



Department of Justice



United States Attorney Benjamin B. Wagner
Eastern District of California

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CALIFORNIA REAL ESTATE EXECUTIVE PLEADS GUILTY TO BID RIGGING

SACRAMENTO, Calif. — A Stockton real estate executive pleaded guilty today in the U.S. District Court in Sacramento, Calif. to conspiring to rig bids at public real estate foreclosure auctions held in San Joaquin County, Benjamin B. Wagner, United States Attorney for the Eastern District of California and Christine Varney, Assistant Attorney General of the Department of Justice's Antitrust Division announced.

Anthony B. Ghio, of Stockton, Calif., admitted in his guilty plea that he conspired with a group of real estate speculators who agreed not to bid against each other at certain public real estate foreclosure auctions in San Joaquin County, Calif. The primary purpose of the conspiracy was to suppress and restrain competition and obtain selected real estate offered at San Joaquin County public foreclosure auctions at non-competitive prices.

According to court documents, after the conspirators' designated bidder bought a property at a public auction, they would hold a second auction. Then each participating conspirator in turn would bid amounts above the public auction price he or she was willing to pay. The conspirator who bid the highest amount at the end of the rounds won the property. That difference between the price at the public auction and that at the second auction was the group's illicit profit, and it was divided among the conspirators in payoffs. Ghio participated in the bid-rigging scheme from April 2009 until October 2009.

Ghio is charged with bid rigging, a violation of the Sherman Act, which carries a maximum penalty of 10 years in prison and a \$1 million fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine.

These charges arose from an ongoing federal antitrust investigation of fraud and bidding irregularities in certain real estate auctions in San Joaquin County. The investigation is being conducted by the U.S. Attorney's Office for the Eastern District of California, the Antitrust Division's San Francisco Office, the Federal Bureau of Investigation, and the San Joaquin County District Attorney's Office.

Assistant United States Attorneys Robin R. Taylor and Russell L. Carlberg and trial attorneys Barbara Nelson and Richard Cohen from the Antitrust Division's San Francisco Office are prosecuting the case.

This law enforcement action is part of President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

One component of the FFETF is the national Mortgage Fraud Working Group, co-chaired by U.S. Attorney Wagner.

Anyone with information concerning bid rigging or fraud related to real estate foreclosure auctions should contact the Antitrust Division's San Francisco Office 415-436-6660 or visit <http://www.justice.gov/atr/contact/newcase.htm>, or the FBI's Sacramento Division at 916-481-9110, or the U.S. Attorneys Office for the Eastern District of California at 916-554-2900.

Media inquiries to the U.S. Attorney's Office should be directed to Lauren Horwood at 916-554-2706. Media inquiries regarding the department's Antitrust Division should be directed to Gina Talamona at 202-514-2007.

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