

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
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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.
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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.
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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
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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**

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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
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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:

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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**

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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.

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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

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

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

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

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

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

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

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

Dated:

A TRUE BILL.

~~/s/ Signature on file w/AUSA~~

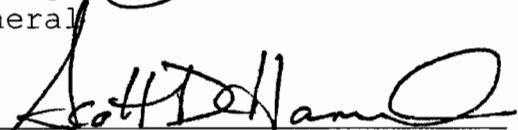
FOREPERSON



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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