



Department of Justice



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

Fourth Case Filed in Georgia Real Estate Foreclosure Auctions Investigation

WASHINGTON – A Georgia real estate investor pleaded guilty today for his 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 March 25, 2014, in the U.S. District Court for the Northern District of Georgia in Atlanta, against Mohamed Hanif Omar. According to court documents, from at least as early as Sept. 1, 2009, until at least March 7, 2012, Omar conspired with others not to bid against one another, and instead to designate a winning bidder to obtain selected properties at public real estate foreclosure auctions in Gwinnett County, Ga. Omar was also charged with conspiring to commit mail fraud by fraudulently acquiring title to selected Gwinnett County properties sold at public auctions. Additionally, he was charged with 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 fourth in the Antitrust Division’s ongoing investigation into anticompetitive conduct at public real estate foreclosure auctions in Georgia,” said Bill Baer, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “The division remains committed to working with its law enforcement partners to investigate and prosecute local cartels that harm distressed homeowners and lenders.”

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 Gwinnett County public foreclosure auctions at non-competitive prices. When real estate properties are sold at the 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 plea should further serve as an example for those who would consider exploiting the processes in place regarding public foreclosures,” said J. Britt Johnson, Special Agent in Charge of the FBI Atlanta Field Office. “The intent of the Sherman Act was to provide a level and competitive field within commerce and the FBI intends to enforce these types of violations.”

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 the Antitrust Division’s new Washington Criminal II Section 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 the Antitrust Division 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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