

1 E. KATE PATCHEN (NYRN 4104634)  
2 ALBERT B. SAMBAT (CSBN 236472)  
3 MICAH L. WYATT (CSBN 267465)  
4 GABRIEL MARTINEZ (CSBN 275142)  
5 JEANE HAMILTON (CSBN 157834)  
6 U.S. Department of Justice  
7 Antitrust Division  
8 450 Golden Gate Avenue  
9 Box 36046, Room 10-0101  
10 San Francisco, CA 94102  
11 albert.sambat@usdoj.gov  
12 Telephone: (415) 934-5300

**FILED**

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

13 Attorneys for the United States

14 UNITED STATES DISTRICT COURT  
15 NORTHERN DISTRICT OF CALIFORNIA  
16 OAKLAND DIVISION

**CR14-00099**

**JSW**

17	UNITED STATES OF AMERICA	) Criminal No.
18		)
19		) <b>INFORMATION</b>
20		)
21	v.	) VIOLATIONS: 15 U.S.C. § 1 –
22		) Bid Rigging (Count One);
23		) 18 U.S.C. § 1349 – Conspiracy to
24		) Commit Mail Fraud (Count Two)
25	CHARLES GONZALES,	)
26		)
27	Defendant.	)
28		)

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

30 CHARLES GONZALES,

31 the defendant herein, as follows:

32 BACKGROUND

33 1. At all times relevant to this Information, when California homeowners defaulted  
34 on their mortgages, mortgage holders could institute foreclosure proceedings and sell the  
35 properties through non-judicial public real estate foreclosure auctions (“public auctions”). These  
36 public auctions were governed by California Civil Code, Section 2924, *et seq.* Typically, a

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

6 COUNT ONE: 15 U.S.C. § 1 – Bid Rigging (Alameda County)

7 THE COMBINATION AND CONSPIRACY

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

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

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

21 a. agreeing not to compete to purchase selected properties at public auctions  
22 in Alameda County;

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

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

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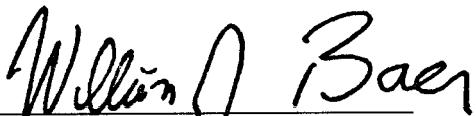



1 12. For the purpose of executing the scheme and artifice to defraud and attempting to  
2 do so, the defendant and his co-conspirators knowingly used and caused to be used the United  
3 States Postal Service and private or commercial interstate carriers. For example, trustees used  
4 the United States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

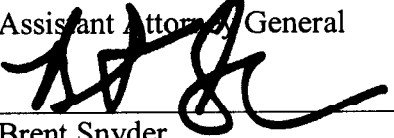
7 JURISDICTION AND VENUE

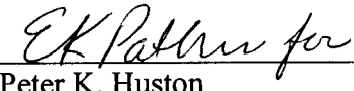
8 13. The combination, conspiracy, and agreement to violate Title 18, United States  
9 Code, Section 1341 charged in this Information was carried out, in part, in the Northern District  
10 of California, within the five years preceding the filing of this Information.

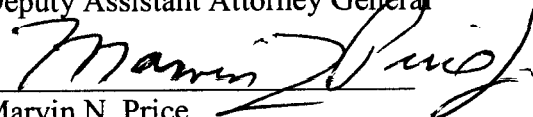
11 ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1349.

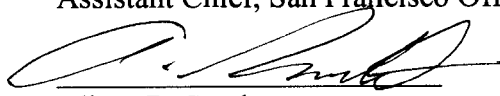
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14 William J. Baer  
15 Assistant Attorney General

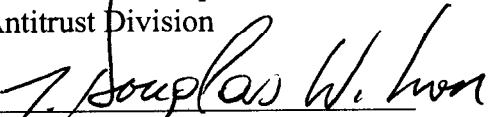
  
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17 \_\_\_\_\_  
18 Brent Snyder  
19 Deputy Assistant Attorney General

  
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20   
21 \_\_\_\_\_  
22 Marvin N. Price  
23 Director of Criminal Enforcement  
24 United States Department of Justice  
25 Antitrust Division

  
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26   
27 \_\_\_\_\_  
28 Brian J. Stretch  
Attorney for the United States  
Acting under Authority Conferred  
by 28 U.S.C. § 515

Albert B. Sambat  
E. Kate Patchen  
Micah L. Wyatt  
Gabriel Martinez  
Jeane Hamilton  
Trial Attorneys  
U.S. Department of Justice  
Antitrust Division