



# Department of Justice



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## **NORTH CAROLINA REAL ESTATE INVESTOR INDICTED FOR CONSPIRACY TO COMMIT MAIL FRAUD**

WASHINGTON – A federal grand jury in Raleigh, North Carolina, returned a one-count indictment against a real estate investor, charging him with conspiracy to commit mail fraud as part of a scheme related to public real estate foreclosure auctions, the Department of Justice announced today.

The indictment, filed in U.S. District Court of the Eastern District of North Carolina on March 18, 2015, charges real estate investor Rodney S. Daw, of Raleigh, with conspiracy to commit mail fraud affecting a financial institution. The department alleged that the scheme defrauded homeowners, financial institutions and others with a legal interest in selected foreclosure properties, for the unlawful purpose of obtaining money and property through fraudulent pretenses, representations or promises.

The indictment charges Daw with conspiring with others to, among other things, make and receive payoffs from co-conspirators in exchange for agreements not to compete in public auctions, and to divert money away from homeowners, financial institutions and others with a legal interest in selected properties. Several financial institutions suffered actual monetary losses as a result of the conspiracy. According to the indictment, Daw participated in the mail fraud conspiracy beginning at least as early as December 2002 and continuing until at least April 2005.

“This action marks the fourth state in which a defendant has been indicted in our ongoing investigation into illegal conduct at public real estate foreclosure auctions,” said Assistant Attorney General Bill Baer of the Antitrust Division. “We will continue to vigorously pursue those individuals who sought to capitalize on this nation’s financial crisis by seeking personal gain at the expense of homeowners and financial institutions.”

“This federal indictment illustrates the FBI’s commitment toward assisting the U.S. Department of Justice’s Antitrust Division in ensuring that those who engage in real estate investments and transactions do so on a level playing field,” said Special Agency in Charge J. Britt Johnson of the FBI’s Atlanta Field Office. “The FBI asks that anyone with information regarding such activities as alleged in this indictment contact their nearest FBI field office.”

To date, two individuals have pleaded guilty in connection with the department's ongoing investigation into bid rigging and fraudulent schemes in the North Carolina real estate foreclosure auction industry.

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.

This charge stems from an ongoing investigation being conducted by the Antitrust Division's Washington Criminal II Section and the FBI's Atlanta Field Office, with the assistance of the U.S. Attorney's Office of the Eastern District of North Carolina. Anyone with information concerning bid rigging or fraud related to public real estate foreclosure auctions in North Carolina should contact the Washington Criminal II Section of the Antitrust Division at 202-598-2507, or visit [www.justice.gov/atr/contact/newcase.htm](http://www.justice.gov/atr/contact/newcase.htm).

These 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](http://www.StopFraud.gov).

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