



Department of Justice



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**ALABAMA REAL ESTATE INVESTOR PLEADS GUILTY TO
CONSPIRACY TO COMMIT MAIL FRAUD**

WASHINGTON – An Alabama real estate investor pleaded guilty yesterday for his role in a conspiracy to commit mail fraud related to public real estate foreclosure auctions held in southern Alabama, the Department of Justice announced today. To date, 10 individuals and two companies have pleaded guilty in connection with the department’s ongoing investigation into bid rigging and fraudulent schemes in the Alabama real estate foreclosure auction industry.

Chad E. Foster, a resident of Theodore, Alabama, pleaded guilty yesterday to an indictment filed in the U.S. District Court for the Southern District of Alabama, charging him with one count of conspiracy to commit mail fraud affecting a financial institution. According to court documents, Foster knowingly joined a conspiracy with others to, among other things, fraudulently acquire title to selected properties at artificially suppressed prices, to conduct secret, second auctions open only to members of the conspiracy, to make payoffs to and receive payoffs from co-conspirators, and to divert money away from financial institutions, homeowners and others with a legal interest in selected properties.

“This guilty plea demonstrates the Antitrust Division’s resolve to pursue those who conspire to defraud distressed homeowners and financial institutions,” said Assistant Attorney General Bill Baer of the Justice Department’s Antitrust Division. “The division will continue to hold accountable individuals who subvert the competitive process for their own gains.”

“We are committed to partnering with the Antitrust Division,” said FBI Special Agent in Charge Robert F. Lasky of the Mobile Field Office. “And we will hold accountable those individuals who profited illegally at the expense of financial institutions and struggling homeowners.”

The charge of conspiracy to commit mail fraud affecting a financial institution carries a maximum penalty of 30 years in prison and a \$1 million fine.

Yesterday’s charge stems from an ongoing investigation being conducted by the Antitrust Division’s Washington Criminal II Section and the FBI’s Mobile Field 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 in

Alabama should call the Antitrust Division at 202-598-4000, or visit www.justice.gov/atr/contact/newcase.htm.

Yesterday'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.

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