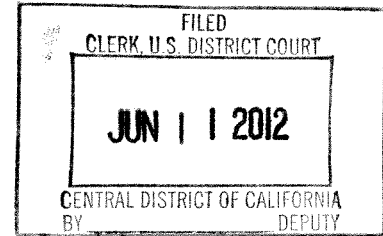


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14 UNITED STATES OF AMERICA

15 UNITED STATES DISTRICT COURT  
16 FOR THE CENTRAL DISTRICT OF CALIFORNIA

17 UNITED STATES OF AMERICA, ) No. CV 2: 11-3582-GW-SS  
18 )  
19 Plaintiff, ) Hon. George H. Wu  
20 )  
21 vs. ) SECOND AMENDED VERIFIED  
22 ) COMPLAINT FOR FOREFEITURE  
23 ) IN REM  
24 ONE WHITE CRYSTAL-COVERED "BAD )  
25 TOUR" GLOVE AND OTHER MICHAEL )  
26 JACKSON MEMORABILIA; )  
27 REAL PROPERTY LOCATED ON )  
28 SWEETWATER MESA ROAD IN MALIBU, )  
CALIFORNIA; ONE 2011 FERRARI )  
599 GTO, )  
Defendants. )

1 Plaintiff United States of America, by and through its  
2 undersigned attorneys, in a case of forfeiture in rem, alleges  
3 that:

4  
5 I.

6 NATURE OF THE ACTION

7 1. This is an action *in rem* to forfeit approximately \$32  
8 million in real and personal property held for the benefit of  
9 Teodoro Nguema Obiang Mangue ("Nguema"), the Second Vice  
10 President of Equatorial Guinea for National Defense and State  
11 Security, and the son of the President of Equatorial Guinea.  
12 This action seeks forfeiture of property that was derived from  
13 violations of U.S. and foreign law pursuant to 18 U.S.C. §  
14 981(a)(1)(C), and property involved in a money laundering  
15 offense in violation of 18 U.S.C. §§ 1956 and 1957 pursuant to  
16 18 U.S.C. § 981(a)(1)(A). The defendants *in rem*, obtained  
17 through the abuse of public office and illegally laundered  
18 through financial institutions and businesses in the United  
19 States, are believed to be currently located, or were previously  
20 located at the time this action was originally filed, within the  
21 Central District of California.  
22  
23  
24

25 ///

26 ///

27 ///

1  
2 II.

3 THE DEFENDANTS IN REM

4 A. One White Crystal-Covered "Bad Tour" Glove and Other  
5 Michael Jackson Memorabilia

6 2. The defendant White Crystal-Covered "Bad Tour" Glove  
7 and miscellaneous other Michael Jackson memorabilia (hereinafter  
8 "defendant memorabilia" or "defendant Michael Jackson  
9 memorabilia") are listed in Attachments A-1, A-2, and A-3  
10 hereto. These items are believed to have been located at the  
11 defendant real property located on Sweetwater Mesa Road, Malibu,  
12 California, described below and in Attachment B hereto, at the  
13 time this action was originally filed.  
14

15 B. Real Property Located on Sweetwater Mesa Road, Malibu,  
16 California

17 3. The defendant real property, as more fully described in  
18 Attachment B hereto, is titled in the name of Sweetwater Malibu,  
19 LLC; is located on Sweetwater Mesa Road, Malibu, California, and  
20 includes all appurtenances, improvements, and attachments  
21 thereon, as well as all leases, rents, and profits derived  
22 therefrom (hereinafter "Sweetwater property" or "defendant real  
23 property").<sup>1</sup>  
24

25 ///

26 ///

27  
28 <sup>1</sup> Pursuant to Local Rule 79-5.4(e), home addresses have been  
omitted from this complaint.

1      **C. 2011 Ferrari**

2           4. The defendant 2011 Ferrari is described as follows:  
3  
4 One 2011 Ferrari 599 GTO, VIN ZFF70RCA6B0176109, its tools and  
5 appurtenances (hereinafter "defendant 2011 Ferrari").

6           5. The defendant 2011 Ferrari is titled in the name of  
7 Teodoro Nguema Obiang and was located at the Sweetwater property  
8 at the time this action was originally filed. At present, it is  
9 in the possession of the United States.

10           6. The following may have interests in the defendants *in*  
11 *rem*: Teodoro Nguema Obiang Mangué.

12           7. The defendant Michael Jackson memorabilia, Sweetwater  
13 property, and 2011 Ferrari are collectively referred to as "the  
14 defendant assets."  
15

16                                    **III.**

17                                    **JURISDICTION AND VENUE**

18           8. The United States brings this action *in rem* in its own  
19 right to forfeit and condemn the defendant assets. This Court  
20 has jurisdiction over an action commenced by the United States  
21 under 28 U.S.C. § 1345, and over an action for forfeiture under  
22 28 U.S.C. § 1355(a).  
23  
24

25           9. This Court has *in rem* jurisdiction over the defendant  
26 assets under 28 U.S.C. § 1355(b).  
27

28      ///

1           10. Venue is proper in this district pursuant to 28 U.S.C.  
2 § 1355(b) (1) because the acts or omissions giving rise to the  
3 forfeiture occurred in this district, and pursuant to 28 U.S.C.  
4 § 1395 because the defendant assets are or were located in this  
5 district at the time this action was originally filed. For  
6 assets removed from this district to a location outside of the  
7 United States, venue is also appropriate pursuant to 28 U.S.C. §  
8 1355(b) (2).  
9

10  
11           11. The defendant real property has not been seized but is  
12 located within this district and within the jurisdiction of this  
13 Court. The United States does not request authority from the  
14 Court to seize the defendant real property at this time. The  
15 United States will, as provided by 18 U.S.C. §§ 985(b) (1) and  
16 (c) (1):  
17

- 18           • Post notice of this action and a copy of the Second  
19 Amended Complaint on the defendant real property;
- 20           • Serve notice of this action on the defendant real  
21 property's owner, and send such a notice to any other  
22 person or entity who has claimed an interest in the  
23 defendant real property, along with a copy of this  
24 Second Amended Complaint;
- 25           • If necessary, request and execute a writ of entry for  
26 purposes of conducting an inspection and inventory of  
27  
28

1 the defendant real property.

2 IV.

3 BASIS FOR FORFEITURE

4  
5 12. The defendant assets are subject to forfeiture  
6 pursuant to 18 U.S.C. § 981(a)(1)(C) because they are property  
7 constituting or derived from proceeds traceable to an offense  
8 constituting a "specified unlawful activity." Specified  
9 unlawful activities are defined in 18 U.S.C. § 1956(c)(7) and  
10 include: (i) foreign offenses involving "extortion"; (ii)  
11 foreign offenses involving "the misappropriation, theft, or  
12 embezzlement of public funds by or for the benefit of a public  
13 official"; (iii) foreign offenses involving bribery of a public  
14 official; and (iv) domestic bank fraud in violation of 18 U.S.C.  
15 § 1344. See 18 U.S.C. §§ 1956(c)(7)(B)(ii), 1956(c)(7)(B)(iv),  
16 and 1956(c)(7)(A) (incorporating by reference offenses  
17 enumerated in 18 U.S.C. § 1961(1)).  
18  
19

20 13. The defendant assets are also subject to forfeiture  
21 pursuant to 18 U.S.C. § 981(a)(1)(A) because they constitute  
22 property involved in a transaction or an attempted transaction  
23 in violation of 18 U.S.C. § 1957, or are property traceable to  
24 such assets. Section 1957 prohibits the conducting of a  
25 monetary transaction with property known to be the proceeds of  
26 unlawful activity with a value greater than \$10,000, i.e., the  
27  
28

1 proceeds of (i) a foreign offense involving extortion, (ii) a  
2 foreign offense involving the misappropriation, theft, or  
3 embezzlement of public funds by or for the benefit of a public  
4 official, (iii) a foreign offense involving bribery of a public  
5 official, and (iv) domestic bank fraud in violation of 18 U.S.C.  
6 § 1344. See 18 U.S.C. §§ 1956(c)(7)(B)(ii), 1956(c)(7)(B)(iv),  
7 and 1956(c)(7)(A) (incorporating by reference offenses  
8 enumerated in 18 U.S.C. § 1961(1)).  
9

10  
11 14. The defendant real property and memorabilia are also  
12 subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A)  
13 because they constitute property involved in a transaction or an  
14 attempted transaction in violation of 18 U.S.C. § 1956(a)(1)(B),  
15 or are property traceable to such assets. Section 1956(a)(1)(B)  
16 prohibits the conducting of a financial transaction with  
17 property known to be the proceeds of unlawful activity with the  
18 intent to conceal the nature, location, source, ownership, or  
19 control of proceeds of a specified unlawful activity, *i.e.*, (i)  
20 a foreign offense involving extortion, (ii) a foreign offense  
21 involving the misappropriation, theft, or embezzlement of public  
22 funds by or for the benefit of a public official, (iii) a  
23 foreign offense involving bribery of a public official, and (iv)  
24 domestic bank fraud in violation of 18 U.S.C. § 1344. See 18  
25 U.S.C. §§ 1956(c)(7)(B)(ii), 1956(c)(7)(B)(iv), and  
26  
27  
28

1 1956(c)(7)(A) (incorporating by reference offenses enumerated in  
2 18 U.S.C. § 1961(1)).

3  
4 15. The defendant real property is also subject to  
5 forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A) because it  
6 constitutes property involved in a transaction or an attempted  
7 transaction in violation of 18 U.S.C. § 1956(a)(1)(A)(i), or is  
8 property traceable to such assets. Section 1956(a)(1)(A)(i)  
9 prohibits the conducting of a financial transaction with  
10 property known to be the proceeds of unlawful activity with the  
11 intent to promote the carrying on of specified unlawful  
12 activity, i.e., bank fraud. See 18 U.S.C. § 1956(c)(7)(A)  
13 (incorporating by reference offenses enumerated in 18 U.S.C.  
14 § 1961(1)).  
15

16  
17 16. The foreign offenses listed above are criminalized  
18 under the law of Equatorial Guinea ("E.G.") by the following  
19 provisions of the Spanish Penal Code in force in 1968, which is  
20 the current body of criminal law in E.G.: Article 131 (abuse of  
21 public office); Article 196 (expropriation of assets by a  
22 public official); Article 198 (taking advantage of official  
23 position to exercise a profession or involve oneself in a  
24 business directly related to scope of official duties); Articles  
25 200 & 202 (collection of illegal taxes); Article 385  
26 (prohibiting public officials from demanding or accepting bribes  
27  
28



1 to perform a crime); Article 386 (prohibiting public officials  
2 from demanding or accepting bribes to perform an unjust act);  
3 Article 387 (prohibiting public officials from soliciting  
4 improper gifts); Article 390 (prohibiting public officials from  
5 receiving improper gifts); Article 394 (prohibiting public  
6 officials from stealing public funds); Article 396 (prohibiting  
7 public officials from embezzling funds under his care); Article  
8 400 (prohibiting public officials from defrauding the state);  
9 Article 401 (criminal conflict of interest by a public  
10 official); Article 404 (prohibiting public officials from taking  
11 part in for-profit transactions within the limits of their  
12 jurisdiction); Article 493 (criminal threats); Article 496  
13 (unlawful compulsion); Article 503 (forcibly requiring someone  
14 to sign, grant or quit claim a public instrument or document);  
15 Article 514 (theft); and Articles 528 and 533 (fraud). English  
16 translations of these provisions are set forth in Attachment C.  
17  
18  
19

20 V.

21 **FACTS**

22 17. On information and belief, the United States alleges  
23 the following facts.  
24

25 **A. Relevant Names, Entities, and Terms**

26 18. The following individuals, entities, and terms are  
27 relevant to this Complaint.  
28

1 **Teodoro Nguema Obiang Mangue ("Nguema")** is the  
2 beneficial owner of the defendant assets, son of the  
3 President of E.G., and the Second Vice President of  
4 E.G. From 1998 to May 20, 2012, Nguema was E.G.'s  
5 (1) Minister of Forestry and Agriculture and (2)  
6 Minister of Forestry and Infrastructure. On May 21,  
7 2012, Nguema was appointed by his father to be  
8 E.G.'s Second Vice President.

