



Department of Justice



FOR IMMEDIATE RELEASE
MONDAY, MAY 20, 2013
WWW.JUSTICE.GOV

AT
(202) 514-2007
TTY (866) 544-5309

**TWO ALABAMA REAL ESTATE INVESTORS AND THEIR COMPANY SENTENCED
FOR THEIR ROLES IN BID-RIGGING AND MAIL FRAUD CONSPIRACIES
INVOLVING REAL ESTATE PURCHASED AT PUBLIC FORECLOSURE AUCTIONS**

WASHINGTON – Two Alabama real estate investors and their company were sentenced today in U.S. District Court for the Southern District of Alabama in Mobile, for their participation in conspiracies to rig bids and commit mail fraud at public real estate foreclosure auctions in southern Alabama, the Department of Justice announced.

Robert M. Brannon, of Laurel, Miss., and his son, Jason R. Brannon, of Mobile, Ala., were each sentenced to serve 20 months in prison for their participation in the conspiracies. The Brannons and their Mobile-based company, J&R Properties LLC, were ordered to pay \$21,983 in restitution to the victims of the crime.

“Today’s sentences send a strong message that the Antitrust Division will continue to hold individuals and companies accountable for their anticompetitive conduct,” said Bill Baer, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “Whether on a local, national or international scale, bid rigging and fraud subvert the competitive process and the division will remain vigilant in vigorously pursuing those who violate the antitrust laws for their own financial enrichment.”

On Dec. 12, 2012, the Brannons and their company, pleaded guilty to an indictment originally returned on June 28, 2012, in the U.S. District Court for the Southern District of Alabama, charging each of them with one count of bid rigging and one count of conspiracy to commit mail fraud. According to court documents, the Brannons and their company conspired with others not to bid against one another at public real estate foreclosure auctions in southern Alabama. After a designated bidder bought a property at a public auction, which typically takes place at the county courthouse, the conspirators would generally hold a secret, second auction, at which each participant would bid the amount above the public auction price he or she was willing to pay. The highest bidder at the secret, second auction won the property.

The indictment also charged the Brannons and their company with conspiring to use the U.S. mail to carry out a fraudulent scheme to acquire title to rigged foreclosure properties sold at public auctions at artificially suppressed prices; to make payoffs to and to receive payoffs from co-conspirators; and to cause financial institutions, homeowners and others with a legal interest in rigged foreclosure properties to receive less than the competitive price for the properties. The

indictment charged the Brannons and their company with participating in the bid-rigging and mail fraud conspiracies from as early as October 2004 until at least August 2007.

“The success of this investigation represents the FBI’s staunch commitment to target and investigate those who are willing to abuse and exploit illegal advantages during this legal process for personal gain at the expense of suffering citizens and businesses,” said Stephen E. Richardson, Special Agent in Charge of the FBI’s Mobile Division.

A total of eight individuals and two companies have pleaded guilty in the U.S. District Court for the Southern District of Alabama, in connection with this investigation. The sentences announced today resulted from an ongoing investigation conducted by the Antitrust Division and the FBI’s Mobile Office, with the assistance of the U.S. Attorney’s Office for the Southern District of Alabama. Anyone with information concerning bid rigging or fraud related to public real estate foreclosure auctions should contact the Antitrust Division’s Citizen Complaint Center at 1-888-647-3258 or visit www.justice.gov/atr/contact/newcase.html.

Today’s charges were brought in connection with the President’s Financial Fraud Enforcement Task Force. The task force was established to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys’ offices and state and local partners, it’s the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions and other organizations. Over the past three fiscal years, the Justice Department has filed nearly 10,000 financial fraud cases against nearly 15,000 defendants including more than 2,900 mortgage fraud defendants. For more information on the task force, please visit www.StopFraud.gov.

###