



1 COUNT ONE: [15 U.S.C. § 1 - Bid Rigging]

2 The Grand Jury charges:

3 WILEY C. CHANDLER,  
4 ANDREW B. KATAKIS,  
5 DONALD M. PARKER,  
6 ANTHONY B. JOACHIM, and  
7 W. THEODORE LONGLEY,

8 defendants herein, as follows:

9 **BACKGROUND**

10 1. At all times relevant to this Indictment, when California  
11 homeowners defaulted on their mortgages, mortgage holders could  
12 institute foreclosure proceedings and sell the properties through  
13 nonjudicial public real estate foreclosure auctions ("public  
14 auctions"). These public auctions were governed by California Civil  
15 Code Section 2924, et seq. Typically, a trustee was appointed to  
16 oversee the public auctions. These public auctions usually took  
17 place at or near the county courthouse of the county in which the  
18 properties were located. The auctioneer, acting on behalf of the  
19 trustee, sold the property to the bidder offering the highest  
20 purchase price. Proceeds from the sale were then used to pay the  
21 mortgage holders and other holders of debt secured by the property  
22 (collectively, "beneficiaries").

23 2. At all times relevant to this Indictment, defendant WILEY  
24 C. CHANDLER, a resident of Lodi, California, purchased real estate  
25 at public auctions in San Joaquin County.

26 3. At all times relevant to this Indictment, defendant  
27 ANDREW B. KATAKIS, a resident of Danville, California, through  
28

1 agents and entities that he controlled, purchased real estate at  
2 public auctions in San Joaquin County.

3 4. At all times relevant to this Indictment, defendant  
4 DONALD M. PARKER, a resident of Valley Springs, California,  
5 purchased real estate at public auctions in San Joaquin County.  
6

7 5. At all times relevant to this Indictment, defendant  
8 ANTHONY B. JOACHIM, a resident of Stockton, California, purchased  
9 real estate at public auctions in San Joaquin County.

10 6. At all times relevant to this Indictment, defendant  
11 W. THEODORE LONGLEY, a resident of Roseville, California, was an  
12 auctioneer or "crier" who conducted public real estate auctions in  
13 San Joaquin County.

14 7. Various corporations and individuals, not defendants in  
15 this Indictment, participated as coconspirators in the offense  
16 charged herein and performed acts and made statements in furtherance  
17 of them.  
18

19 **THE COMBINATION AND CONSPIRACY**

20 8. Beginning at least as early as in or about September 2008,  
21 and continuing until as late as in or about October 2009, the  
22 defendants, WILEY C. CHANDLER, ANDREW B. KATAKIS, DONALD M. PARKER,  
23 ANTHONY B. JOACHIM, W. THEODORE LONGLEY, and others known and  
24 unknown to the Grand Jury, entered into and engaged in a combination  
25 and conspiracy to suppress and restrain competition by rigging bids  
26 to obtain selected properties offered at public auctions in San  
27 Joaquin County in the Eastern District of California, in  
28

1 unreasonable restraint of interstate trade and commerce, in  
2 violation of the Sherman Act, Title 15, United States Code,  
3 Section 1.

4         9. The charged combination and conspiracy consisted of a  
5 continuing agreement, understanding, and concert of action among the  
6 defendants and coconspirators to suppress competition by agreeing to  
7 refrain from bidding against each other to purchase selected  
8 properties at public auctions in San Joaquin County.

10         10. The defendant W. THEODORE LONGLEY aided, abetted,  
11 counseled, commanded, induced, and procured the combination and  
12 conspiracy charged in this Count and willfully caused others to  
13 perform acts and make statements in furtherance of the charged  
14 combination and conspiracy.

15                                 **MEANS AND METHODS OF THE DEFENDANTS**

16  
17         11. For the purpose of forming and carrying out the charged  
18 combination and conspiracy, the defendants and coconspirators  
19 utilized various means and methods, including, among other things:

20                 a. agreeing not to compete to purchase selected  
21 properties at public auctions in San Joaquin County;

22                 b. designating which conspirator would bid for the  
23 selected properties at the public auctions;

24                 c. refraining from bidding for the selected properties  
25 at the public auctions; and  
26

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28 ///

1 d. making payoffs to and receiving payoffs from one  
2 another in return for refraining from bidding at the public  
3 auctions.

