



Department of Justice



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ELEVEN NORTHERN CALIFORNIA REAL ESTATE INVESTORS INDICTED FOR BID RIGGING AND FRAUD AT PUBLIC FORECLOSURE AUCTIONS

Investigations Have Yielded 47 Plea Agreements and Four Indictments to Date

WASHINGTON – A federal grand jury in San Francisco returned three multi-count indictments against eleven real estate investors for their role in bid rigging and fraud schemes at foreclosure auctions in Northern California, the Department of Justice announced.

The indictments, filed late yesterday in U.S. District Court for the Northern District of California in Oakland, California, charge Northern California real estate investors Michael Marr; Javier Sanchez; Gregory Casorso; Victor Marr; John Shiells; Miguel De Sanz; Alvin Florida Jr.; Robert A. Rasheed; John L. Berry III; Refugio Diaz; and Stephan A. Florida with participating in conspiracies to rig bids and schemes to defraud mortgage holders and others. The indictments allege that the defendants agreed not to compete at public auctions in return for payoffs and diverted money to themselves and others that should have gone to mortgage holders and other beneficiaries. All defendants were charged with bid rigging and fraud in Alameda County, California. Marr, Sanchez, Shiells, and De Sanz were also charged with bid rigging and fraud in Contra Costa County, California. Additionally, Shiells and De Sanz were charged with bid rigging and fraud in San Francisco County, California.

To date, 47 individuals have pleaded guilty to criminal charges as a result of the department's ongoing antitrust investigations into bid rigging and fraud at public foreclosure auctions in Northern California. On Oct. 22, 2014, a federal grand jury in San Francisco returned an eight-count [indictment](#) against five additional real estate investors for their role in bid rigging and fraud schemes at foreclosure auctions in San Mateo and San Francisco Counties, California.

“Collusion at the foreclosure auctions created an unfair playing field where conspirators pocketed illegal payoffs at the expense of lenders and distressed homeowners,” said Brent Snyder, Deputy Assistant Attorney for the Antitrust Division’s criminal enforcement program. “The division will continue to investigate and prosecute local cartels that harm the competitive process.”

The indictments allege, among other things, that at various times between June 2007 and January 2011, the defendants conspired to rig bids to obtain numerous properties sold at foreclosure auctions in Alameda, Contra Costa, and San Francisco counties, negotiated payoffs for agreeing not to compete, held second, private auctions known as “rounds,” concealed those rounds and payoffs, and, in the process, defrauded mortgage holders and other beneficiaries.

“These charges demonstrate our continued commitment to investigate and prosecute individuals and organizations responsible for the corruption of the public foreclosure auction process,” said David J. Johnson, FBI Special Agent in Charge of the San Francisco Field Office. “The FBI is committed to work these important cases and remains unwavering in our dedication to bring the members of these illegal conspiracies to justice.”

Each violation of the Sherman Act carries a maximum penalty of 10 years in prison and a \$1 million fine for individuals. Each count of mail fraud carries a maximum sentence of 20 years in prison and a \$1 million fine. The government can also seek to forfeit the proceeds earned from participating in the mail fraud schemes. The maximum fine for the Sherman Act charges 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.

These indictments are the latest charges 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, California. 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 Office at 415-934-5300, or call the FBI tip line at 415-553-7400.

The 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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