9 **Teodoro Nguema Obiang Mbasogo** is the President of  
10 E.G.

11 **Inner Circle:** A small number of individuals who  
12 hold critical positions of political and economic  
13 power in E.G.

14 **Senate Permanent Subcommittee on Investigations**  
15 **Report ("PSI Report"):** Report issued in July 2004 by  
16 the United States Senate Permanent Subcommittee on  
17 Investigations ("PSI") on money laundering and  
18 foreign corruption, which focused in part on money  
19 brought to Riggs National Bank in the United States  
20 that was suspected of being proceeds of corruption  
21 in E.G.

22 **Riggs National Bank** was the financial institution in  
23 Washington, D.C., where the government of E.G. and  
24 members of the Inner Circle maintained depository  
25 accounts from 1995 to 2004. Riggs was convicted in  
26 2004 of violations of 31 U.S.C. §§ 5322 and 5318(g)  
27 and agreed to pay a \$16 million criminal fine and a  
28 \$25 million civil penalty for failure to report  
suspicious transactions by high-risk customers,  
including the E.G. and other accounts.

**Michael J. Berger** is a California lawyer who  
assisted Nguema in opening and utilizing bank  
accounts at Bank of America, Union Bank of  
California, Commercial Capital Bank and Citibank in  
the names of various California corporations,  
including Beautiful Vision, Inc. and Unlimited  
Horizon, Inc., between 2004 and 2008. Berger  
assisted Nguema in forming both of these shell  
corporations.

1 **George Nagler** is a California lawyer who represented  
2 Nguema in purchasing the Sweetwater property.  
3 Nagler assisted Nguema gain access to the U.S.  
4 banking system by opening bank accounts at Union  
5 Bank of California, California National Bank and  
6 Pacific Mercantile Bank in the name of various  
7 California corporations, including Sweetwater  
8 Management, Inc. and Sweet Pink, Inc. In addition,  
9 Nagler assisted Nguema in forming both of these  
10 shell corporations, as well as Sweetwater Malibu,  
11 LLC, in which the Sweetwater property is titled.

12 **Somagui Forestal (Societe Madeira Guinea)** is a  
13 subsidiary of Grupo Sofona. Both entities are E.G.  
14 companies owned by Nguema through which Nguema has  
15 siphoned money from the E.G. Government and received  
16 illegal payments and bribes. Nguema used accounts  
17 in various E.G. banks in the name of Somagui  
18 Forestal to purchase and maintain assets all over  
19 the world, including some of the defendant assets.

#### 20 **B. Background**

21 19. Equatorial Guinea is a West African country. The  
22 population in 2009 was approximately 680,000.

23 20. The country was colonized by the Portuguese in the  
24 late 1600s and ceded to Spain in 1778; it gained independence in  
25 1968. The first President was Francisco Macías Nguema.

26 21. In 1979, Macías Nguema was overthrown in a coup d'état  
27 by his nephew, Teodoro Obiang Nguema Mbasogo, the military  
28 governor of Bioko Island and Vice-Minister of the Armed Forces.  
President Macias was killed soon thereafter and Teodoro Obiang  
became President of Equatorial Guinea (hereinafter "President  
Obiang").

1           22. More than three decades after seizing control from his  
2           uncle, President Obiang is still in power.

3           23. President Obiang exercises plenary control over the  
4           Government of Equatorial Guinea. Nearly all positions of  
5           political and economic power in E.G. are held by the Inner  
6           Circle, many of whom are relatives of the President.

7           24. One member of the Inner Circle is Teodoro Nguema  
8           Obiang Mangué, President Obiang's eldest son, who has been  
9           appointed by his father to various positions within the  
10          government, including Second Vice President for National Defense  
11          and State Security (May 21, 2012 to Present) and Minister of  
12          Forestry and Agriculture (1998-2012) (at times, this position  
13          was entitled Minister of Forestry and Infrastructure). Nguema  
14          is the beneficial owner of the defendant assets.

15          25. During President Obiang's more than 30-year rule,  
16          members of the Inner Circle, including Nguema, have amassed  
17          extraordinary wealth through a variety of corrupt schemes. The  
18          U.S. Department of State in May 2012 issued a public report  
19          concluding that, for the year 2011:

20               Laws [in E.G.] provide severe criminal penalties for  
21               official corruption; however, the government did not  
22               implement these laws effectively, and officials frequently  
23               engaged in corrupt practices with impunity. Corruption  
24               continued to be a severe problem. The presidency and prime  
25               minister's office were the lead agencies for anticorruption  
26               efforts. The president and members of his inner circle

1 continued to amass personal profits from the oil windfall.

2 26. Under E.G. law, the nation's mineral resources and  
3 hydrocarbons belong to the public, not to individuals. See Ley  
4 No 8/2006, de fecha 3 de noviembre de Hidrocarburos de la  
5 Republica de Guinea Ecuatorial. Similarly, Equatoguinean law  
6 provides that the National Forestry Reserve is permanent,  
7 inalienable, and part of the public domain, and that the  
8 National Forests are reserved for exclusive economic extraction  
9 and development by the State. See Ley No 1/1997, Sobre El Uso Y  
10 Manejo De Los Bosques ("Forestry Law").  
11  
12

13 27. Since the commencement of large-scale extraction of  
14 its oil reserves beginning in the mid-1990s, E.G. has become a  
15 major oil and gas producer. By 2004, it was the third-largest  
16 oil and gas producer in Sub-Saharan Africa. Over the last  
17 several years, oil and gas exports have resulted in billions of  
18 dollars in annual revenue.  
19

20 28. Equatorial Guinea also derives income from natural  
21 resources other than oil and gas, primarily timber, its second  
22 major export commodity.  
23

24 29. As of 2006, the Equatoguinean economy had grown 20  
25 times larger than it was in the mid-1990s, reflecting the  
26 massive revenues derived primarily from oil and gas production.  
27  
28

1           30. Despite E.G. laws regarding public ownership of its  
2 natural resources, and despite an extraordinary expansion in the  
3 E.G. economy, living standards of the general population remain  
4 at a subsistence level.  
5

6           31. At the same time, over the last several years, Nguema  
7 and other members of the Inner Circle have gained enormous  
8 wealth through violations of E.G. law, including extortion,  
9 bribery and the misappropriation, theft, and embezzlement of  
10 public funds. Details concerning these illegal, corrupt acts  
11 are set forth below at paragraphs 48-93.  
12

13           32. In order to maintain the defendant assets, Nguema,  
14 Michael J. Berger ("Berger"), and George Nagler ("Nagler"), and  
15 others engaged in a conspiracy to commit bank fraud against  
16 financial institutions in the United States. Millions of  
17 dollars in bank fraud proceeds, as detailed in paragraphs 102-  
18 209, were used in connection with the maintenance and upkeep of  
19 the defendant assets.  
20

21 **C. Riggs National Bank**  
22

23           33. Public corruption in E.G. first received significant  
24 public scrutiny in the United States in the mid-2000s, following  
25 an investigation conducted by the U.S. Senate's Permanent  
26 Subcommittee on Investigations ("PSI"). The 2004 PSI Report  
27 revealed that, from at least 1995 to 2004, the Government of  
28

1 E.G. directed that payments from oil companies be made into  
2 accounts at Riggs National Bank ("Riggs Bank") in Washington,  
3 D.C. According to the PSI Report, aggregate deposits to E.G.  
4 government accounts totaled hundreds of millions of dollars at a  
5 time and were so large that by 2003, the E.G. portfolio had  
6 become the bank's largest single customer relationship, with  
7 balances and outstanding loans that together approached \$700  
8 million. The PSI Report concluded that Riggs Bank "turned a  
9 blind eye to evidence suggesting the bank was handling the  
10 proceeds of foreign corruption."  
11  
12

13 34. Beginning in 1995, the Government of E.G., as well as  
14 members of the Inner Circle, held personal bank accounts at  
15 Riggs Bank. Members of the Inner Circle who held personal bank  
16 accounts at Riggs Bank included: Nguema, Constancia Mangué  
17 (Nguema's mother), President Obiang (Nguema's father), Melchor  
18 Esono Edjo (E.G.'s treasurer and Nguema's cousin), Teodoro  
19 Biyogo Nsue (E.G.'s ambassador to the United States and Nguema's  
20 uncle), Elena Mensa (Nguema's aunt), Armengol Ondo Nguema (a  
21 senior E.G. national security official and Nguema's uncle),  
22 Sylvia Nchama Ondo (Nguema's cousin), Pastor Micha Ondo Bile  
23 (E.G.'s foreign minister), Baltasar Edjo (E.G.'s minister of  
24 economic affairs and finance), Miguel Buiteo Boriko (E.G.'s  
25  
26  
27  
28

1 minister of economy), Juan Olo Mba Nseng (E.G.'s minister of  
2 mining), and Maria Ondo Mangué (Nguema's cousin).

3  
4 35. One such account, in the name of the Republic of  
5 Equatorial Guinea General Treasury, was known as the E.G. Oil  
6 Account because virtually all of the deposits into this account  
7 were payments from foreign oil companies doing business in E.G.