4 **TRADE AND COMMERCE**

5 12. During the period covered by this Indictment, the business  
6 activities of the defendants and coconspirators that are the subject  
7 of this Indictment were within the flow of, and substantially  
8 affected, interstate trade and commerce. For example, beneficiaries  
9 located in states other than California received proceeds from the  
10 public auctions that were subject to the bid-rigging conspiracy.

11 **JURISDICTION AND VENUE**

12 13. The combination and conspiracy charged in this Count were  
13 formed in and carried out, in part, within the Eastern District of  
14 California, within the five years preceding the return of this  
15 Indictment.

16 All in violation of Title 15, United States Code, Section 1,  
17 and Title 18, United States Code, Section 2.

18 COUNT TWO: [18 U.S.C. § 1349 - Conspiracy to Commit Mail Fraud]

19 The Grand Jury further charges:

20 WILEY C. CHANDLER,  
21 ANDREW B. KATAKIS,  
22 DONALD M. PARKER,  
23 ANTHONY B. JOACHIM, and  
24 W. THEODORE LONGLEY,

25 defendants herein, as follows:

26 ///

27 ///

1 1. Paragraphs one through seven of Count One of the  
2 Indictment are realleged and incorporated herein, as if fully set  
3 forth.

4 **THE CONSPIRACY TO DEFRAUD**

5  
6 2. Beginning at least as early as in or about September 2008,  
7 and continuing until as late as in or about October 2009, the  
8 defendants, WILEY C. CHANDLER, ANDREW B. KATAKIS, DONALD M. PARKER,  
9 ANTHONY B. JOACHIM, W. THEODORE LONGLEY, and others known and  
10 unknown to the Grand Jury did willfully and knowingly combine,  
11 conspire, and agree with each other to violate Title 18, United  
12 States Code, Section 1341, namely, to knowingly devise and intend to  
13 devise and participate in a material scheme and artifice to defraud  
14 beneficiaries and to obtain from beneficiaries money and property by  
15 means of materially false and fraudulent pretenses, representations,  
16 and promises.

17  
18 3. The objects of the conspiracy were to fraudulently acquire  
19 title to selected properties sold at public auctions in San Joaquin  
20 County at a lower price and to divert money to defendants and  
21 coconspirators that should have gone to the beneficiaries.

22 4. The defendant W. THEODORE LONGLEY aided, abetted,  
23 counseled, commanded, induced, and procured the conspiracy charged  
24 in this Count and willfully caused others to perform acts and make  
25 statements in furtherance of the charged conspiracy.  
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MEANS AND METHODS OF THE DEFENDANTS

1  
2 5. For the purpose of forming and carrying out the charged  
3 conspiracy, the defendants and coconspirators utilized various means  
4 and methods, including, among other things:

5 a. agreeing to divert funds from the beneficiaries to  
6 the conspirators;

7  
8 b. arranging for a designated conspirator to purchase  
9 selected properties at public auctions at lower, noncompetitive  
10 prices;

11 c. making payoffs to and receiving payoffs from one  
12 another using monies that would have gone to beneficiaries;

13 d. in some instances, holding private auctions,  
14 frequently referred to as "rounds" or "round robins," open only to  
15 members of the conspiracy, to bid for selected properties that the  
16 designated conspirators purchased at the public auctions;

17 e. distributing, based on an agreed-upon formula, the  
18 difference between the highest bids submitted at the public auctions  
19 and the highest bids submitted at the round robins as payoffs to the  
20 conspirators participating in the rounds;

21 f. allowing the conspirators who submitted the highest  
22 bids at the round robins to acquire title to the selected  
23 properties; and  
24

25 g. taking steps to conceal the fact that monies were  
26 diverted from the beneficiaries to the conspirators, including  
27 making and causing to be made false and misleading statements on  
28

1 records of public auctions that trustees relied upon to distribute  
 2 proceeds from the public auction to the beneficiaries and convey  
 3 title to properties sold at the public auction.

