



Department of Justice



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**NORTHERN CALIFORNIA REAL ESTATE INVESTOR AGREES TO PLEAD
GUILTY TO BID RIGGING AT PUBLIC FORECLOSURE AUCTIONS**

Investigations Have Yielded 36 Plea Agreements to Date

WASHINGTON – A Northern California real estate investor has agreed to plead guilty for his role in conspiracies to rig bids and commit mail fraud at public real estate foreclosure auctions in Northern California, the Department of Justice announced.

Felony charges were filed today in the U.S. District Court for the Northern District of California in San Francisco against Daniel Rosenbledt of Hillsborough, Calif. Rosenbledt is the 36th individual to plead guilty or agree to plead guilty as a result of the department's ongoing antitrust investigations into bid rigging and fraud at public real estate foreclosure auctions in Northern California.

According to court documents, Rosenbledt conspired with others not to bid against one another, but instead to designate a winning bidder to obtain selected properties at public real estate foreclosure auctions in San Mateo and San Francisco counties, Calif. Rosenbledt was also charged with conspiring to use the mail to carry out schemes to fraudulently acquire title to selected properties sold at public auctions, to make and receive payoffs, and to divert to co-conspirators money that would have otherwise gone to mortgage holders and others.

Court papers stated Rosenbledt conspired with others to rig bids and commit mail fraud at public real estate foreclosure auctions in San Mateo County beginning as early as April 2008 and continuing until about January 2011. Rosenbledt was also charged with similar conduct in San Francisco County beginning as early as November 2009 and continuing until about January 2011.

“The Antitrust Division remains committed to vigorously pursuing conspirators who collude at foreclosure auctions at the expense of lenders and distressed homeowners,” said Bill Baer, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “A competitive process benefits those homeowners who are looking for the best possible outcome during a difficult situation.”

The filing stated that the primary purpose of the conspiracies was to suppress and restrain competition and to conceal payoffs in order to obtain selected real estate offered at San Mateo

and San Francisco County public foreclosure auctions at non-competitive prices. When real estate properties are sold at these auctions, the proceeds are used to pay off the mortgage and other debt attached to the property, with remaining proceeds, if any, paid to the homeowner. According to court documents, these conspirators paid and received money that otherwise would have gone to pay off the mortgage and other holders of debt secured by the properties, and, in some cases, the defaulting homeowner.

“For those who engage in illegal anticompetitive practices at foreclosure actions, we will hold you accountable for your actions and bring you to justice,” said David J. Johnson, FBI Special Agent in Charge of the San Francisco Field Office. “The FBI and the Antitrust Division are committed to rooting out those who undermine the real estate market and take advantage of legitimate home buyers and sellers.”

A 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 the Sherman Act charges may be increased to twice the gain derived from the crime or twice the loss suffered by the victims if either amount is greater than \$1 million. A count of conspiracy to commit mail fraud carries a maximum sentence of 30 years in prison and a \$1 million fine. The government can also seek to forfeit the proceeds earned from participating in the conspiracy to commit mail fraud.

The charges today are the latest filed by the department in its ongoing investigation into bid rigging and fraud at public real estate foreclosure auctions in San Francisco, San Mateo, Alameda and Contra Costa counties, Calif. These investigations are being conducted by the Antitrust Division’s San Francisco Office and the FBI’s San Francisco Office. Anyone with information concerning bid rigging or fraud related to public 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 or call the FBI tip line at 415-553-7400.

Today's charges were brought in connection with the President’s Financial Fraud Enforcement Task Force. The task force was established 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 nearly 10,000 financial fraud cases against nearly 15,000 defendants including more than 2,900 mortgage fraud defendants. For more information on the task force, please visit www.StopFraud.gov.

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