



# Department of Justice

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## **NORTH CAROLINA REAL ESTATE SPECULATOR PLEADS GUILTY TO BID RIGGING IN REAL ESTATE FORECLOSURE AUCTIONS**

WASHINGTON A Raleigh, N.C., real estate speculator pleaded guilty to conspiring to rig bids for public real estate foreclosure auctions held in multiple counties in eastern North Carolina, the Department of Justice announced today.

Christopher J. Deans pleaded guilty today in U.S. District Court in Greenville, N.C., for participating in a conspiracy to rig bids during the real estate foreclosure auction process in eastern North Carolina from at least as early as April 2003 until at least April 2005. The primary purpose of the conspiracy was to suppress and eliminate competitive bidding on foreclosed properties and obtain selected real estate offered at public foreclosure auctions at non-competitive prices.

According to the charge, which was filed on July 29, 2010, Deans, an owner of Raleigh-based real estate investment companies, and co-conspirators agreed not to bid against each other during public real estate foreclosure auctions in eastern North Carolina. As part of the conspiracy, Deans and co-conspirators paid one another not to bid on foreclosed properties and received economic benefits from the rental and sale of real estate purchased through the rigged foreclosure auction process. The conspiracy resulted in the suppression of competitive bidding on foreclosed properties which caused foreclosing lienholders and certain homeowners to receive a lower price for properties sold through foreclosure actions, the department said.

The bid rigging violation with which Deans is charged carries a maximum penalty of 10 years in prison and a \$1 million fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

The charge against Deans is the first to arise in an ongoing federal antitrust investigation of fraud and bidding irregularities in certain real estate auctions in the Eastern District of North Carolina. The investigation is being conducted by the Antitrust Division's Atlanta Field Office and the FBI.

Anyone with information concerning bid rigging or fraud related to real estate foreclosure auctions should contact the Antitrust Division's Atlanta Field Office at 404-331-7100 or visit [www.justice.gov/atr/contact/newcase.htm](http://www.justice.gov/atr/contact/newcase.htm).

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