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RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

CR 12 0301

CRB

14 UNITED STATES OF AMERICA

) Criminal No.

) **INFORMATION**

16 v.

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

18 LYDIA FONG,

20 Defendant.

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

23 LYDIA FONG,

24 the defendant herein, as follows:

25 BACKGROUND

26 1. At all times relevant to this Information, when California homeowners defaulted
27 on their mortgages, mortgage holders could institute foreclosure proceedings and sell the
28 properties through non-judicial public real estate foreclosure auctions (“public auctions”). These

1 public auctions were governed by California Civil Code, Section 2924, *et seq.* Typically, a
2 trustee was appointed to oversee the public auctions. These public auctions usually took place at
3 or near the courthouse of the county in which the properties were located. The auctioneer, acting
4 on behalf of the trustee, sold the property to the bidder offering the highest purchase price.
5 Proceeds from the sale were then used to pay the mortgage holders, other holders of debt secured
6 by the property, and, in some cases, the defaulting homeowner (collectively, “beneficiaries”).

7 COUNT ONE: 15 U.S.C. § 1 – Bid Rigging

8 THE COMBINATION AND CONSPIRACY

9 2. Beginning as early as October 2009 and continuing until in or about November
10 2010, the defendant LYDIA FONG and co-conspirators entered into and engaged in a
11 combination and conspiracy to suppress and restrain competition by rigging bids to obtain
12 selected properties offered at public auctions in San Francisco County in the Northern District of
13 California, in unreasonable restraint of interstate trade and commerce, in violation of the
14 Sherman Act, Title 15, United States Code, Section 1.

15 3. The charged combination and conspiracy consisted of a continuing agreement,
16 understanding, and concert of action among the defendant and co-conspirators to suppress
17 competition by agreeing to refrain from or stop bidding against each other to purchase selected
18 properties at public auctions in San Francisco County at non-competitive prices.

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

22 a. agreeing not to compete to purchase selected properties at public auctions
23 in San Francisco County;

24 b. designating which conspirator would win the selected properties at the
25 public auctions for the group of conspirators; and


26 c. refraining from or stopping bidding for the selected properties at the
27 public auctions.

28 //

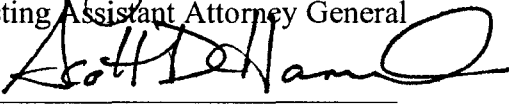
JURISDICTION AND VENUE

13. 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.

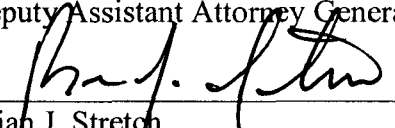
ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1349.



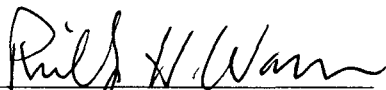
Sharis A. Pozen
Acting Assistant Attorney General



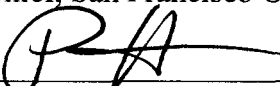
Scott D. Hammond
Deputy Assistant Attorney General



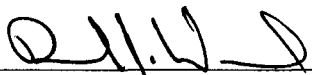
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Acting Under Authority Conferred
by 28 U.S.C. § 515



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