4 6. For the purpose of executing the scheme and artifice to  
 5 defraud and attempting to do so, the defendants and coconspirators  
 6 knowingly used and caused to be used the United States Postal  
 7 Service and private or commercial interstate carriers. For example,  
 8 Trustee's Deeds Upon Sale and related documents were sent to  
 9 conspirators through the United States mail and private or  
 10 commercial interstate carriers. Properties that were included in  
 11 the scheme, and for which such mailings were made, included:  
 12

PROPERTY ADDRESS	SALE DATE	MAILING
2564 Keyser Dr., Stockton, CA	7/24/09	Trustee's Deed Upon Sale mailed to PARKER
1434 Mariposa Way, Lodi, CA	7/30/09	Trustee's Deed Upon Sale mailed to agent and entity controlled by KATAKIS
3022 Stefano Dr., Stockton, CA	8/25/09	Trustee's Deed Upon Sale mailed to PARKER
4315 Legacy Ct., Stockton, CA	8/25/09	Trustee's Deed Upon Sale mailed to JOACHIM
2126 Bartram Run Way, Stockton, CA	9/16/09	Trustee's Deed Upon Sale mailed to agent and entity controlled by KATAKIS
3785 Hatchers Cir., Stockton, CA	9/22/09	Trustee's Deed Upon Sale mailed to CHANDLER's partner

26  
 27 All in violation of Title 18, United States Code, Sections  
 28 1349 and 2.

1 Dated:  
2  
3

A TRUE BILL.

**/s/ Signature on file w/AUSA**

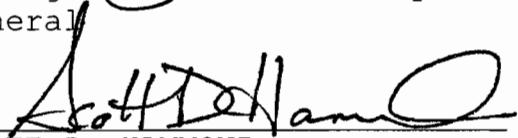
FOREPERSON

4  
5 

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7 BENJAMIN B. WAGNER  
United States Attorney  
8 Eastern Dist. of California

9  
10 

11 SHARIS A. POZEN  
Acting Assistant Attorney  
12 General

13 

14 SCOTT D. HAMMOND  
Deputy Assistant Attorney  
15 General

16 

17 ANNA TRYON FLETCHER  
18 TAI S. MILDER  
19 RICHARD B. COHEN  
20 Trial Attorneys  
21 U.S. Department of Justice  
22 Antitrust Division  
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**UNITED STATES DISTRICT COURT**

*Eastern District of California*

*Criminal Division*

**THE UNITED STATES OF AMERICA**

vs.

Wiley C. Chandler, Andrew B. Katakis, Donald M. Parker,  
Anthony B. Joachim, and W. Theodore Longley

**INDICTMENT**

**VIOLATION(S):** 15 U.S.C. § 1 - Bid Rigging and  
18 U.S.C. § 1349 - Conspiracy to Commit Mail Fraud

*A true bill,*

*/S/*

*Foreman.*

Filed in open court this 7 day

of DECEMBER, A.D. 20 11

*[Signature]*  
Clerk.

Bail, \$ NO BAIL WARRANT PENDING HEARING

*[Signature]*

*- All defendants  
Chandler,  
Katakis  
Parker  
Joachim  
Longley*

**DEFENDANTS:** WILEY C. CHANDLER,  
ANDREW B. KATAKIS,  
DONALD M. PARKER,  
ANTHONY B. JOACHIM,  
W. THEODORE LONGLEY,

**COUNT ONE:**

**VIOLATION:** 15 U.S.C. § 1 - Bid Rigging

**PENALTY:** Not more than 10 years imprisonment,  
Fine equal to the greatest of:  
(1) \$1,000,000;  
(2) Two times the conspirators' gross  
pecuniary gain;  
(3) Two times the gross pecuniary loss  
caused to victims of the conspiracy,  
3 years supervised release.

**COUNT TWO:**

**VIOLATION:** 18 U.S.C. § 1349 - Conspiracy to Commit  
Mail Fraud

**PENALTY:** Not more than 30 years imprisonment,  
\$1,000,000 fine,  
5 years supervised release.

**PENALTY ASSESSMENT:** \$100 assessment