

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND  
Baltimore Division

UNITED STATES OF AMERICA,

v.

STEVEN L. BERMAN,

Defendant.

JFM-08-0266  
Criminal No.:

Filed:

Violation: 15 U.S.C. § 1

FILED  
LOGGED  
ENTERED  
RECEIVED

JUN - 3 2008

AT BALTIMORE  
FEDERAL U.S. DISTRICT COURT  
DISTRICT OF MARYLAND  
DEPT. 3

INFORMATION

THE UNITED STATES OF AMERICA, THROUGH ITS ATTORNEYS, CHARGES:

1. From at least Spring 2004 to August 2007 ("the relevant period"), Steven L. Berman ("Berman") was a principal or agent of various limited liability corporations, each of which is an entity organized and existing under the laws of the State of Maryland with its principal place of business in Cockeysville, Maryland. During the relevant period, Berman, as an individual and through various limited liability corporations, bid on and won tax liens in auctions within the District of Maryland and elsewhere.

2. Various corporations and individuals, not made defendants in this Information, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

DESCRIPTION OF THE OFFENSE

3. During the relevant period, the exact dates being unknown to the United States, the defendant and co-conspirators entered into and engaged in a combination and conspiracy to suppress and eliminate competition by submitting non-competitive bids at certain public auctions for tax liens conducted by a municipality and counties within the District of Maryland. The combination and

conspiracy engaged in by the defendant and co-conspirators was in unreasonable restraint of interstate trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

4. The charged combination and conspiracy consisted of an agreement, understanding, and concert of action among the defendant and co-conspirators, the substantial terms of which were to rig bids for tax liens being auctioned by a municipality and counties within the District of Maryland.

#### MEANS AND METHODS OF THE CONSPIRACY

5. For the purpose of forming and carrying out the charged combination and conspiracy, the defendant and co-conspirators did those things that they combined and conspired to do, including, among other things:

- (a) attended meetings and engaged in discussions regarding bids for tax liens being auctioned by a municipality and counties within the District of Maryland;
- (b) agreed during those meetings and discussions not to compete at certain tax lien auctions by allocating which tax liens, properties or groups of properties each group would bid on or refrain from bidding on and by fixing prices that would be bid;
- (c) discussed and exchanged prices for certain tax lien auctions so as not to undercut one another's prices;
- (d) submitted bids in accordance with the agreements reached; and
- (e) purchased tax liens pursuant to those agreements at collusive and non-competitive prices.

## TRADE AND COMMERCE

6. When owners of real property in Maryland fail to pay property taxes, the county or city in which the property is located may attach a lien. If, after a waiting period, the taxes remain unpaid, the lien is sold at auction. The winner of the auction has the right to collect the amount of the lien from the delinquent taxpayer, along with interest at a rate set by statute, and eventually to foreclose on the property if the lien remains unpaid. The tax lien and interest take priority over all other liens other than federal tax liens, including over mortgages. Counties and municipalities in Maryland hold tax lien auctions annually. These auctions take many forms including live or "outcry" auctions, sealed bid auctions, or online auctions.

7. During the relevant period, funds from outside the state of Maryland were used by one or more of the conspirators to pay for tax liens that were rigged pursuant to the agreement. Conspirators also submitted bids electronically from outside the state of Maryland for certain auctions which were administered by a company located outside of Maryland. Out-of-state bidders participated in multiple auctions for tax liens in Maryland including the Baltimore City auction which allowed bidders to log in and submit bids from any location connected to the Internet. Additionally, owners of properties subject to tax liens won in the rigged auctions were sometimes located out-of-state and paid off their indebtedness to the winner of the tax lien with out-of-state funds.

8. During the relevant period, the business activities of defendant and his co-conspirators in connection with the purchase of tax liens that are the subject of this Information were within the flow of, and substantially affected, interstate trade and commerce.

## JURISDICTION AND VENUE

9. The combination and conspiracy charged in this Information was carried out, in part, within the District of Maryland within the five years preceding the filing of this Information.

Acts in furtherance of this conspiracy which were carried out within the District of Maryland include conspiratorial meetings and conversations relating to tax lien auctions during which agreements to restrain trade were reached and the preparation and submission of bids at tax lien auctions.

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

Dated:



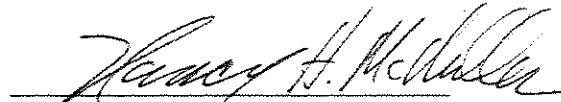
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