

## JUSTICE NEWS

Department of Justice

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### **Ten Eastern California Real Estate Investors Sentenced for Roles in Bid-Rigging and Mail-Fraud Conspiracies Involving Real Estate Purchased at Public Foreclosure Auctions**

*More than \$6 Million in Fines and Restitution Imposed*

Ten Eastern California real estate investors were sentenced yesterday for their participation in conspiracies to rig bids and commit mail fraud at public real estate foreclosure auctions in Eastern California, the Department of Justice announced.

The primary purpose of the conspiracies was to suppress and restrain competition and to conceal payoffs in order to obtain selected real estate offered at San Joaquin County public foreclosure auctions at non-competitive prices. When real estate properties are sold at these auctions, the proceeds are used to pay off the mortgage and other debt attached to the property, with remaining proceeds, if any, paid to the homeowner. According to court documents, these conspirators paid and received money that otherwise would have gone to pay off the mortgage and other holders of debt secured by the properties.

“These defendants rigged foreclosure auctions to profit at the expense of mortgage holders and homeowners,” said Acting Assistant Attorney General Renata Hesse of the Department of Justice’s Antitrust Division. “Yesterday’s sentences send a strong message that conspiracies to eliminate competition in any area of our economy will not be tolerated.”

“My office will continue to fight real estate fraud in all its forms, including bringing to justice those who would subvert public foreclosure auctions for their own personal gain,” said Acting United States Attorney Phillip A. Talbert of the Eastern District of California.

The following individuals were sentenced in the U.S. District Court for the Eastern District of California in Sacramento:

- Anthony B. Ghio, of Stockton, California, was sentenced to serve five months in prison and ordered to pay a \$1 million criminal fine and \$214,544 in restitution to the victims of the crime.
- John R. Vanzetti, of Stockton, California, was sentenced to serve five months in prison and ordered to pay a \$1 million criminal fine and \$271,454 in restitution to the victims of the crime.

- Theodore B. Hutz, of Stockton, California, was sentenced to serve five months in prison and ordered to pay a \$250,000 criminal fine and \$76,670 in restitution to the victims of the crime.
- Richard Northcutt, of Stockton, California, was sentenced to serve seven months in prison and ordered to pay a \$1 million criminal fine and \$614,982 in restitution to the victims of the crime.
- Kennen A. Swanger, of Alta, California, was sentenced to serve five months in prison and ordered to pay a \$5,000 criminal fine.
- Wiley C. Chandler, of Stockton, California, was sentenced to serve seven months in prison and ordered to pay a \$500,000 criminal fine and \$614,982 in restitution to the victims of the crime.
- Walter Daniel Olmstead, of San Francisco, California, was sentenced to serve eight months in prison and ordered to pay a \$29,687 in restitution to the victims of the crime.
- Gregory L. Jackson, of Lodi, California, was sentenced to pay a \$150,000 criminal fine and \$20,900 in restitution to the victims of the crime.
- Robert Rose, of Danville, California, was sentenced to pay a \$100,000 criminal fine and \$24,128 in restitution to the victims of the crime.
- Anthony B. Joachim, of Stockton, California, was sentenced to pay a \$175,000 criminal fine and \$94,154 in restitution to the victims of the crime.

Two other real estate investors, Andrew B. Katakis and Donald M. Parker, were convicted at trial of bid rigging in March 2014.

A total of thirteen individuals pleaded guilty or were convicted in the U.S. District Court for the Eastern District of California in connection with this investigation. The sentences announced yesterday resulted from an ongoing investigation being conducted by the Antitrust Division's San Francisco office, the U.S. Attorney's Office for the Eastern District of California, the FBI's Sacramento Division and the San Joaquin County District Attorney's Office. Anyone with information concerning bid rigging or fraud related to real estate foreclosure auctions should contact the Antitrust Division's San Francisco office at 415-934-5300, visit [www.justice.gov/atr/contact/newcase.htm](http://www.justice.gov/atr/contact/newcase.htm), contact the U.S. Attorney's Office for the Eastern District of California at 916-554-2700 or contact the FBI's Sacramento Division at 916-481-9110.

Yesterday's action was brought 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.

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