8 36. A withdrawal of funds from the E.G. Oil Account,  
9 according to Riggs Bank records, required the signature of  
10 President Obiang.  
11

12 37. Riggs Bank records show that nearly \$500,000 was sent  
13 from the Oil Account to the personal bank account of Melchor  
14 Edjo, Nguema's cousin. The records also show that President  
15 Obiang approved the wire transfer of nearly \$35 million from the  
16 E.G. Oil Account to two companies, Apexside and Kalunga, that  
17 appeared to be connected to President Obiang, were unknown to  
18 the bank, and had accounts in jurisdictions with stringent bank  
19 secrecy laws. When Riggs Bank tried to obtain information about  
20 the beneficial owners of these two companies from President  
21 Obiang and Edjo at a meeting in Washington, D.C. on February 23,  
22 2004, neither would provide Riggs Bank with further information  
23 about these entities. That same day, Riggs Bank determined that  
24 the E.G. accounts should be closed.  
25  
26  
27  
28



1           38. In addition to direct transfers of money from the E.G.  
2 Oil Account, Riggs Bank records show deposits of large amounts  
3 of cash into accounts controlled by E.G. public officials and  
4 their families. In 1999, President Obiang opened a money-market  
5 account at Riggs Bank in the name of a Bahamas-registered  
6 corporation. From 2000 to 2002, \$11.5 million in cash was  
7 deposited into this account. Nguema's mother also maintained  
8 personal accounts at Riggs Bank, into which over \$1.4 million in  
9 cash was deposited from 2000 to 2002.  
10

11  
12           39. Riggs Bank closed the E.G. accounts in 2004, and  
13 subsequently pleaded guilty to failure to report suspicious  
14 monetary transactions by high-risk customers, in violation of 31  
15 U.S.C. §§ 5322 and 5318(g). Riggs Bank agreed to pay a \$16  
16 million criminal fine and a \$25 million civil penalty, for its  
17 handling of the E.G. and other accounts.  
18

19           40. In July 2004, after the PSI Report was issued and  
20 Riggs Bank closed the E.G. accounts, much of the money held by  
21 the Government of E.G. and members of the Inner Circle was  
22 removed from the United States. One significant exception was  
23 money brought to the United States by Nguema, including tens of  
24 millions of dollars ultimately used to purchase and maintain the  
25 defendant assets.  
26

27 ///  
28

1 D. Nguema's Acquisition of Political and Economic Power and  
2 Influence in E.G.

3 41. In 1991, at the age of 23, Nguema came to the United  
4 States to study English as a Second Language at Pepperdine  
5 University in Malibu, California. He did not live on campus;  
6 instead, he shuttled between rooms at the Beverly Wilshire Hotel  
7 and a house he rented in Malibu. After five months, Nguema  
8 dropped out of the program. His tuition and living expenses  
9 (including his hotel bill and the rental of the house in Malibu)  
10 were paid by Walter Oil and Gas Corporation, an American oil  
11 company operating in E.G.  
12

13  
14 42. On January 8, 1993, less than two years after he left  
15 the Pepperdine program, and despite his youth and inexperience,  
16 Nguema was awarded a 20-year concession<sup>2</sup> to harvest timber from  
17 25,000 hectares (approximately 61,000 acres) of rainforest in  
18 E.G. by his father, President Obiang. Nguema was 24 years old.  
19

20 43. In 1994, Nguema formed a company in E.G. called Grupo  
21 Sofona ("Sofona"), which was purportedly a timber company. Four  
22 years later in 1998, Nguema informed Riggs Bank that he had  
23

24  
25 <sup>2</sup> A concession is the exclusive right to engage in logging  
26 in certain defined areas, for a certain period of time.  
27 Forestry concessions in E.G. are awarded by either the President  
28 or the Minister of Forestry without competitive bidding.  
Companies or individuals awarded a concession are permitted to  
harvest timber in the concession. They are obliged, however, to  
pay the E.G. government for any timber actually extracted from  
the concession.

1 formed a second timber company called Somagui Forestal  
2 ("Somagui"), a Sofona subsidiary.

3 44. In or around May 5, 1994, Nguema's father granted  
4 Sofona a five-year concession to harvest timber from an  
5 additional 11,000 hectares (approximately 27,000 acres).  
6

7 45. Having granted his son Nguema the right to cut timber  
8 on 88,000 acres of national forest lands, President Obiang then  
9 put Nguema in charge of regulating E.G.'s forestry industry. In  
10 approximately 1998, at the age of 30, Nguema was appointed by  
11 his father to the newly created position of "Minister of  
12 Forestry and Environment," later changed to "Minister of  
13 Forestry and Agriculture" (hereinafter "Minister of Forestry").  
14 Nguema used his status as Minister of Forestry (and President  
15 Obiang's son) to enrich himself through corrupt schemes, as  
16 described below.  
17  
18

19 46. In the 2000s, the rapid growth of the oil and gas  
20 sector in E.G. led to a boom in construction and other  
21 infrastructure-related activities. In or around 2003, President  
22 Obiang added "infrastructure" to Nguema's cabinet portfolio,  
23 appointing Nguema to be E.G.'s first "Minister of Forests and  
24 Infrastructure."  
25

26 ///

27 ///

1           47. As an E.G. cabinet minister, Nguema's official salary  
2 was approximately \$6,799 per month, or less than \$100,000 per  
3 year, according to official E.G. sources.

4  
5 **E. Nguema's Utilization of Corrupt Schemes to Enrich Himself**

6           48. Nguema engaged in various corrupt schemes to enrich  
7 himself and supplement his official government salary. These  
8 schemes are illegal under the laws of E.G., but the applicable  
9 anti-corruption laws are not enforced against the Inner Circle,  
10 including Nguema; instead, members of the Inner Circle,  
11 including Nguema, are allowed to keep funds obtained through  
12 corruption and to take the proceeds of their corruption abroad.  
13 A description of these schemes, and the E.G. penal code  
14 provisions that prohibit them, are set forth below.

15  
16 **a. Extortion and Bribery Schemes**

17           49. Beginning in the 1990s, after he dropped out of  
18 Pepperdine and returned to E.G., Nguema began demanding that  
19 businesses in E.G. -- especially those located in or around the  
20 City of Bata, the largest city and port in Rio Muni (E.G.'s  
21 mainland), where Nguema resided -- pay him personal fees to be  
22 able to operate. Nguema abused his authority and influence  
23 within the E.G. Government both as a member of the cabinet and  
24 President Obiang's eldest son to make these demands and to  
25 retaliate against those who refused to acquiesce.  
26  
27  
28

1  
2 1. Nguema Required Timber Companies in E.G. to Pay  
3 Him a Personal Fee to Obtain Timber Export  
4 Licenses

5 50. Timber was E.G.'s second largest export commodity.  
6 The forestry sector was supervised and regulated by Nguema's  
7 Forestry Ministry.

8 51. In order to export timber from E.G., timber companies  
9 were required to, among other things, apply for and obtain  
10 timber export licenses from the Forestry Ministry.  
11

12 52. At least as early as 1998, these licenses required  
13 Nguema's personal signature. Nguema demanded that timber  
14 companies, such as Tromad Forestal, an E.G. company, pay him  
15 personally in or around ten percent of the value of the wood  
16 harvested for export. Nguema refused to sign timber export  
17 licenses unless applicants first paid him these personal fees.  
18

19 53. Between in or around 1998 and 2003, German Pedro Tomo,  
20 the owner of Tromad Forestal and an E.G. national, paid Nguema  
21 his personal fees regularly either in suitcases of cash or with  
22 personal checks that Tomo deposited directly into a bank account  
23 in the name of Somagui at Caisse Commune d'Epargne et  
24 d'Investissement ("CCEI Bank"). Tromad Forestal paid Nguema in  
25 or around the equivalent of \$700,000 in CFA Francs ("CFAs") per  
26 year between 1998 and 2003 in order to export its products.  
27  
28

1           54. Nguema required other timber companies in E.G. to pay  
2 him personally in or around 15,000 CFAs (approximately \$27) per  
3 log a company wished to export from E.G.  
4

5           55. These personal fees were calculated by technicians on  
6 the staff of Nguema's Forestry Ministry.

7           56. Companies that refused to pay Nguema were prevented  
8 from exporting their timber from the Port of Bata, where nearly  
9 all of E.G.'s timber originated, and incurred additional  
10 operational expenses of up to \$5,000 per day for any delays.  
11

12           2. Nguema Required Timber Companies in E.G. to Pay  
13 Him Personally to Gain Access to E.G.'s National  
14 Forests

15           57. Nguema also required timber companies to pay him a  
16 personal fee in order to gain access to E.G.'s forests. To  
17 harvest timber, companies were required to receive from Nguema's  
18 Forestry Ministry either a logging concession or a special  
19 permit. To be granted such a permit or concession, Nguema  
20 demanded and collected personal fees from companies, such as  
21 Isoroy (a French company), ABM (a Spanish company), and  
22 Agroforestal (an Italian company). All of these companies' E.G.  
23 operations were based in or around Bata.  
24

25           58. In 1993, Nguema demanded that Isoroy pay him  
26 personally 15 million CFAs (approximately \$21,000) to engage in  
27  
28

1 logging in E.G. Isoroy obtained a concession to harvest timber  
2 from 57,053 hectares of wilderness in E.G. on September 3, 1995.

3 59. Similarly, between in or around 1998 and 2003, Shimmer  
4 International Guinea Equatorial Ltd. ("Shimmer"), the E.G.  
5 subsidiary of a Malaysian company, was permitted by Nguema to  
6 harvest timber anywhere it wished in E.G.'s mainland forests,  
7 including national forest reserves protected under E.G.'s  
8 Forestry Law from industrial logging. Nguema demanded, and  
9 Shimmer's E.G. general manager agreed, that in exchange for  
10 paying Nguema 30,000 CFAs (approx. \$50) per cubic meter of  
11 timber harvested by Shimmer in E.G., Shimmer would be provided  
12 unfettered access to E.G.'s forests, including protected  
13 national forests, and would not be required to adhere to E.G.'s  
14 Forestry Law and its environmental and forest management  
15 regulations.  
16  
17  
18

19 60. In exchange for paying these personal fees, timber  
20 companies, like Shimmer, were permitted to harvest timber from  
21 E.G.'s forests with little or no regulatory oversight by  
22 Nguema's Forestry Ministry. E.G.'s Forestry Law places strict  
23 controls on the manner in which timber is harvested. Among  
24 other things, E.G.'s forestry laws regulate the quantity of  
25 timber that a company may extract from the forest; restricts  
26 timber companies from cutting down certain types of trees; and  
27  
28

1 even requires loggers to replant areas that have been cut down.  
2 As Forestry Minister, Nguema did not require timber companies,  
3 like Shimmer, who had paid him the personal fees to adhere to  
4 these rules.  
5

6 61. Similarly, individuals and entities, that possess  
7 timber concessions in E.G., are required under E.G. law to  
8 provide for forest regeneration; ensure that raw timber is  
9 processed in E.G.; and invest in the local community by building  
10 health facilities, churches, and schools. (See Forestry Law,  
11 Art. 35). Nguema did not require concessionaires, including  
12 himself, his company Sofona, or his mother, all of whom have  
13 substantial forestry concessions in E.G., to comply with these  
14 rules.  
15

16  
17 3. Nguema Required Companies in E.G. to Pay Him  
18 Personally on an On-Going Basis to Continue to  
Operate in E.G.

