**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

United States of America,

v. Case No. 1:22-cr-171-MLB

Carl Delano Torjagbo a/k/a Karl Lucius Delano,

Defendant.

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ORDER

Defendant is charged with several counts of fraud and money laundering arising from an alleged scheme to wrongfully obtain millions of dollars from the government. (Dkt. 180.) He has been in federal custody since 2022, pleads not guilty, and is set to stand trial next month. (Dkts. 8; 11; 38; 63; 113; 152; 176; 186.) The United States moves to sell three real estate properties listed in the forfeiture provision of Defendant's indictment and to hold the net proceeds of those sales pending resolution of this case. (Dkt. 61.) The Court held an evidentiary hearing on the United States's motion late last year, after which the parties filed supplemental briefs. (Dkts. 167; 171; 177.) Having considered the parties' submissions and the totality of the record, the Court denies the United States's motion.

Federal Rule of Criminal Procedure 32.2(b)(7) says, "[a]t any time before entry of a final forfeiture order, the court, in accordance with Supplemental Rule G(7) of the Federal Rules of Civil Procedure, may order the interlocutory sale of property alleged to be forfeitable." Fed. R. Crim. P. 32.2(b)(7). Under Supplemental Rule G(7), "the court may order all or part of the property sold" if (1) "the property is perishable or at risk of deterioration, decay, or injury by being detained in custody pending the action," (2) "the expense of keeping the property is excessive or is disproportionate to its fair market value," (3) "the property is subject to a mortgage or to taxes on which the owner is in default," or (4) "the court finds other good cause." Fed. R. Civ. P. Supp. R. G(7)(b)(i). Even if these criteria are met, the court may exercise its "considerable discretion" and decline to order an interlocutory sale. *United States v. Hall*, 877 F.3d 676, 685 (6th Cir. 2017); *see United States v. Real Props.*, 2011 WL 5975820, at *2 (S.D.W. Va. Nov. 28, 2011) ("Rule G(7) affords the district court a wide degree of latitude in making the decision of whether or not to order interlocutory sale."); *E.N. Bisso & Son, Inc. v. M/V Donna J.*

Bouchard, 612 F. Supp. 3d 640, 644 (E.D. La. 2020) (finding an analogous Supplemental Rule "does not require an interlocutory sale" even if "the criteria is met," and noting "the question of whether an interlocutory sale is appropriate is left to the court's discretion"). The United States bears the burden to show a sale is warranted. *United States v. Rose*, 2022 WL 3083582, at *1 (E.D. Cal. Aug. 3, 2022); (Dkt. 167 at 7).

The United States claims an interlocutory sale is appropriate here because one of the properties "has been targeted for adverse possession by squatters," a portion of the property has "fall[en] into a state of decay," the homeowners association ("HOA") is paying to maintain other portions of the property, and all three properties are subject to taxes on which Defendant is in default. (Dkt. 171 at 4–5.) The Court rejects these arguments. There is no evidence of any current or imminent squatting. (*See* Dkt. 167 at 27–28 (potential squatters were "chase[d] . . . away" in 2024), 49, 55 (police have a "criminal trespass letter" and may arrest anyone seen on the property).) The United States has not shown the property is decaying enough to warrant an involuntary pre-trial sale. (*See* Dkts. 139-1 (photograph of swimming pool); 167 at 14–16 (swimming pool is "green and full of debris" but is "covered" and doesn't "smell"); *see* *also* Dkts. 140-1 (photograph of property front); 140-2 (same); 167 at 22, 36 ("driveway and sidewalks" haven't been "power washed" and some greenery is "overgrown," but, overall, "[t]he front looks okay").) And Defendant's unpaid taxes and HOA bills (roughly $90,000) are a fraction of the properties' total value (between $2 million and $3 million) and are unlikely to increase substantially before Defendant is tried and potentially sentenced. (*See* 167 at 27 (unpaid HOA bills are $10,720), 62–66 (unpaid taxes are $77,992); *see also* Dkts. 139-6 (one property has a fair market value of $84,150); 167 at 38, 44 (another property has no mortgage and listed for $2.6 million or $2.8 million in 2021).) Indeed, with Defendant's trial set to occur next month, there is no evidence *any* of the problems identified by the United States—squatting, property decay, or unpaid bills—will significantly worsen before this case concludes. *See United States v. Maye*, 2011 WL 2533020, at *1 (W.D.N.Y. June 24, 2011) (declining to order an interlocutory sale because, "[w]ith a trial in the matter likely to occur within the next several months, any continued diminution in the value of the [property] will be negligible in relation to the current value of the [property]"); *United States v. Boscarino*, 2012 WL 254129, at *1 (D. Ariz. Jan. 27, 2012) (declining to order an interlocutory sale because "it does not appear that significant time will pass until the trial date, limiting the additional depreciation and costs").

For all these reasons, the Court in its discretion **DENIES** the United States's Motion for Interlocutory Sale (Dkt. 61).

SO ORDERED this 10th day of June, 2025.

MICHAEL L. BROWN
UNITED STATES DISTRICT JUDGE