



Department of Justice



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GEORGIA REAL ESTATE INVESTORS PLEAD GUILTY TO BID RIGGING AND FRAUD AT PUBLIC FORECLOSURE AUCTIONS

Six Cases Filed in Georgia Real Estate Foreclosure Auctions Investigation

WASHINGTON – Two Georgia real estate investors pleaded guilty today for their roles in a conspiracy to rig bids and commit mail fraud at public real estate foreclosure auctions in Georgia, the Department of Justice announced.

Separate felony charges were filed against Mohammad Adeel Yoonas and Kevin Shin on Dec. 23, 2014, in the U.S. District Court for the Northern District of Georgia in Atlanta. According to court documents, from at least as early as April 2008 until at least March 2012, Yoonas conspired with others not to bid against one another, but instead designated a winning bidder to obtain selected properties at public real estate foreclosure auctions in Gwinnett County, Georgia. Yoonas was also charged with a conspiracy to use the mail to carry out a scheme to fraudulently acquire titles to selected Gwinnett County properties sold at public auctions, to make and receive payoffs and to divert money to co-conspirators that would have gone to mortgage holders, homeowners 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.

Shin, according to court documents, conspired with others not to bid against one another, but instead designated a winning bidder to obtain selected properties at public real estate foreclosure auctions in Gwinnett County from at least as early as March 2009 until at least March 2012. Shin was also charged with a conspiracy to use the mail to carry out a scheme to fraudulently acquire title to selected Gwinnett County properties sold at public auctions, to make and receive payoffs and to divert money to co-conspirators that would have gone to mortgage holders, homeowners 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.

“These six guilty pleas result from the Antitrust Division’s ongoing investigation into schemes to rig public real estate foreclosure auctions in Georgia,” said Assistant Attorney General Bill Baer for the Department of Justice’s Antitrust Division. “The division will continue working with its law enforcement partners to expose 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 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, these 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.

“The criminal actions of the defendants in this case provide a clear example of why enforcement of the Sherman Act remains necessary in maintaining a level and competitive field within commerce,” said Special Agent in Charge J. Britt Johnson for the FBI Atlanta Field Office. “The FBI will continue to work with the U.S. Department of Justice’s Antitrust Division in identifying such financial schemes that attempt to take unfair advantage, to include those targeting the foreclosure auction process.”

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 in an amount equal to the greatest of \$250,000, twice the gross gain the conspirators derived from the crime or twice the gross loss caused to the victims of the crime by the conspirators.

The investigation is being conducted by Antitrust Division’s 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 Washington Criminal II Section of the Antitrust Division at 202-598-4000, 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’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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