



Department of Justice



FOR IMMEDIATE RELEASE
TUESDAY, JUNE 18, 2013
WWW.JUSTICE.GOV

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

NORTHERN CALIFORNIA REAL ESTATE INVESTOR AGREES TO PLEAD GUILTY TO BID RIGGING AT PUBLIC FORECLOSURE AUCTIONS

Investigations Have Yielded 31 Plea Agreements to Date

WASHINGTON – A Northern California real estate investor has agreed to plead guilty for his role in conspiracies to rig bids and commit mail fraud at public real estate foreclosure auctions in Northern California, the Department of Justice announced.

Felony charges were filed today in the U.S. District Court for the Northern District of California in San Francisco against Robert Williams of Atherton, Calif. Williams is the 31st individual to plead guilty or agree to plead guilty as a result of the department's ongoing antitrust investigations into bid rigging and fraud at public real estate foreclosure auctions in Northern California.

According to court documents, Williams conspired with others not to bid against one another, but instead to designate a winning bidder to obtain selected properties at public real estate foreclosure auctions in San Mateo County, Calif. Williams was also charged with conspiring to use the mail to carry out schemes to fraudulently acquire title to selected properties sold at public auctions, to make and receive payoffs and to divert to co-conspirators money that would have otherwise gone to mortgage holders and others.

The department said Williams conspired with others to rig bids and commit mail fraud at public real estate foreclosure auctions in San Mateo County beginning as early as October 2009 and continuing until about December 2010.

“Collusion at these foreclosure auctions enabled the conspirators to present the illusion of competition, when they were actually thwarting the competitive process and profiting at the expense of lenders and distressed homeowners,” said Bill Baer, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “The division remains committed to holding accountable those who illegally subvert competition at real estate foreclosure auctions across the country.”

The department said that the primary purpose of the conspiracies was to suppress and restrain competition and to conceal payoffs in order to obtain selected real estate offered at San Mateo County public foreclosure auctions at non-competitive prices. When real estate properties

are sold at these auctions, the proceeds are used to pay off the mortgage and other debt attached to the property, with remaining proceeds, if any, paid to the homeowner.

“The legitimacy of an open, public real estate foreclosure auction is compromised when an individual or group conspires to commit criminal activity which impacts genuine intentions of good citizens,” said David J. Johnson, FBI Special Agent in Charge of the San Francisco Field Office. “We are steadfast in our continued partnership with the Antitrust Division in bringing those criminally responsible to justice.”

A violation of the Sherman Act carries a maximum penalty of 10 years in prison and a \$1 million fine for individuals. The maximum fine for the Sherman Act charge may be increased to twice the gain derived from the crime or twice the loss suffered by the victims if either amount is greater than \$1 million. A count of conspiracy to commit mail fraud carries a maximum sentence of 30 years in prison and a \$1 million fine. The government can also seek to forfeit the proceeds earned from participating in the conspiracy to commit mail fraud.

The charges today are the latest filed by the department in its ongoing investigation into bid rigging and fraud at public real estate foreclosure auctions in San Francisco, San Mateo, Contra Costa and Alameda counties, Calif. These investigations are being conducted by the Antitrust Division’s San Francisco Office and the FBI’s San Francisco office. Anyone with information concerning bid rigging or fraud related to public real estate foreclosure auctions should contact the Antitrust Division’s San Francisco Field Office at 415-436-6660, visit www.justice.gov/atr/contact/newcase.htm, or call the FBI tip line at 415-553-7400.

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.

###