

# JUSTICE NEWS

## Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, September 29, 2016

### **Northern California Real Estate Investor Agrees to Plead Guilty to Bid Rigging at Public Foreclosure Auctions**

A Northern California real estate investor pleaded guilty for his role in a conspiracy to rig bids at public real estate foreclosure auctions in Northern California, the Department of Justice announced.

Stephan Florida, a real estate investor of Danville, California, pleaded guilty to one count of bid rigging in the U.S. District Court for the Northern District of California in Oakland yesterday. The defendant was charged in an indictment returned by a federal grand jury in the Northern District of California on November 19, 2014.

According to court documents, between May 2008 and December 2010, Florida 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 Alameda County. Florida made and received payoffs for the agreements not to bid, diverting money that would have otherwise gone to mortgage holders and other beneficiaries.

Yesterday's charges are the latest 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, in connection with the president's Financial Fraud Enforcement Task Force.

The president established the task force 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 fiscal year 2009, the Justice Department has filed over 18,000 financial fraud cases against more than 25,000 defendants.

For more information about the task force, please visit [www.StopFraud.gov](http://www.StopFraud.gov). 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.

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16-1122

Antitrust Division

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## JUSTICE NEWS

Department of Justice

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FOR IMMEDIATE RELEASE

Friday, August 19, 2016

### **Georgia Real Estate Investor Pleads Guilty to Bid Rigging at Public Home Foreclosure Auctions**

A Georgia real estate investor pleaded guilty today for his role in bid-rigging and bank fraud conspiracies in connection with public real estate foreclosure auctions in Georgia, the Justice Department announced today.

Otto Gogolin admitted that he agreed not to bid against other real estate investors at certain public real estate foreclosure auctions in an effort to subvert the competitive process. Additionally, according to court documents, Gogolin and his co-conspirators defrauded banks that owned the mortgage notes. Gogolin admitted to participating in the conspiracy in Forsyth County, Georgia, from July 2008 to December 2011.

According to court documents filed in this case in the U.S. District Court for the Northern District of Georgia, the conspirators artificially suppressed the prices of properties sold at certain public real estate foreclosure auctions by agreeing not to outbid one another and then made and received payoffs to each other. Among other methods, the conspirators allegedly held secret "second auctions" of properties they had obtained through rigged bids and then divided the auction proceeds that otherwise would have gone to pay off the mortgage and other secured debt holders and, in some cases, to the previous owner of the foreclosed home.

Including the charges filed against Gogolin, 23 defendants have been charged in connection with the department's ongoing investigation into bid rigging and fraudulent schemes involving real estate foreclosure auctions in the Atlanta area, 21 of whom have either pleaded guilty or agreed to plead guilty. In addition to the cases filed in Georgia, the Antitrust Division has recently filed similar cases in Alabama, North Carolina and California. More than 100 defendants in total have been indicted or have pleaded guilty for rigging foreclosure auctions and lining their own pockets at the expense of banks and homeowners going through foreclosures.

These charges have been filed as a result of the ongoing investigation being conducted by the Antitrust Division's Washington Criminal II Section, the FBI's Atlanta Division and the U.S. Attorney's Office of the Northern District of Georgia, in connection with the president's Financial Fraud Enforcement Task Force. The president established the task force 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 fiscal year 2009, the Justice Department has filed over 18,000 financial fraud cases against more than 25,000 defendants.

For more information about the task force, please visit [www.StopFraud.gov](http://www.StopFraud.gov). Anyone with information concerning bid rigging or fraud related to public real estate foreclosure auctions should contact the Washington Criminal II Section of the Antitrust Division at 202-598-4000, call the Antitrust Division's Citizen Complaint Center at 888-647-3258, or visit <http://www.justice.gov/atr/report-violations>.

[Gogolin Information](#)

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16-959

[Antitrust Division](#)

# JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, August 11, 2016

## **Two Real Estate Investors Plead Guilty to Rigging Bids at Public Home Foreclosure Auctions**

### ***22 Defendants Charged in Ongoing Investigation***

Two Georgia real estate investors pleaded guilty today for their roles in bid-rigging and fraud conspiracies committed at public real estate foreclosure auctions in Georgia, the Department of Justice announced.

Ellis Galyon and Christopher Anderson each admitted that they agreed with other real estate investors to rig auctions of foreclosed homes in the Atlanta metro area. According to court documents filed today in the U.S. District Court of the Northern District of Georgia in Atlanta, the conspirators agreed not to compete for the purchase of selected foreclosed homes so that they could win the auctions for those homes with artificially low bids. The winning bidders then paid off the other conspirators who had refrained from bidding against them. As a result of Galyon and Anderson's actions, conspirators profited from money that otherwise would have gone to mortgage holders and other secured debt holders and, in some cases, to the people who owned the foreclosed homes.

Galyon admitted to participating in the conspiracy in Fulton County between June 2007 and at least July 2011. Anderson admitted to participating in the conspiracy in Fulton County between December 2007 and October 2011 and in DeKalb County between September 2009 and November 2011.

Including Galyon and Anderson, twenty-two defendants have been charged in connection with the department's ongoing investigation into bid rigging and fraudulent schemes involving real estate foreclosure auctions in the Atlanta area. Twenty of those have either pleaded guilty or agreed to plead guilty.

These charges have been filed as a result of the ongoing investigation being conducted by the Antitrust Division's Washington Criminal II Section, the FBI's Atlanta Division and the U.S. Attorney's Office of the Northern District of Georgia, in connection with the President's Financial Fraud Enforcement Task Force. The president established the task force 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 fiscal year 2009, the Justice Department has filed over 18,000 financial fraud cases against more than 25,000 defendants.

