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NORTHERN DISTRICT OF CALIFORNIA

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14 UNITED STATES DISTRICT COURT
15 NORTHERN DISTRICT OF CALIFORNIA
16 SAN FRANCISCO DIVISION

17 UNITED STATES OF AMERICA

18 v.

19 JAMES DOHERTY,

20 Defendant.

Criminal No. 0797
CR 11 0797

) INFORMATION

) VIOLATIONS: 15 U.S.C. § 1 –
) Bid Rigging (Count One);
) 18 U.S.C. § 1349 – Conspiracy to
) Commit Mail Fraud (Count Two)

21 The United States of America, acting through its attorneys, charges:

22 JAMES DOHERTY,

23 the defendant herein, as follows:

24 BACKGROUND

25 1. When California homeowners default on their mortgages, the lender or loan
26 servicer can institute foreclosure proceedings through a non-judicial public foreclosure auction.
27 These public auctions typically take place at or near the county courthouse. At the auction an
28 auctioneer sells the property to the bidder offering the highest purchase price. Proceeds from the

INFORMATION – JAMES DOHERTY – 1

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1 sale are then used to pay off the mortgage and other debt attached to the property. Proceeds
2 remaining from the sale are then paid to the homeowner.

3 COUNT ONE: 15 U.S.C. § 1 – Bid Rigging (San Francisco County)

4 THE COMBINATION AND CONSPIRACY

5 2. Beginning as early as November 2008 and continuing until in or about January
6 2011, the defendant JAMES DOHERTY and co-conspirators entered into and engaged in a
7 combination and conspiracy to suppress and restrain competition by rigging bids to obtain title to
8 selected real estate offered at San Francisco County, California public real estate foreclosure
9 auctions in the Northern District of California, in unreasonable restraint of interstate trade and
10 commerce, in violation of the Sherman Act, Title 15, United States Code, Section 1.

11 3. The charged combination and conspiracy consisted of a continuing agreement,
12 understanding, and concert of action among the defendant and co-conspirators to suppress
13 competition by agreeing to refrain from or stop bidding against each other to obtain title to
14 selected real estate offered at San Francisco County, California public real estate foreclosure
15 auctions at non-competitive prices.

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

19 a. agreeing, during meetings, conversations, and communications, not to
20 compete for title to selected real estate offered at San Francisco County, California public real
21 estate foreclosure auctions;

22 b. designating which conspirator would win the selected real estate at the
23 public real estate foreclosure auctions for the group of conspirators; and

24 c. refraining from or stopping bidding for the selected real estate at the
25 public real estate foreclosure auctions.

26 5. Various entities and individuals, not made defendants in this Information,
27 participated as co-conspirators in the offenses charged in this Information and performed acts
28 and made statements in furtherance of them.

INFORMATION – JAMES DOHERTY – 2

1 TRADE AND COMMERCE

2 6. During the period covered by this Information, the business activities of the
3 defendant and co-conspirators that are the subject of this Information were within the flow of,
4 and substantially affected, interstate trade and commerce. For example, mortgage holders
5 located in states other than California received proceeds from the public real estate foreclosure
6 auctions that were subject to the bid-rigging conspiracy.

7 JURISDICTION AND VENUE

8 7. The combination and conspiracy charged in this Information was carried out, in
9 part, in the Northern District of California, within the five years preceding the filing of this
10 Information.

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

12 COUNT TWO: 18 U.S.C. § 1349 – Conspiracy to Commit Mail Fraud (San Francisco County)

13 THE CONSPIRACY

14 8. Beginning as early as November 2008 and continuing until in or about January
15 2011 in San Francisco County in the Northern District of California, the defendant JAMES
16 DOHERTY and co-conspirators did willfully and knowingly combine, conspire, and agree with
17 each other to violate Title 18, United States Code, Section 1341, namely, to knowingly devise
18 and intend to devise and participate in a scheme or artifice to defraud financial institutions,
19 homeowners, and others and to obtain money and property by means of materially false and
20 fraudulent pretenses, representations, and promises and, for the purpose of executing or
21 attempting to execute such scheme or artifice, to knowingly use and cause to be used the United
22 States Postal Service or any private or commercial interstate carrier, in violation of Title 18,
23 United States Code, Section 1349.

24 9. The objects of the conspiracy were to make payoffs to obtain title to selected real
25 estate at fraudulently suppressed prices, to receive payoffs, and to divert money to co-
26 conspirators and away from the mortgage holders and others with a legal interest in select
27 properties sold at public real estate foreclosure auctions in San Francisco County, California
28 (“mortgage holders”).

INFORMATION – JAMES DOHERTY – 3

MEANS AND METHODS

The principal means and methods used to accomplish the conspiracy were as follows:

10. 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. negotiating payoffs with one or more co-conspirators not to compete;
- b. in some instances, falsely participating in foreclosure auctions to create the appearance that they were bidding competitively when, in fact, they were not;
- c. purchasing selected real estate at fraudulently suppressed prices;
- d. paying co-conspirators monies that otherwise would have gone to the mortgage holders;
- e. taking steps to conceal both the fact that payoffs were made and the amounts of the payoffs;
- f. making and causing to be made false and misleading statements on records of public auctions regarding the total purchase price of the selected real estate to trustees and others; and
- g. causing the fraudulently suppressed purchase price to be reported and paid to the mortgage holders.

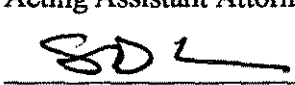
11. For the purpose of executing the scheme or artifice to defraud and attempting to do so, the defendant and co-conspirators knowingly used and caused to be used the United States Postal Service or private or commercial interstate carriers. For example, trustees used the United States mail and Federal Express to transmit the Trustee's Deeds Upon Sale and other title documents to participants in the conspiracy. These mailings were foreseeable to the defendant in the ordinary course of business.


JURISDICTION AND VENUE

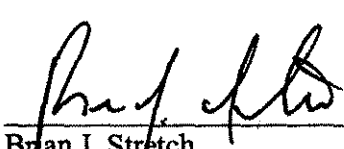
12. The combination, conspiracy, and agreement to violate Title 18, United States Code, Section 1341 charged in this Information was carried out, in part, in the Northern District of California, within the five years preceding the filing of this Information.

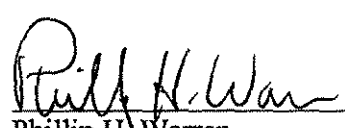
ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1349.

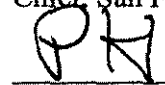

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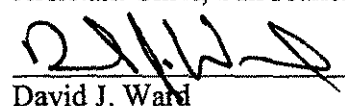

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