19 62. Nguema further demanded that timber companies make  
20 regular payments to him personally while they maintained active  
21 operations in E.G. These companies included Isoroy, ABM,  
22 Agroforestal, and a company operated by Filipino nationals  
23 ("Company A"). Isoroy, for instance, paid Nguema in or around  
24 the equivalent of \$104,000 every one or two months in order to  
25 be able to continue to operate in E.G. from 1993 to 1996. This  
26  
27  
28



1 fee was calculated based upon the weight of the timber harvested  
2 by Isoroy during that time period.

3  
4 63. Similarly, in or around May 1996, Nguema demanded that  
5 all foreign timber companies then-operating in E.G. pay him a  
6 retroactive fee that he called a "tax." This was an illegal tax  
7 that Nguema levied personally without authorization from E.G.'s  
8 Parliament (*La Camara de Los Representantes*) or Inter-  
9 Ministerial Council (*el Consejo Interministerial*), as required  
10 under E.G. law. This new so-called "tax" required all foreign  
11 timber companies to pay Nguema personally a one-time retroactive  
12 fee of 6,400 CFAs (approximately \$10) per cubic meter of timber  
13 that had ever been harvested by that entity in E.G.  
14

15  
16 64. For instance, Nguema demanded that ABM, which began  
17 active logging operations in E.G. in the 1970s, pay him the  
18 equivalent of approximately \$1,560,000 within four days of this  
19 new so-called "tax" being levied.

20  
21 65. Nguema required foreign timber companies who refused  
22 to pay these so-called "taxes," including Isoroy and ABM, to  
23 leave E.G. Other timber companies, including Company A and a  
24 Moroccan firm, were permitted to continue to operate in E.G.  
25 after they paid Nguema his so-called retroactive "taxes."

26  
27 66. Nguema threatened and retaliated against timber  
28 companies, including Isoroy and ABM, who refused to submit to

1 his demands for payment. In or around May 1996, Isoroy refused  
2 to make any further payments to Nguema. As a result, Nguema  
3 prevented Isoroy from harvesting further timber from E.G.'s  
4 forests and seized control of Isoroy's assets in E.G., including  
5 its heavy machinery, two Caterpillar D7G bulldozers, two  
6 Mercedes Benz 1622 construction trucks, a Mercedes Benz 1922/28  
7 construction truck, a Mercedes Benz 1522 dump truck, three  
8 Toyota utility vehicles, two Mitsubishi L200 vans, a Suzuki  
9 vehicle, an Opel Corsa mini, and a Pajero vehicle.  
10  
11

12 67. Only after Isoroy paid Nguema a monetary ransom did  
13 Nguema return this hardware to Isoroy's logistics personnel in  
14 Gabon. Nguema charged Isoroy the equivalent of the value of the  
15 hard assets.  
16

17 68. Similarly, in or around May 1996 when ABM refused to  
18 pay Nguema his so-called retroactive "tax," E.G. authorities  
19 entered ABM's offices near Bata and forcibly removed ABM  
20 personnel from their premises and expelled them from E.G.  
21 Nguema required ABM's owner, a Spanish national, to transfer  
22 ownership of ABM to Nguema for in or around a third of its  
23 actual fair market value in a transaction that Nguema called a  
24 "sale." After acquiring ABM, Nguema had ABM's owner arrested in  
25 Bata and charged with fraud for charging him an inflated price  
26 for the company. ABM's owner was convicted and released only  
27  
28

1 after paying Nguema the equivalent of \$3 million in so-called  
2 civil penalties. ABM's assets, including its heavy machinery  
3 and timber logging equipment, were also expropriated by Nguema  
4 without further compensation. Nguema required that Shimmer  
5 purchase ABM's logging equipment from him at significantly  
6 inflated prices.  
7

8 69. Nguema also threatened companies and their personnel  
9 who refused to acquiesce to his demands for money. In the  
10 summer of 1996, Nguema threatened one senior Isoroy employee  
11 ("John Doe A") in Bata, promising that he would make him  
12 "suffer" because of Isoroy's refusal to pay Nguema money. Soon  
13 thereafter, John Doe A was arrested and detained in jail. After  
14 being released, Jane Doe A, an E.G. national familiar with  
15 Nguema, advised John Doe A to leave E.G. immediately if he did  
16 not want his children in Europe to become orphans.  
17  
18

19 70. Even outside of the forestry sector, Nguema demanded  
20 that companies operating in E.G. pay him money and provide him  
21 with gifts of cash and other luxury products. For instance, in  
22 or around 2003 when "infrastructure" was first added to Nguema's  
23 cabinet portfolio, Nguema demanded that Tromad SA Constructions  
24 Y Obras ("Tromad"), an E.G. company retained by the E.G.  
25 Government to build roads, pay him personally fifteen percent of  
26 the value of its government contract. When Tromad refused to  
27  
28

1 pay Nguema, the E.G. Government stopped making payments to the  
2 company and its contract with the E.G. Government was  
3 terminated.  
4

5 71. Between 2004 and 2007, Nguema's Forestry Ministry  
6 demanded that Global Santa Fe Corp. ("GSF"), a U.S.-based oil  
7 and gas services company, provide Nguema with gifts and free  
8 money. Nguema's ministry staff made these types of requests of  
9 GSF personnel one or two times per year. When a manager at  
10 GSF's Malabo office refused to make payments, he was threatened  
11 by Nguema's staff and shown a document detailing numerous gifts  
12 and payments other foreign companies had made to Nguema.  
13

14 72. Similarly, between 2004 and 2007, when Nguema held the  
15 "infrastructure" portfolio in E.G.'s cabinet, Bouygues, a major  
16 French civil engineering firm in E.G. that had obtained several  
17 substantial infrastructure contracts from the E.G. Government,  
18 built a mansion for Nguema in Malabo, E.G.'s capital, at  
19 Nguema's request and direction. Upon completion of that  
20 project, Nguema refused to pay Bouygues for its work.  
21

22 73. Nguema also has demanded that companies operating in  
23 E.G. contribute money to what are described as public service  
24 campaigns but which, in fact, were vehicles for Nguema to  
25 misappropriate funds for his personal benefit. For example, as  
26 recently as July 2011, Nguema operated a program to generate  
27  
28

1 funds purportedly to improve the housing conditions of the poor  
2 by changing palm roofs to ones consisting of zinc tiles. Nguema  
3 possesses a substantial financial interest in the company that  
4 is responsible for distributing and supplying these zinc tiles  
5 in E.G. Although advertisements promoting this campaign claim  
6 that contributions to these programs are voluntary, companies  
7 that do not contribute to these campaigns face retaliation.  
8  
9 Companies that have not contributed to the current campaign, for  
10 instance, are identified publicly as not having contributed on  
11 televised advertisements in E.G. Furthermore, donor  
12 contributions are not used for their alleged purpose, but  
13 instead are largely misappropriated by Nguema for his personal  
14 benefit.  
15

16  
17 74. Extortion and bribery are illegal under E.G. law. The  
18 1968 Criminal Code of Spain, currently in effect in E.G.,  
19 contains the following provisions, among others, that prohibit  
20 extortion and bribery: Article 131 (abuse of public office);  
21 Article 196 (expropriation of assets by a public official);  
22 Article 198 (taking advantage of official position to exercise a  
23 profession directly related to scope of official duties);  
24 Article 200 (collection of illegal taxes); Article 202  
25 (demanding payment of unauthorized taxes); Article 385  
26 (prohibiting public officials from demanding or accepting bribes  
27  
28

1 to perform a crime); Article 386 (prohibiting public officials  
2 from demanding or accepting bribes to perform an unjust act);  
3 Article 387 (prohibiting public officials from soliciting  
4 improper gifts); Article 390 (prohibiting public officials from  
5 receiving improper gifts); Article 493 (criminal threats);  
6 Article 496 (unlawful compulsion); Article 503 (forcibly  
7 requiring someone to sign, grant or quit claim a public  
8 instrument or document); and Article 514 (theft). See  
9 Attachment C.  
10  
11

12 75. The above-described corrupt schemes violate E.G. law  
13 as referenced above.

14 b. Schemes to Obtain Government Funds Through  
15 Misappropriation, Embezzlement and Theft

16 76. Nguema has misappropriated, embezzled and stolen  
17 government funds and resources in violation of E.G. law. This  
18 was accomplished either through direct diversion of funds from  
19 the E.G. Government or through schemes such as submitting  
20 fraudulently inflated "bids" and invoices for government  
21 contracts, in which corruption payments were built directly into  
22 the contract.  
23

24 ///

25 ///

26 ///

27 ///

28 ///

1           1.     Nguema Misappropriated E.G. Public Funds By  
2                    Receiving Payment for Fraudulently Inflated  
3                    Public Construction Contracts

4           77.   Nguema has misappropriated funds from the E.G.  
5 Government by receiving tens of millions of dollars in payments  
6 from fraudulently inflated construction contracts in E.G.

7           78.   Because government contracts are awarded to companies  
8 owned by or associated with members of the Inner Circle without  
9 true competition, those companies are able to charge the E.G.  
10 Government fees that bear little, if any, rational relationship  
11 to the actual economic value of the services or products  
12 tendered to the E.G. Government. The bids from such companies  
13 include built-in mark-ups of 50 to 500 percent or more, so that  
14 members of the Inner Circle can obtain the difference.  
15

16           79.   Nguema has admitted that, as a cabinet minister, he  
17 takes for himself a "sizeable part" of government contracts. In  
18 2004, for instance, Nguema claimed that he purchased real estate  
19 in Cape Town, South Africa, worth approximately \$8 million with  
20 money obtained through government construction contracts awarded  
21 to SOCAGE, a highway construction company he owns in E.G.  
22 Specifically, in a sworn affidavit filed by Nguema with a court  
23 in South Africa, Nguema explained:  
24  
25

26           Cabinet Ministers and public servants in Equatorial  
27 Guinea are by law allowed to owe [sic] companies that,  
28 in consortium with a foreign company, can bid for  
government contracts and should the company be

1 successful, then what percentage of the total cost of  
2 the contract the company gets, will depend on the  
3 terms negotiated between the parties. But, in any  
4 event, it means that a cabinet minister ends up with a  
5 sizeable part of the contract price in his bank  
6 account.

7 This is how, according to Nguema, he acquired in or around \$8  
8 million to purchase his properties in South Africa. Contrary to  
9 Nguema's recitation of the law, such self-dealing by a public  
10 official is illegal in E.G. These fraudulently inflated  
11 contracts are another means by which he, and other members of  
12 the Inner Circle, misappropriate funds from the public treasury  
13 for their own enrichment.