For more information about the task force, please visit [www.StopFraud.gov](http://www.StopFraud.gov). Anyone with information concerning bid rigging or fraud related to public real estate foreclosure auctions should contact the Washington Criminal II Section of the Antitrust Division at 202-598-4000, call the Antitrust Division's Citizen Complaint Center at 888-647-3258 or visit <http://www.justice.gov/atr/report-violations>.

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16-935

Antitrust Division

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## JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Monday, July 25, 2016

### **Georgia Real Estate Investor Pleads Guilty to Bid Rigging and Bank Fraud at Public Home Foreclosure Auctions**

A Georgia real estate investor pleaded guilty today for his role in bid-rigging and fraud conspiracies committed at public real estate foreclosure auctions in Georgia, the Department of Justice announced.

James R. Patterson Jr. admitted that he agreed with other real estate investors to rig auctions of foreclosed homes in Gwinnett County from May 2007 until at least November 2011. According to court documents filed in the U.S. District Court for the Northern District of Georgia, Patterson and his co-conspirators agreed not to compete for the purchase of selected foreclosed homes so that they could win the auctions for those homes with artificially low bids. The winning bidders then paid off the conspirators who had refrained from bidding against them. As a result, conspirators profited from money that otherwise would have gone to mortgage holders and other secured debt holders and in some cases, to the people who owned the foreclosed homes.

Including the individual pleading today, twenty-two defendants have been charged in connection with the Justice Department's ongoing investigation into bid rigging and fraudulent schemes involving real estate foreclosure auctions in the Atlanta area. Twenty of those have either pleaded guilty or agreed to plead guilty.

These charges have been filed as a result of the ongoing investigation being conducted by the Antitrust Division's Washington Criminal II Section, the FBI's Atlanta Division and the U.S. Attorney's Office of the Northern District of Georgia, in connection with the president's Financial Fraud Enforcement Task Force. The president established the task force 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 fiscal year 2009, the Justice Department has filed over 18,000 financial fraud cases against more than 25,000 defendants.

For more information about the task force, please visit [www.StopFraud.gov](http://www.StopFraud.gov). Anyone with information concerning bid rigging or fraud related to public real estate foreclosure auctions should contact the Washington Criminal II Section of the Antitrust Division at 202-598-4000, call the Antitrust Division's Citizen Complaint Center at 888-647-3258, or visit <http://www.justice.gov/atr/report-violations>.

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16-864

Antitrust Division

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## JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Friday, July 1, 2016

### **Three Georgia Real Estate Investors Plead Guilty to Bid Rigging and Bank Fraud at Public Home Foreclosure Auctions**

Three Georgia real estate investors pleaded guilty today for their roles in bid-rigging and fraud conspiracies committed at public real estate foreclosure auctions in Georgia, the Department of Justice announced today.

Jeffrey Wayne Brock, David Wallace “Chuck” Doughty, and Stanley Ralph Sullivan each admitted that they agreed to rig auctions of foreclosed homes in Cobb County from June 2007 until January 2012. According to court documents filed in the U.S. District Court for the Northern District of Georgia, Brock, Doughty, Sullivan and their co-conspirators agreed not to compete for the purchase of selected foreclosed homes so that they could win the auctions for those homes with artificially low bids. The winning bidders then made payoffs to conspirators who had refrained from bidding against them. As a result, conspirators profited from money that otherwise would have gone to mortgage holders and other secured debt holders, and in some cases, to the owners of foreclosed homes.

“These defendants conspired to corrupt foreclosure auctions that should have benefited lenders and homeowners,” said Principal Deputy Assistant Attorney General Renata Hesse, head of the Justice Department’s Antitrust Division. “The Antitrust Division will continue to work with our colleagues at the FBI to pursue those who took advantage of disruption caused by the financial crisis to line their own pockets.”

“Foreclosure auction fraud in Georgia remains a focus for the FBI investigators and federal prosecutors within the Antitrust Division of the U.S. Department of Justice,” said Special Agent in Charge J. Britt Johnson of the FBI’s Atlanta Division. “By the very nature of this criminal act, the bank, and more importantly, the home owner in financial distress, are the victims that these federal laws were created to protect. The FBI will continue to provide investigative assets toward these matters in order to keep the level playing field that the law intended regarding these auctions.”

Including the individuals pleading today, twenty defendants have been charged in connection with the department’s ongoing investigation into bid rigging and fraudulent schemes involving real estate foreclosure auctions in the Atlanta area. Eighteen of those have either pleaded guilty or agree to plead guilty.

These charges have been filed as a result of the ongoing investigation being conducted by the Antitrust Division’s Washington Criminal II Section, the FBI’s Atlanta Division and the U.S. Attorney’s Office of the Northern District of Georgia, in connection with the president’s Financial Fraud Enforcement Task Force. The president established the task force 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. Since fiscal year 2009, the Justice Department has filed over 18,000 financial fraud cases against more than 25,000 defendants. For more information about the task force, please visit [www.StopFraud.gov](http://www.StopFraud.gov). Anyone with information concerning bid rigging or fraud related to public real estate foreclosure auctions should contact the Washington Criminal II Section of the Antitrust Division at 202-598-4000, call the Antitrust Division’s Citizen Complaint Center at 888-647-3258, or visit <http://www.justice.gov/atr/report-violations>.

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