mail fraud carries a maximum penalty of 20 years in prison and a fine in an amount equal to the greatest of \$250,000, twice the gross gain the conspirators derived from the crime or twice the gross loss caused to the victims of the crime by the conspirators.

The investigation into fraud and bid rigging at certain real estate foreclosure auctions in southern Alabama is being conducted by the Antitrust Division’s Atlanta Field Office and the FBI’s Mobile Office, with the assistance of the U.S. Attorney’s Office for the Southern District of Alabama. Anyone with information concerning bid rigging or fraud related to public real estate foreclosure auctions should contact the Antitrust Division’s Atlanta Field Office at 404-331-7100 or visit www.justice.gov/atr/contact/newcase.htm.

Today’s charges are part of efforts underway by President Obama’s Financial Fraud Enforcement Task Force (FFETF) which was created in November 2009 to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys’ offices and state and local partners, it’s the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions and other organizations. Over the past three fiscal years, the Justice Department has filed more than 10,000 financial fraud cases against nearly 15,000 defendants including more than 2,700 mortgage fraud defendants. For more information on the task force, visit www.stopfraud.gov.

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