14 80. Between 2003 and 2007, for instance, Nguema demanded  
15 that executives at Company B, one of the largest construction  
16 companies in E.G., submit fraudulently inflated construction  
17 bids and contracts to G.E. Proyectos, an agency of the E.G.  
18 Government in charge of awarding public construction contracts.  
19 A portion of these fraudulently inflated contracts was then paid  
20 to Nguema. Nguema would ask that Company B executives inflate  
21 contract bids by as much as 500 percent. The inflated amount  
22 would then be paid by Company B to Nguema. Executives at  
23 Company B believed that if they had not acquiesced to Nguema's  
24 demands, their company would have been expelled from E.G.  
25  
26  
27  
28



1           81. Specifically, Company B fraudulently inflated certain  
2 line items in several different construction bids tendered by  
3 the company to G.E. Proyectos. After G.E. Proyectos awarded the  
4 contract to Company B, the Banque des Etats de l'Afrique  
5 Centrale ("BEAC"), E.G.'s central bank, wired the contract  
6 amount to Company B's account in E.G. Company B, in turn, paid  
7 Nguema or one of his companies.  
8

9           82. Nguema asked that his companies, Somagui and Socage,  
10 either (i) be listed as a subcontractor on Company B's bids, so  
11 that G.E. Proyectos would know that Nguema was associated with  
12 the bid, or (ii) sign a sub-contract with Company B. These sub-  
13 contracting claims were fraudulent, as Nguema's companies were  
14 paper companies with no significant commercial operations or  
15 operational personnel of any kind. In fact, the work and  
16 services described in these subcontracts were performed by, and  
17 paid for by, Company B, not Somagui, Sofona or SOCAGE. Nguema's  
18 companies were merely vehicles through which he could execute  
19 fraudulent contracts and receive payments from companies, such  
20 as Company B. Company B made hundreds of these types of  
21 payments to Nguema between 2003-2007.  
22  
23  
24

25           83. On one occasion, for instance, Nguema asked that  
26 Company B submit a bid to build a public construction project to  
27 G.E. Proyectos for the equivalent of \$10 million when a bid more  
28

1 consistent with business and market norms would have been in or  
2 around \$2 million. After this \$10 million contract was awarded  
3 to Company B, the company paid Nguema a kickback of \$8 million.  
4

5 2. Nguema Stated Publicly to Third Parties That He  
6 Intended to Misappropriate Hundreds of Millions  
7 of Dollars in State Funds

8 84. Nguema has represented to U.S.-based companies that he  
9 possessed both the ability and the intent to divert millions of  
10 dollars in E.G. public funds to acquire and pay for personal  
11 assets.

12 85. In or around February 2004, Nguema contacted an  
13 executive at Ocean Energy, a U.S.-based energy company, and  
14 requested that Ocean Energy purchase a C-130 Hercules military  
15 transport aircraft from Lockheed Martin, a U.S. defense  
16 contractor, for his personal use. A C-130 Hercules transport  
17 can cost up to \$65 million. Nguema proposed that Ocean Energy  
18 purchase the aircraft on his behalf, and that Ocean Energy, in  
19 turn, would be paid by the E.G. Government. Specifically,  
20 Nguema advised Ocean Energy that GE Petrol, E.G.'s state-owned  
21 oil company, would compensate Ocean Energy for this transaction.  
22 Ocean Energy refused to go along with Nguema's scheme.  
23  
24

25 86. In 2005, Nguema advised an executive at Gulfstream  
26 Aerospace Corporation, a U.S.-based aircraft manufacturer, that  
27 he could and would have Ocean Energy assume responsibility for  
28

1 making the payments on a \$40 million personal jet aircraft that  
2 Ocean Energy would acquire on his behalf. These funds would  
3 then be credited against balances owed by Ocean Energy to the  
4 Government of E.G. In this roundabout manner, Nguema again  
5 represented that he intended to misappropriate E.G. Government  
6 funds to acquire a \$40 million personal asset. Gulfstream  
7 refused to go along with Nguema's scheme to use state resources  
8 to acquire personal assets.  
9

10  
11 3. Nguema Directly Diverted Public Funds to Bank  
12 Accounts Under His Direct Control

13 87. Nguema diverted E.G. public resources and monies for  
14 his personal use. Since at least as early as 2005, Nguema has  
15 maintained public funds and revenue collected by his Forestry  
16 Ministry in a separate account (the "Forestry Account") at a  
17 private commercial bank in E.G. This is in contrast with the  
18 management of other E.G. Government funds, which are maintained  
19 by E.G.'s Treasurer at BEAC. No E.G. public official or agency,  
20 including E.G.'s Parliament, its Ministry of Finance, and its  
21 Treasury, possesses the authority or ability to supervise,  
22 regulate or inspect how the funds in the Forestry Account are  
23 used.  
24

25 88. Other than Nguema's Forestry Ministry, no other E.G.  
26 state agency or institution maintains an account like this one.  
27  
28

1           89. This Forestry Account is used by Nguema to maintain  
2 millions of dollars worth of CFAs collected as state revenue by  
3 E.G.'s Forestry Ministry from timber companies operating in E.G.  
4 The funds in this account include surface taxes paid by all  
5 persons who hold forestry concessions in E.G., fees charged to  
6 timber companies who harvested logs from such concessions, and  
7 official timber export duties collected by the Forestry  
8 Ministry. Instead of depositing this revenue into BEAC like  
9 other public agencies, Nguema diverted and maintained these  
10 public funds in his Forestry Account.  
11  
12

13           90. As the sole signatory on this Forestry Account, Nguema  
14 possesses exclusive authority and control over how the funds in  
15 the Forestry Account are used and disbursed.  
16

17           91. In 2006, economists and auditors from a United Nations  
18 ("U.N.") financial agency were permitted to access and review  
19 E.G.'s economic policies and data, including information and  
20 records relating to the E.G. Government's financial and fiscal  
21 management policies. When U.N. personnel requested that they be  
22 permitted to also review and access data and records relating to  
23 the Forestry Account, their requests were denied.  
24

25           92. E.G.'s Criminal Code prohibits misappropriation,  
26 theft, and embezzlement of government funds by government  
27 officials. See, e.g., Article 131 (abuse of public office);  
28

1 Article 196 (expropriation of assets by a public official);  
2 Article 198 (taking advantage of official position to exercise a  
3 profession directly related to scope of official duties);  
4 Article 394 (prohibiting public officials from stealing public  
5 funds); Article 396 (prohibiting public officials from  
6 embezzling funds under his care); Article 400 (prohibiting  
7 public officials from defrauding the state); Article 401  
8 (criminal conflict of interest by a public official); Article  
9 404 (prohibiting public officials from taking part in for-profit  
10 transactions within the limits of their jurisdiction); Article  
11 514 (theft); and Articles 528 and 533 (fraud). See Attachment  
12  
13 C.  
14

15 93. The above-described corrupt schemes violate E.G.'s law  
16 as referenced above.  
17

18 **F. Nguema Uses Shell Companies in E.G. to Conceal His Criminal**  
19 **Conduct and to Mask the True Source of His Illicitly**  
20 **Acquired Wealth**

21 94. Having acquired millions of dollars in criminal  
22 proceeds from the corrupt schemes described in paragraphs 48-91,  
23 Nguema formed shell companies in E.G. to disguise his criminal  
24 conduct, conceal the source of his income, and to claim falsely  
25 to overseas financial institutions and foreign governments that  
26 his income was derived from legitimate commercial activity in  
27 E.G. Beginning in the 1990s, Nguema claimed falsely to numerous  
28

1 American and European financial institutions (at which he opened  
2 bank accounts to funnel and shelter his criminal proceeds) that  
3 his companies Sofona and Somagui generated hundreds of millions  
4 of dollars in commercial profits. These companies, according to  
5 Nguema, exported and marketed hundreds of thousands of cubic  
6 meters of timber every year on international markets; were  
7 singlehandedly responsible for 69 percent of E.G.'s gross  
8 domestic timber production in 2001; and were singlehandedly  
9 responsible for 73 percent of E.G.'s construction-related gross  
10 domestic product in 2004, building and paving more than 200  
11 kilometers of highway in E.G. In fact, as discussed below,  
12 these representations are false and Sofona, Somagui, and SOCAGE  
13 exist only on paper.

14  
15  
16  
17 95. Neither Sofona nor Somagui engaged in any significant  
18 business operations in E.G. They employed few, if any,  
19 construction or logging employees and earned no legitimate  
20 revenue, let alone on the exceptional scale Nguema has claimed.

21  
22 96. Despite efforts to verify the existence of Sofona and  
23 Somagui, financial institutions and public agencies in multiple  
24 jurisdictions could not confirm Nguema's claims that his  
25 companies existed as companies with actual operations and  
26 legitimate sources of revenue. For instance:

- 27 (i) In 2002, J. P. Morgan, where Nguema maintained a bank  
28 account, sought to obtain more information about Sofona

1 and Somagui. Despite researching local trade directories  
2 and reference books, and making numerous inquiries about  
3 both companies in E.G., including with the local chamber  
4 of commerce, businesses, banks, and authorities, J. P.  
5 Morgan personnel in both the United States and the United  
6 Kingdom could not confirm that Sofona or Somagui existed,  
7 let alone engaged in commercial operations of any kind.  
8 Although J. P. Morgan identified a phone number in E.G.  
9 associated with Sofona, J. P. Morgan reported that its  
10 calls were never answered. In contrast with Nguema's  
11 contention that by 2001 these companies singlehandedly  
12 controlled nearly 70 percent of E.G.'s timber industry,  
13 E.G.'s second most important export, J. P. Morgan  
14 personnel concluded that both Sofona and Somagui were  
15 "unknown in the local market."

16 (ii) Similarly, in 2004, at a time in which Nguema claimed  
17 that Sofona and Somagui were even larger and more  
18 dominant in the E.G. economy, Riggs Bank, where Nguema,  
19 his parents, and the E.G. Government opened several bank  
20 accounts, sought to investigate and confirm Nguema's  
21 representations about his companies. Relying on various  
22 bank resources and almost two dozen electronic databases  
23 and search engines, a fraud investigator with Riggs  
24 National Bank's investigation group in Washington D.C.  
25 concluded that no evidence of Sofona's or Somagui's  
26 existence in E.G. could be ascertained.

