



U. S. Department of Justice
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PRESS RELEASE

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Thursday, February 01, 2007	Thomas Rice, First Assistant U.S. Attorney (509) 353-2767

“ANOTHER MAN CAUGHT IN BIDRIGGING INVESTIGATION”

Yakima – United States Attorney James A. McDevitt announced that Douglas Henry Lemon, age 56, a resident of Yakima, Washington, pleaded guilty today to Filing a Fraudulent Income Tax Return. Sentencing has been scheduled for March 15, 2007.

According to Douglas Lemon’s Plea Agreement, Bacil W. Shirley, who was an auctioneer, shared money that he received from a third-party in exchange for unlawfully reducing the price of United States property after it was sold at a public auction. According to the plea agreement, Shirley gave the money to Douglas Lemon in an effort to appease him because Shirley had promised Douglas Lemon that he would be able to obtain the same Yakima property sold on January 10, 2003. Douglas Lemon accepted and kept \$1,000 that Shirley gave him after knowing that the third-party had obtained the property at an unlawfully reduced price. Douglas Lemon intentionally failed to report the \$1,000 as taxable income on the 2003 federal individual income tax return he submitted to the Internal Revenue Service on or about April 15, 2004. Douglas Lemon admitted that he failed to report the \$1,000 as income in an effort to avoid paying tax on it. Filing a Fraudulent Income Tax Return carries a penalty of up to one year in prison and a \$100,000 fine.

In related cases, both Bacil W. Shirley and a bidder, Ronald G. Frank, have pleaded guilty to bribery of a government official. Bacil W. Shirley pleaded guilty in July 2006 and is awaiting sentencing, now set for April 2007. On December 7, 2006, Ronald Frank, who attempted to bribe an U.S. Department of Agriculture employee with a \$10,000 payment, was sentenced to three years probation and a \$90,000 penalty.

Bacil W. Shirley was an employee of Legal Couriers, Inc., a company hired to read foreclosure sales scripts at public auctions. Shirley admitted in his plea that while performing that job, he rolled back the sales price of two USDA foreclosed properties in January 2003, in return for a kickback from the high bidder. The USDA employee in charge of the Rural Housing Service, Single Family Housing Program, became aware of the rolled back prices of the two homes and confronted Shirley about the discrepancy. In order to keep the USDA employee quiet about the scheme, Shirley offered and gave the USDA employee \$3,000. The USDA employee was working with the Inspector General’s Office at the time and the conversation was recorded. Shirley offered the USDA employee more money for future

foreclosed property sales by either rolling back the auction price or selling them at a reduced price before the auction.

Ronald G. Frank, admitted in his plea that he contacted the same USDA employee in charge of the Rural Housing Service, Single Family Housing Program, and offered him a \$10,000 bribe for each foreclosed house he could buy at a reduced price prior to any auction. In April 2004, Frank paid the USDA employee \$10,000 cash, representing one-half of the \$20,000 he promised to pay for two properties using this scheme.

The IRS Criminal Investigation and the United States Department of Agriculture, Office of Inspector General joined forces to investigate this case. These cases are being prosecuted by Aine Ahmed, Assistant U.S. Attorney for the Eastern District of Washington.