



Department of Justice



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GEORGIA REAL ESTATE INVESTOR PLEADS GUILTY TO BID RIGGING AND FRAUD AT PUBLIC REAL ESTATE FORECLOSURE AUCTIONS

WASHINGTON – A Georgia real estate investor pleaded guilty today for her role in conspiracies to rig bids and commit mail fraud at public real estate foreclosure auctions in Georgia, the Department of Justice announced.

Felony charges were filed on Dec. 19, 2013, in the U.S. District Court for the Northern District of Georgia in Atlanta, against Amy James. According to court documents, from as early as Dec. 6, 2005, until at least Jan. 23, 2009, James 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 DeKalb County, Ga. James was also charged with a conspiracy to commit mail fraud by fraudulently acquiring title to selected DeKalb County properties sold at public auctions and making and receiving payoffs and diverting money to co-conspirators that would have gone to mortgage holders and others by holding second, private auctions open only to members of the conspiracy. The department said that the selected properties were then awarded to the conspirators who submitted the highest bids in the second, private auctions.

“Today’s guilty plea is the third in the Antitrust Division’s ongoing investigation into anticompetitive behavior at real estate foreclosure auctions in the state of Georgia,” said Bill Baer, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “The Antitrust Division remains committed to holding accountable individuals who conspire to defraud distressed homeowners and lenders in Georgia and elsewhere.”

The department said that the primary purpose of the conspiracies was to suppress and restrain competition and to conceal payoffs in order to obtain real estate offered at DeKalb 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. According to court documents, the conspirators paid and received money that otherwise would have gone to pay off the mortgage and other holders of debt secured by the properties, and, in some cases, the defaulting homeowner.

“Today’s guilty plea reflects the FBI’s commitment toward enforcement of federal antitrust laws that are designed to provide a level playing field among businesses and individuals as they engage in competition for commerce,” said Ricky Maxwell, Acting Special Agent in

Charge of the FBI's Atlanta Field Office. "The FBI will continue to work with its various law enforcement partners regarding these enforcement matters and asks that the public contact their nearest FBI field office regarding such unfair and illegal business practices."

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 a Sherman Act charge may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime if either amount is greater than the statutory maximum fine. A count of conspiracy to commit mail fraud carries a maximum penalty of 20 years in prison and a fine of \$250,000 for individuals. The fine may be increased to twice the gross gain the conspirators derived from the crime or twice the gross loss caused to the victims of the crime.

The investigation is being conducted by Antitrust Division attorneys in Atlanta and the FBI's Atlanta Division, with the assistance of the Atlanta Field Office of the Housing and Urban Development Office of Inspector General and the U.S. Attorney's Office for the Northern District of Georgia. Anyone with information concerning bid rigging or fraud related to public real estate foreclosure auctions in Georgia should contact Antitrust Division prosecutors in Atlanta at 404-331-7113, call the Antitrust Division's Citizen Complaint Center at 1-888-647-3258 or visit www.justice.gov/atr/contact/newcase.htm.

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 is 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.

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