27 97. Similarly, international development workers in E.G.,  
28 commercial business persons, E.G. nationals and residents, and  
employees of non-governmental organizations ("NGOs"), including  
a major U.S.-based environmental NGO active in E.G.'s forestry  
sector ("NGO A"), all of whom lived or worked in E.G. between  
2000 and 2007 and were knowledgeable about the E.G. forestry  
and/or infrastructure industries, reported that neither Sofona  
nor Somagui were known in E.G. as legitimate or substantial  
commercial businesses with actual operations. For instance:

- 1 (i) An E.G. national who owned an E.G. timber company  
2 until 2003 explained that Somagui had no more than one  
3 or two employees; had an office in Bata that was  
4 rarely open; and had no function other than to open  
5 bank accounts and receive illegal payments during the  
6 time period he operated his timber company (1998-  
7 2003).
- 8 (ii) An American forestry expert employed by NGO A in Bata  
9 between 2005 and 2009 worked closely with E.G.'s  
10 Forestry Ministry on forestry conservation and  
11 management issues. Yet, he could not confirm that  
12 Sofona and Somagui existed and/or were active in  
13 either E.G.'s timber or construction industries.
- 14 (iii) Several contractors employed by U.S. AID, an  
15 agency of the United States Government, who resided in  
16 E.G. between 2005 and 2009, were focused specifically  
17 on issues of economic and social development in E.G.,  
18 and worked closely with the staff of E.G.'s Ministry  
19 of Planning, Economic Development and Public  
20 Investment, its Ministry of Finance, and its Ministry  
21 of Fishing and the Environment. These individuals  
22 reported that they had never heard of Sofona or  
23 Somagui.
- 24 (iv) A U.S. Department of Agriculture forestry expert, who  
25 visited Bata and various E.G. forests in 2004 to  
26 consult on technical assistance matters and survey  
27 forest management issues in E.G., also never heard of  
28 Sofona or Somagui in E.G.
- (v) An American who worked for Afriam, a company that  
obtained a 25,000 hectare forestry concession in E.G.  
in 1994 and operated in or around Bata during the  
1990s, also reported that he never heard of Sofona or  
Somagui.
- (vi) China Road and Bridge Corporation, a civil engineering  
company based in Beijing, China, represented that it--  
not Somagui--constructed the Ebebiyin Highway, a 72  
k.m. roadway that Nguema claims Somagui was  
responsible for building.



1           98. Even when asked directly to provide evidence of the  
2 source of his wealth and income, Nguema has been unable to do  
3 so. For example, in 2006, when lawyers at McAfee and Taft, an  
4 Oklahoma-based law firm and escrow agent, explicitly and  
5 repeatedly asked Nguema to provide details as to the source of  
6 his income in connection with his attempt to purchase a \$38.5  
7 million Gulfstream jet aircraft in the United States, Nguema did  
8 not respond. Despite numerous attempts to obtain this  
9 information from Nguema and to ascertain the legitimacy of his  
10 wealth, Nguema refused to respond. As a result, McAfee and Taft  
11 refused to participate further in the transaction and returned  
12 all funds deposited by Nguema to the aircraft escrow account.  
13 The lawyers on both sides of the transaction were so concerned  
14 about possible civil or criminal liability as a result of their  
15 involvement in handling Nguema's money that they attempted to  
16 obtain assurances from the U.S. Department of Justice as to the  
17 legitimacy of these funds.  
18

19           99. Likewise, at present, Nguema is the subject of a  
20 criminal investigation by law enforcement authorities in France.  
21 Nguema is under criminal investigation for money laundering,  
22 misappropriation and embezzlement of public funds, and  
23 misappropriation and embezzlement of corporate funds. On  
24 September 28, 2011, French judges in Paris ordered the seizure  
25  
26  
27  
28

1 of eleven high-end automobiles from Nguema's home on Avenue Foch  
2 in connection with their investigation. In February 2012,  
3 French judges authorized French police to enter and seize the  
4 contents of Nguema's Paris home. When Nguema refused to meet  
5 with French authorities to answer questions regarding the  
6 sources of his income and wealth, the French court issued a  
7 warrant for Nguema's arrest.  
8

9 **G. Nguema Does Not Have Legitimate Income Sufficient to**  
10 **Account for His Hundreds of Millions of Dollars in Personal**  
11 **Purchases and Expenditures**

12 100. From 2000 to 2011, Nguema spent more than \$300  
13 million acquiring assets and property on four continents--North  
14 America, South America, Europe and Africa. In the United States  
15 alone, Nguema spent \$68 million during a period of less than  
16 three months in 2006 on two assets: the Sweetwater property,  
17 for which the purchase price was \$30 million, and a Gulfstream  
18 G-V jet aircraft, which cost over \$38 million.  
19

20 101. For every year between 2000 and 2011, Nguema's  
21 enormous personal expenditures vastly outpaced and were  
22 inconsistent with both (i) his public official salary of less  
23 than \$100,000 per year, and (ii) the fraudulent income he  
24 purportedly generated from his companies Sofona and Somagui.  
25

26 (i) In 1999, Sofona's financial statements reported that  
27 that the company incurred losses of 828,238,750 CFAs  
28 (approximately \$1,129,930) and that the shareholders,

1 managers and directors of the company received no  
2 compensation from the company.

3 (ii) In 2000, Sofona's financial statements reported that  
4 the company incurred 236,005,058 CFAs (approximately  
5 \$321,971) in losses. Like the prior year, these  
6 statements again indicate that the company provided no  
7 compensation or income to its shareholders, directors  
8 and managers. Yet, Nguema spent and/or wired in or  
9 around approximately \$13,451,964 into the United  
10 States and throughout the world. Nguema, for  
11 instance, spent approximately \$857,000 acquiring  
12 luxury automobiles in France, including an Aston  
13 Martin, a Ferrari and a Peugeot, with no financing or  
14 use of borrowed funds. In the United States, Nguema's  
15 account at Riggs Bank received two wires from  
16 Somagui's account at CCEI Bank in E.G. for (i)  
17 \$1,099,980 on March 13, 2000, and (ii) \$999,980 on  
18 April 11, 2000, even though the company's financial  
19 statements that year reported that Somagui had losses  
20 of almost six-times that amount. Nguema's Riggs Bank  
21 account also received additional wires from accounts  
22 in his own name at (i) Citibank for \$5 million on  
23 February 22, 2000, and (ii) CCF Banque Privee  
24 Internationale, a French bank, for \$5.495 million on  
25 March 3, 2000.

17 (iii) In 2001, Nguema reported in Sofona's financial  
18 statements that the company generated 2,245,980,864  
19 CFAs (\$3,064,093) in net income. Yet, that year  
20 Nguema spent and wired into the United States in or  
21 around \$11,109,082. Nguema spent \$8,009,210 in  
22 California alone, including purchasing a \$6,500,000  
23 property on Antelo Road in Bel Air, California and a  
24 Bentley vehicle for \$651,500. In addition, Nguema's  
25 Riggs Bank account received three wires from Somagui's  
26 account at CCEI Bank in E.G. for (i) \$999,932 on March  
27 26, 2001, (ii) \$999,980 on May 1, 2001, and (iii)  
28 \$999,980 on August 16, 2001. Nguema's account at  
Chase Manhattan received an additional wire from  
Somagui's CCEI account in E.G. for \$99,980 on November  
7, 2001. These expenses amounted to more than 250  
percent of Sofona's purported total net income.

(iv) In 2002, Nguema received in or around \$3,326,650 in  
wires from E.G. Specifically, Nguema's Riggs Bank

1 account received two wires from Somagui's account at  
2 CCEI Bank in E.G. for (i) \$266,439 on May 24, 2002,  
3 and (ii) \$1,499,980 on June 28, 2002. In addition,  
4 Nguema's Riggs Bank account received additional wires  
5 from accounts in his own name at (i) Chase Manhattan  
6 Bank for \$209,548 on April 25, 2002, and (ii) National  
7 Financial Services Corp. for \$734,225 on July 8, 2002.  
8 In addition, Nguema's account at City National Bank in  
9 Los Angeles in the name of TNO Entertainment received  
10 three additional wires from Somagui's E.G. bank  
11 account: (i) a wire for \$199,950 on January 22, 2002,  
12 (ii) a wire for \$59,980 on June 13, 2002, and (iii)  
13 \$149,980 on June 19, 2002.

14 (v) In 2003, Nguema spent and wired more than \$6,735,216  
15 throughout the world. Specifically, Nguema's account  
16 at Riggs National Bank received five wires from  
17 Somagui's CCEI account for (i) \$299,980 on March 19,  
18 2003; (ii) \$1,499,975 on July 11, 2003; (iii)  
19 \$2,599,985 on July 17, 2003; (iv) \$671,679 on August  
20 11, 2003; and (v) \$999,975 on September 17, 2003.  
21 Additionally, Nguema spent \$663,622 on a Maybach 62  
22 automobile in Paris.

23 (vi) In 2004, Nguema spent more than \$88 million to acquire  
24 numerous personal assets around the world, including a  
25 property valued at approximately \$80 million in Paris  
26 on Avenue Foch, and two properties in Cape Town, South  
27 Africa for \$8 million. The value of these three  
28 assets alone equaled almost 43 percent of the total  
gross construction income Somagui had purportedly  
generated at that time throughout its entire  
existence.

(vii) In 2005, Nguema spent more than \$11 million on assets  
and expenditures, including acquiring (i) two 50-foot,  
high-performance racing boats in Ft. Myers, Florida,  
for over \$2 million; (ii) \$1 million on a ten day  
yacht cruise around St. Barthelemy in December; (iii)  
a Rolls Royce for €381,000; (iv) a Maserati for  
€82,000; (v) €1.8 million on renovations and  
decorations to his Paris home; and (vi) almost €3  
million in jewelry and art, including three Piaget  
baguette diamond-studded watches for €777,400  
(approximately \$1,010,620) each. Nguema's expenses  
for 2004 and 2005 combined (\$99 million) amounted to

1 more than 48 percent of the total gross income Somagui  
2 had supposedly generated from construction projects at  
3 that time throughout its entire existence.

4 (viii) In 2006, Nguema spent more than \$88 million on assets  
5 and expenditures, including (i) the defendant  
6 Sweetwater property for \$30 million; (ii) a \$38.5  
7 million Gulfstream G-V jet aircraft; (iii) €7.34  
8 million in renovations and decorations to his Paris  
9 home; (iv) €2.296 million on two Bugatti vehicles; and  
10 (v) €1,291,680 in jewelry and art, including a  
11 diamond-studded Vacherin Constantin watch for €586,040  
12 (approximately \$761,852). Nguema's expenditures for  
13 the period 2004-2006 combined (approximately \$187  
14 million) equaled almost 91 percent of the total gross  
15 income Somagui had supposedly generated from its  
16 construction projects at that time throughout its  
17 entire existence.

18 (ix) In 2007, Nguema spent more than \$10,676,190.42 on  
19 assets and expenditures, including acquiring (i) a  
20 €347,010 Bentley; (ii) a €50,657 Peugeot; (iii) a  
21 €49,078 Mercedes; (iv) €1,868,573 in renovations and  
22 decorations to his Paris home; (v) €179,400 in  
23 jewelry; (vi) €4.4 million in antiques, including an  
24 antique cabinet made by André-Charles Boulle for  
25 €2,600,000 (\$3,380,000); and (vii) \$1,713,057.42 in  
26 servicing costs related to his Gulfstream. Nguema's  
27 combined expenditures between 2004-2007 (approximately  
28 \$197,676,190.42) equaled almost 96 percent of the  
total gross construction income Somagui had  
purportedly generated at that time throughout its  
entire existence.

