

1 JEANE HAMILTON (CSBN 157834)  
2 ALBERT B. SAMBAT (CSBN 236472)  
3 DAVID J. WARD (CSBN 239504)  
4 CHRISTINA M. WHEELER (CSBN 203395)  
5 MANISH KUMAR (CSBN 269493)  
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) 436-6660

13 Attorneys for the United States

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

17 UNITED STATES OF AMERICA

18 v.

19 DOMINIC LEUNG,

20 Defendant.

) Criminal No.  
)  
) **INFORMATION**  
)  
) VIOLATIONS: 15 U.S.C. § 1 –  
) Bid Rigging (Count One);  
) 18 U.S.C. § 1349 – Conspiracy to  
) Commit Mail Fraud (Count Two)  
)  
)  
)

**CR12-00083**

**CW**

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

22 DOMINIC LEUNG,

23 the defendant herein, as follows:

24 BACKGROUND

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

INFORMATION – DOMINIC LEUNG – 1

**FILED**  
FEB - 9 2012  
RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
OAKLAND

E-filing

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

7 THE COMBINATION AND CONSPIRACY

8 2. Beginning as early as May 2009 and continuing until in or about January 2011,  
9 the defendant DOMINIC LEUNG 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 Contra Costa 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 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 Contra Costa County at non-competitive prices.

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

21 a. agreeing not to compete to purchase selected properties at public auctions  
22 in Contra Costa 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.

27 //

28 //



1 as co-conspirators in the offense charged and performed acts and made statements in furtherance  
2 thereof.

3 MEANS AND METHODS

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

- 7 a. purchasing selected properties at public auctions at suppressed prices;
- 8 b. in some instances, negotiating payoffs with one or more conspirators not  
9 to compete;
- 10 c. in many other instances, holding second, private auctions, at or near the  
11 courthouse steps where the public auctions were held, frequently referred to as “rounds,” open  
12 only to members of the conspiracy, to bid for title to the selected properties;
- 13 d. awarding the selected properties to the conspirators who submitted the  
14 highest bids at the second, private auctions;
- 15 e. transferring the right to title to the selected properties into the names of the  
16 conspirators who submitted the highest bids at the second, private auctions;
- 17 f. paying conspirators monies that otherwise would have gone to  
18 beneficiaries, using either a predetermined formula based on the bidding at the second, private  
19 auction or through direct negotiations among the conspirators;
- 20 g. taking steps to conceal the fact that monies were diverted from the  
21 beneficiaries to the conspirators;
- 22 h. making and causing to be made materially false and misleading statements  
23 on records of public auctions that trustees relied upon to distribute proceeds from the public  
24 auction to the beneficiaries and convey title to properties sold at the public auction; and
- 25 i. causing the suppressed purchase price to be reported and paid to the  
26 beneficiaries.


27 12. For the purpose of executing the scheme and artifice to defraud and attempting to  
28 do so, the defendant and co-conspirators knowingly used and caused to be used the United States


1 Postal Service and private or commercial interstate carriers. For example, trustees used the  
2 United States mail and private or commercial interstate carriers to transmit the Trustee's Deeds  
3 Upon Sale and other title documents to participants in the conspiracy. These mailings were  
4 foreseeable to the defendant in the ordinary course of business.

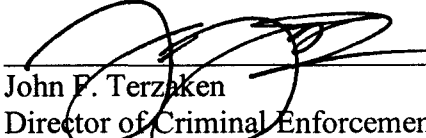
5 JURISDICTION AND VENUE

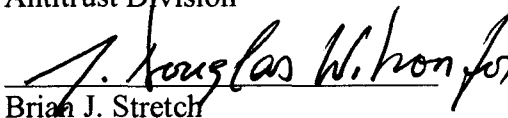
6 13. The combination, conspiracy, and agreement to violate Title 18, United States  
7 Code, Section 1341 charged in this Information was carried out, in part, in the Northern District  
8 of California, within the five years preceding the filing of this Information.

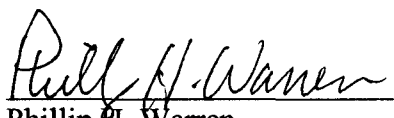
9 ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1349.

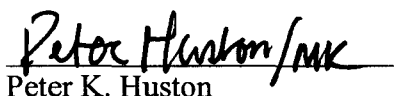
11  
12  
13   
14 Sharis A. Pozer  
15 Acting Assistant Attorney General


16   
17 Scott D. Hammond  
18 Deputy Assistant Attorney General

19   
20 John F. Terziken  
21 Director of Criminal Enforcement  
22 United States Department of Justice  
23 Antitrust Division

24   
25 Brian J. Stretch  
26 Attorney for the United States  
27 Acting Under Authority Conferred  
28 by 28 U.S.C. § 515

  
Phillip H. Warren  
Chief, San Francisco Office

  
Peter K. Huston  
Assistant Chief, San Francisco Office

  
Albert B. Sambat  
Jeane Hamilton  
David J. Ward  
Christina M. Wheeler  
Manish Kumar  
Trial Attorneys  
United States Department of Justice  
Antitrust Division