



UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

EBLOCK CORPORATION,

Defendant.

CR No. **5:26-cr-00013-SSS**

I N F O R M A T I O N

[15 U.S.C. § 1: Conspiracy to
Restrain Trade; 18 U.S.C. § 1343:
Wire Fraud]

The United States of America charges:

COUNT ONE

[15 U.S.C. § 1]

A. INTRODUCTORY ALLEGATIONS

At times relevant to this Information:

1. Defendant EBLOCK CORPORATION ("EBLOCK") was a corporation organized and existing under the laws of Delaware, with its principal place of business in Toronto, Canada.

2. Defendant EBLOCK was engaged in the provision of auction services for used vehicles in the United States.

3. Acts, deeds, and transactions committed by defendant EBLOCK were committed by and through its officers, directors, agents,

1 employees, and other representatives while engaged in the management,
2 direction, control, and transaction of its business and affairs.

3 4. Other known corporations and other known individuals
4 conspired with defendant EBLOCK and performed acts and made
5 statements in furtherance of the conspiracy.

6 5. Company A was a corporation with its principal place of
7 business in Riverside County, within the Central District of
8 California and was engaged in the purchase and resale of used
9 vehicles.

10 6. Individual 1 was the owner and chief executive of
11 Company A.

12 7. Individual 2 was a senior executive at defendant EBLOCK and
13 was extensively involved in defendant EBLOCK's day-to-day operations.

14 8. Customers placed their vehicles on defendant EBLOCK's
15 auction platform for sale to the highest bidder.

16 9. Customers used defendant EBLOCK's auction platform to
17 purchase vehicles.

18 B. OBJECT OF THE CONSPIRACY

19 10. Beginning no later than November 2020 and continuing until
20 in or around February 2022, in Riverside County, within the Central
21 District of California, and elsewhere, defendant EBLOCK entered into
22 and engaged in a combination and conspiracy with Company A,
23 Individual 1, Individual 2, and others known and unknown to suppress
24 and eliminate competition by agreeing to rig bids for used vehicles
25 sold on defendant EBLOCK's auction platform. The combination and
26 conspiracy engaged in by the defendant EBLOCK and its co-conspirators
27 was a *per se* unlawful, and thus unreasonable, restraint of interstate
28

1 trade and commerce, in violation of Section 1 of the Sherman Act
2 (Title 15, United States Code, Section 1).

3 11. The charged combination and conspiracy consisted of a
4 continuing agreement, understanding, and concert of action between
5 defendant EBLOCK and its co-conspirators, the substantial terms of
6 which were to rig bids for vehicles sold on defendant EBLOCK's
7 platform.

8 C. MANNER AND MEANS OF THE CONSPIRACY

9 12. The object of the conspiracy was to be accomplished, in
10 substance, as follows:

11 a. Defendant EBLOCK would provide vehicle auctions on its
12 platform to one or more customers in Riverside County, as well as
13 other locations.

14 b. Defendant EBLOCK and its co-conspirators, including
15 Company A, would engage in conversations and communications to
16 discuss which vehicles would be bid on by which co-conspirators.

17 c. Defendant EBLOCK and its co-conspirators, including
18 Company A, would agree, during those conversations and
19 communications, to rig bids for particular vehicles in Riverside
20 County, as well as other locations.

21 d. Defendant EBLOCK and its co-conspirators, including
22 Company A, would provide payment to the sellers of vehicles on which
23 the bids were rigged.

24 D. TRADE AND COMMERCE

25 13. At all times relevant to this Information, defendant EBLOCK
26 and its co-conspirators purchased vehicles on defendant EBLOCK's
27 platform in a continuous and uninterrupted flow of interstate trade
28 and commerce. In addition, records and documents necessary for the

1 sale of such vehicles, as well as payments for those vehicles,
2 travelled in interstate trade and commerce.

COUNT TWO

[18 U.S.C. § 1343]

14. The United States of America realleges paragraphs 1 through 9 and 11 through 13 of this Information here.

A. SCHEME TO DEFRAUD

15. Beginning no later than or about November 2020, and continuing until in or around February 2022, in Riverside County, within the Central District of California, and elsewhere, defendant EBLOCK, together with others known and unknown, knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud customers who used defendant EBLOCK's auction platform and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

16. The fraudulent scheme operated, in substance, as follows:

a. Defendant EBLOCK and its co-schemers agreed to resell on defendant EBLOCK's auction platform vehicles previously purchased by co-schemers on the platform.

b. Defendant EBLOCK and its co-schemers placed "shill bids" (bids not intended to win the auction) to increase the ultimate price paid by purchasers of the vehicles resold by the co-schemers.

c. Defendant EBLOCK and its co-schemers placed false bids on vehicles offered for sale on defendant EBLOCK's auction platform. Defendant EBLOCK and its co-schemers did so to unlawfully enrich themselves and others by artificially inflating the prices paid for vehicles sold on the defendant EBLOCK's auction platform.

d. Defendant EBLOCK and its co-schemers pooled profits among the co-schemers for the vehicles resold on defendant EBLOCK's auction platform.

1 e. Defendant EBLOCK and its co-schemers, by interstate
2 wire, caused to be sent and received items such as bids on vehicles
3 and communications regarding the scheme, in addition to other things.

4 B. USE OF WIRE

5 17. On or about July 21, 2021, in Riverside County, within the
6 Central District of California, and elsewhere, defendant EBLOCK,
7 together with others known and unknown, for the purpose of executing
8 the scheme to defraud described above, transmitted and caused the
9 transmission of shill bids placed by a co-schemer on defendant
10 EBLOCK's auction platform on a vehicle being sold by another co-
11 schemer, by means of wire communication in interstate commerce.

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