(x) In 2008, Nguema spent more than \$65,196,403 in assets  
and expenditures, including (i) a property in Sao  
Paulo, Brazil worth approximately \$15 million; (ii) a  
painting by Edgar Degas for \$4,533,000; (iii) a  
painting by Pierre-Auguste Renoir for \$6,424,000; (iv)  
a painting by Paul Gauguin for \$8,905,000; (v) a  
painting by Henri Matisse for \$8,905,000; (vi) a  
painting by Pierre Bonnard for \$6,010,000; (vii)  
€8,410,000 in antiques; (viii) a painting by Edgar  
Degas for €5,600,000; (ix) a €364,940 Bentley; (x)  
\$280,000 for the pre-design of a \$280 million mega-  
yacht in Germany; (xi) €1,231,880 in jewelry; (xii)

1 \$2,038,391.89 on a Bugatti Veyron in California; (xii)  
2 a Rolls Royce in California for \$609,973.29; and (xiv)  
3 a second California Rolls Royce for \$380,173.96.  
4 Nguema's combined expenditures between 2004 and 2008  
5 (\$255,149,536) equaled more than 120 percent of  
6 Somagui's purported total gross construction income  
7 generated at that time throughout its entire  
8 existence, and exceeded the dollar amount purportedly  
9 earned by Somagui during that time period by more than  
10 \$56 million.

11 (xi) In 2009, Nguema spent more than \$9,046,425.48 on  
12 assets and expenditures, including (i) €2,199,980 on  
13 renovations and decorations to his international  
14 properties; (ii) €652,174 on 1,403 bottles of high-end  
15 wine; (iii) €2,960,000 on art; (iv) €203,320 on  
16 jewelry; (v) a Rolls Royce for \$609,984.29 in  
17 California; (vi) a second California Rolls Royce for  
18 \$499,910.45; and (vii) \$116,414.74 on servicing costs  
19 related to his Gulfstream. Nguema's expenditures  
20 between 2004 and 2009 (approx. \$271,205,960.74)  
21 equaled more than 100 percent of the total gross  
22 construction income supposedly obtained by Somagui  
23 from all of its construction projects throughout its  
24 entire existence at that time.

25 (xii) In 2010, Nguema spent more than \$37,618,461.62 on  
26 assets and expenditures, including (i) €18,347,952 on  
27 109 items acquired at the auction of Yves Saint  
28 Laurent's estate; (ii) a Bugatti vehicle for €1.9  
million; (iii) €3,840,180 on high-end wine; (iv) a  
€200,000 Ferrari; (v) €1.8 million on renovations and  
decorations to his properties; (vi) €849,160 on  
jewelry, including another Vacheron Constantin watch  
for €432,354 (approximately \$562,060); (vii)  
\$2,270,187.50 on various Michael Jackson memorabilia,  
including some of the defendant assets, and (viii)  
\$460,149.12 on servicing costs related to his  
Gulfstream. Nguema's combined expenditures between  
2004 and 2010 (\$307,708,007.12) equaled more than 113  
percent of Somagui's purported total gross  
construction income obtained at that time throughout  
its entire existence, and exceeded the actual dollar  
figure by more than \$40 million.

1 (xiii) In 2011, Nguema spent more than \$7,620,452.18 on  
2 assets and expenditures, including (i) €1,602,671 on  
3 renovations and decorations for his properties; (ii)  
4 €3,198,928 on jewelry, including a diamond-studded  
5 Piaget watch for €980,720 (\$1,274,936); (iii) the  
6 defendant Ferrari for \$532,984.12 in California; and  
7 (iv) \$494,700 on some of the defendant Michael Jackson  
8 memorabilia. Nguema's combined expenditures between  
9 2004-2011 (\$314,868,310.62) equaled more than 116  
10 percent of Somagui's total gross construction income  
11 purportedly generated at that time throughout its  
12 entire existence, and exceeded the actual dollar  
13 figure by more than \$47 million.

14 H. To Funnel and Harbor His Criminal Proceeds Through U.S.  
15 Financial Institutions, Nguema Deceived U.S. Banks About His  
16 Identity and the True Source and Ownership of His Funds

17 102. Beginning in at least 2004, Nguema orchestrated and  
18 implemented a scheme to fraudulently open and use bank accounts  
19 at financial institutions in California in order to funnel  
20 millions of dollars into the United States from E.G., while  
21 concealing his association with the accounts, the source of  
22 funds, and his status as an E.G. Minister and the son of E.G.'s  
23 President.

24 103. Having acquired the \$30 million Sweetwater property  
25 in April 2006, Nguema continued to spend more than \$100,000 per  
26 month to pay for the maintenance and upkeep of his newly  
27 acquired 12-acre Malibu estate.

28 104. U.S. financial institutions face substantial criminal  
and civil penalties, as well as significant reputational harm,  
if they fail to adhere to the requirements of the Bank Secrecy

1 Act, 31 U.S.C. §§ 5311 and other anti-money laundering controls.  
2 These obligations include, among others requirements, to  
3 implement (i) due diligence policies and procedures governing  
4 high-risk areas such as accounts of politically exposed persons  
5 ("PEPs"),<sup>3</sup> including senior foreign public figures ("SFPs"),<sup>4</sup>  
6 and (ii) internal controls for managing accounts of PEPs and  
7 SFPs and companies owned by such persons.  
8

9 105. Because Nguema is the son of President Obiang and an  
10 E.G. minister, he is both a PEP and an SFP.  
11

12 106. In 2004, the conviction and \$16 million criminal fine  
13 against Riggs Bank, the additional \$25 million in civil  
14 penalties assessed against Riggs by federal regulators, and the  
15 U.S. Senate PSI's scrutiny on private banking involving senior  
16 foreign political figures -- specifically including Nguema and  
17 the Inner Circle -- highlighted the risks of non-compliance with  
18 U.S. anti-money laundering controls.  
19  
20

---

21 <sup>3</sup> The Federal Financial Institutions Examination Council's  
22 Bank Secrecy Act Ant-Money Laundering Act Examinations Manual  
23 defines a "politically exposed person" as including a "current  
or former senior foreign political figure, their immediate  
family, and their close associates."

24 <sup>4</sup> An SFP is a current or former senior official in the  
25 executive, legislative, administrative, military, or judicial  
26 branches of a foreign government, whether or not they are or  
27 were elected officials; a senior official of a major political  
28 party; and a senior executive of a foreign government-owned  
commercial enterprise. Also included in the definition of a  
senior foreign political figure are immediate family members of  
such individuals, and those who are widely and publicly known  
(or actually known) close associates of a senior foreign  
political figure. See 31 C.F.R. 1010.65(p).



1           107. Since then, U.S. financial institutions have been  
2 unwilling to deal with Nguema because of concerns that his funds  
3 were derived from corruption in E.G.  
4

5           108. In fact, two weeks after the PSI's report was  
6 published on July 15, 2004, City National Bank in Los Angeles  
7 was contacted by Nguema after the bank had closed his personal  
8 bank account. When Nguema called City National Bank on July 30,  
9 2004, he told a CNB employee that he thought his account had  
10 been closed "due to [his] country and the oil."  
11

12           109. As a result, between 2004 and 2008, Michael J. Berger  
13 ("Berger"), a California lawyer, created several companies in  
14 California, including "Beautiful Vision, Inc." and "Unlimited  
15 Horizon, Inc.," to defraud U.S. financial institutions regarding  
16 Nguema's relationship to accounts opened and the source and  
17 ownership of funds he brought into the United States.  
18

19           110. Similarly, between 2005 and 2006, George Nagler  
20 ("Nagler"), another California lawyer, created additional  
21 companies in California for Nguema, including "Sweet Pink,  
22 Inc.," "Sweetwater Management, Inc.," and "Sweetwater Malibu  
23 LLC," to defraud U.S. financial institutions regarding Nguema's  
24 relationship to accounts opened, property acquired, and the  
25 source and ownership of funds he brought into the United States.  
26  
27  
28

1           111.       As part of this scheme, Nguema, Berger and Nagler  
2 opened bank accounts in California in the names of these  
3 companies without disclosing Nguema's ownership of the companies  
4 or their funds and concealing his status as a SFP and a PEP. At  
5 all times alleged herein, Berger and Nagler were working as  
6 Nguema's agents, and worked under his control and direction.

8           112.       Nguema and his intermediaries, including Berger and  
9 Nagler, then transferred funds received from Nguema into these  
10 fraudulently obtained bank accounts in the United States.

12           113.       In opening numerous California bank accounts and  
13 using intermediaries' accounts, Nguema, Berger and Nagler  
14 intentionally and deliberately concealed from these financial  
15 institutions Nguema's association with these bank accounts as  
16 well as his status as an SFP and a PEP.

18           114.       In variations of this scheme, Nguema wire transferred  
19 funds to bank accounts controlled by intermediaries, including  
20 the attorney client trust accounts of Berger and Nagler, who --  
21 unbeknownst to the banks -- then conducted transactions with  
22 these proceeds of bank fraud to pay for, among other things,  
23 Nguema's personal expenses and the upkeep and maintenance of the  
24 defendant assets, or to transfer these funds to the shell  
25 companies from which such payments were made.

1           115. By concealing Nguema's association with the bank  
2 accounts, as described in paragraphs 117-209, as well as his  
3 status as a PEP and an SFP, Nguema and his co-conspirators  
4 fraudulently gained access to banking services in the United  
5 States, including the capacity to wire, hold and receive  
6 millions of dollars to pay for expenses related to the  
7 maintenance and upkeep of the defendant assets in California,  
8 while escaping the heightened scrutiny and monitoring to which  
9 banks are required, and entitled, to treat SFPs and PEPs.  
10 Nguema also deprived these financial institutions of the ability  
11 to assess accurately the risks associated with Nguema's banking  
12 activities, and exposed these financial institutions to the risk  
13 of regulatory sanctions and penalties were they were to fail to  
14 comply with banking regulations and guidelines relating to SFPs.  
15

16  
17  
18           116. In addition to paying for the maintenance and upkeep  
19 of the defendant assets, funds transmitted into the United  
20 States banking system through these fraudulently opened bank  
21 accounts were used to promote and further perpetuate Nguema's  
22 fraudulent scheme to defraud financial institutions in the  
23 United States. Funds were used to pay for, among other things,  
24 the salaries of Nguema's household staff who worked at the  
25 Sweetwater property and aided Nguema, at his direction, to  
26 execute this fraudulent scheme; maintenance of an office at the  
27  
28

1 Sweetwater property for Nguema to perpetuate and oversee this  
2 scheme; the professional and administrative services of various  
3 lawyers, accountants, and property managers, including Berger  
4 and Nagler; costs incurred by Nguema's household staff relating  
5 to this scheme; and the costs and fees of the Sweetwater  
6 property, where Nguema and his household staff maintained their  
7 business office for their companies and where much of the  
8 conduct described at paragraphs 117-209 were planned,  
9 coordinated, and occurred.

12 **a. Scheme to Defraud Bank of America: Oct. 2004-Nov. 2005**

13 117. Less than five months after City National Bank closed  
14 Nguema's bank account in Los Angeles, Berger incorporated a  
15 company called Beautiful Vision, Inc. in California on or about  
16 October 12, 2004. Beautiful Vision was owned by Nguema, but its  
17 Articles of Incorporation make no reference to Nguema. In or  
18 around, October 25, 2004, Berger applied for and received an  
19 Employer Identification Number ("EIN") from the Internal Revenue  
20 Service ("I.R.S.") for Beautiful Vision.

23 118. On or about October 19, 2004, opened two bank  
24 accounts at a Bank of America ("BOA") branch on Wilshire  
25 Boulevard in Beverly Hills, one block from Berger's law office.

26 119. Although Nguema was also present at the bank when  
27 these accounts were opened, Nguema's status as a PEP and a SFP  
28

1 was concealed from BOA. Berger identified himself in bank  
2 documents as the owner and president of Beautiful Vision when,  
3 in fact, Nguema was the company's sole owner. No banker looking  
4 at the documents and information provided to BOA by Berger and  
5 Nguema could have identified Nguema as being the owner of  
6 Beautiful Vision, nor could they have readily identified the  
7 account as one affiliated with an SFP and a PEP.  
8

9         120. Within three weeks of opening the BOA accounts,  
10 Berger transferred \$3.1 million from his BOA client trust  
11 account to Nguema's Beautiful Vision accounts. Between November  
12 1, 2004 and November 2005, at least an additional \$1 million in  
13 funds originating from E.G. were funneled into these accounts.  
14

15         121. The funds in Beautiful Vision's accounts were used  
16 and controlled by Nguema to pay for his personal expenses.  
17

18         122. In an email dated in or about June 10, 2005, to Jane  
19 Doe B, Nguema's then-personal assistant, Berger confirmed that  
20 Nguema controlled the funds in these accounts and provided  
21 Nguema with the passwords for both accounts. Berger explained:  
22 "With this information, you and Mr. Nguema can check the bank  
23 balances any time you want to." Similarly two months later, in  
24 a letter dated August 11, 2005, Berger again confirmed  
25 explicitly that Nguema was "the owner of" Beautiful Vision, Inc.  
26  
27  
28

1 123. BOA closed the Beautiful Vision accounts in or around  
2 September 12, 2005, and September 15, 2005, respectively, after  
3 discovering that Nguema, a SFP and a PEP, was associated with  
4 Beautiful Vision, Inc.  
5

6 **b. Scheme to Defraud Union Bank of California: Sept.**  
7 **2005-Oct. 2005**

8 124. On or about September 15, 2005, three days after BOA  
9 closed Nguema's Beautiful Vision business checking account,  
10 George Nagler, another California lawyer retained by Nguema,  
11 formed a company called Sweet Pink, Inc., for Nguema.  
12

13 125. Sweet Pink's articles of incorporation identify  
14 Nagler as the company's initial agent for service of process,  
15 but make no reference to Nguema. Nagler, however, later  
16 confirmed to PSI staff that Nguema was Sweet Pink's sole owner,  
17 and that Sweet Pink was formed to employ and pay individuals at  
18 Nguema's home before he purchased the Sweetwater property.  
19

20 126. On or about September 22, 2005, Nagler faxed a letter  
21 to John Doe B, Nguema's accountant, at 12:51 p.m., directing  
22 him to open a bank account for Sweet Pink so that Nguema could  
23 wire additional funds into the United States. Specifically,  
24 Nagler wrote to John Doe B that:  
25

26 You should plan to have two or three people in your office  
27 authorized to sign on the account. You should add [Nguema]  
as the assistant treasurer as able to sign alone.

28 \*\*\*

1 . . . I plan to use one of my people as the nominal officer  
2 and director but she will NOT be signing [the bank opening  
3 documents] either . . .

4 127. Later that same day, Nagler asked his assistant to  
5 serve as a nominee officer of Sweet Pink and to sign and file an  
6 EIN application with the I.R.S. for Sweet Pink on Nguema's  
7 behalf. Nagler wrote in an email to his assistant:  
8

9 I am forming a new corporation for [Nguema], a new client.  
10 He asked if we could provide someone to act as the officer  
11 and director for him. You will have no responsibility  
12 other than signing the standard minutes. The company is  
13 being formed only to handle the payroll for the 3 people  
14 who work at his house and any other personal affairs here.  
15 You can resign at any time. Assuming you agree, I need you  
16 to sign the attached application for a tax identification  
17 number and fax it back to me.

18 128. At 3: 26 p.m. on September 22, 2005, Nagler faxed  
19 John Doe B another letter:  
20

21 I confirm our discussion today that you and three others  
22 from [your] accounting firm . . . will be authorized  
23 signatories [on the Sweet Pink account]. . . You will use  
24 your address as the business location. Please mail a copy  
25 of the statement to [Nguema] and me.

26 Please confirm. I will forward you the [EIN] as soon as I  
27 have it, probably Monday. You then will open the account  
28 and send me the wiring instructions.

29 129. On or about September 25, 2005, Nagler's assistant  
30 filed an EIN application for Sweet Pink with the I.R.S.,  
31 identifying herself -- at Nagler's direction -- as Sweet Pink's  
32 "principal officer, general partner, grantor, owner, or  
33 trustor." Nagler dictated instructions for how to complete the

1 I.R.S. EIN application form on a tape recorder. Nagler's  
2 assistant then completed the I.R.S. EIN application form exactly  
3 as Nagler dictated it to her. Neither Sweet Pink's articles of  
4 incorporation, by-laws or other corporate documents identify  
5 Nagler or his assistant as retaining such authority within the  
6 corporation. Rather, according to Sweet Pink's corporate  
7 records, Nguema was Sweet Pink's sole shareholder.

9 130. On or about September 29, 2005, Union Bank of  
10 California ("UBOC") opened a checking account for Sweet Pink  
11 using the EIN obtained by Nagler's assistant. Obtaining and  
12 using this EIN permitted Nagler and Nguema to open the account  
13 without disclosing to UBOC the social security number of the  
14 corporation's true owner -- Nguema. The signatories on the  
15 account were Jane Doe C, Nguema's then-girlfriend, and four  
16 employees of an accountancy firm retained by Nguema. On the  
17 bank account opening documents, the accountancy firm's address  
18 is listed as Sweet Pink's address.

21 131. No banker looking at the documents and information  
22 provided by Nagler and Nguema could have identified Nguema, as  
23 being the owner of Sweet Pink, nor could they have identified  
24 the account as one affiliated with an SFP and a PEP. Again,  
25 Nguema's involvement and association with Sweet Pink, as well as  
26 his SFP and PEP status, were concealed from UBOC personnel.  
27  
28



1           132. Having obtained an EIN for Sweet Pink and thereby  
2 facilitated the opening of Sweet Pink's UBOC account, Nagler's  
3 assistant resigned as its vice president on or about October 5,  
4 2005, six days after UBOC agreed to open the accounts.  
5

6           133. On or about October 19, 2005, within three weeks of  
7 the account's opening, Nguema sent two wires, each for  
8 approximately \$29,947.50, from Somagui in E.G. to Sweet Pink's  
9 UBOC account.  
10

11           134. Approximately eight days later, on or about October  
12 27, 2005, UBOC closed the Sweet Pink account. Having discovered  
13 the connection between Nguema and Somagui, and realizing that  
14 Nguema was using the Sweet Pink account to gain access to the  
15 U.S. banking system, UBOC closed Sweet Pink's account. This was  
16 the third time in less than fifteen months that a California  
17 bank closed an account after learning of Nguema's association  
18 with the account.  
19

20           c. Scheme to Defraud Commercial Capital Bank: Dec. 2005-  
21           Jun. 2006

22           135. On or about December 7, 2005, less than two months  
23 after UBOC closed Nguema's Sweet Pink account, Berger opened an  
24 account at Commercial Capital Bank in Beverly Hills in the name  
25 of another company, Unlimited Horizon, Inc. This bank was  
26 located in the lobby of the same building where Berger  
27  
28

1 maintained his law office. Berger was the account's only  
2 signatory.

3 136. Berger caused Unlimited Horizon, a California  
4 corporation owned by Nguema, to be incorporated in California on  
5 October 21, 2005. Unlimited Horizon's articles of incorporation  
6 list Berger as the initial agent for service of process and the  
7 corporation's incorporator. No reference is made to Nguema in  
8 these corporate documents. In or around December 7, 2005,  
9 Berger filed an application with the I.R.S. to obtain an EIN for  
10 Unlimited Horizon.  
11  
12

13 137. In opening this account, Berger withheld and  
14 concealed material information from the bank's personnel,  
15 including Nguema's association with this account and his status  
16 as an SFP and a PEP. No banker looking at the documents and  
17 information provided by Berger and Nguema to Commercial Capital  
18 Bank could have identified Nguema as being the owner of  
19 Unlimited Horizon, nor could they have identified the account as  
20 one affiliated with an SFP and a PEP.  
21  
22

23 138. According to PSI records, on or about February 8,  
24 2006, Berger faxed a letter to John Doe C, an Italian national  
25 who served as the chief executive officer of General Work, S.A.,  
26 one of the largest construction companies in E.G. The letter,  
27 which was addressed to Nguema, provided Nguema with the  
28

1 "information that you need to wire transfer money to the  
2 Unlimited Horizon, Inc. checking account at Commercial Capital  
3 Bank," including the account number, the Swift code, the address  
4 of the bank, and the bank's telephone number.  
5

6 139. This Commercial Capital Bank account received the  
7 following three wires from E.G.: (i) a wire for \$19,946.25 from  
8 Somagui on or about February 16, 2006; (ii) a wire for \$49,945  
9 from Somagui on or about March 23, 2006; and (iii) a wire for  
10 \$39,944.81 from SOCAGE on or about June 16, 2006.  
11

12 140. On March 15, 2006, Berger faxed another letter to  
13 John Doe C's office addressed to Nguema, confirming that Berger  
14 "received [Nguema's] message on March 13 directing [Berger] to  
15 use the funds that Unlimited Horizon, Inc. is holding for  
16 [Nguema] to pay" three of Nguema's California employees.  
17

18 141. Berger continued to fax John Doe C's office  
19 periodically, requesting that Nguema send more money to  
20 Unlimited Horizon. On February 9, 2006, for instance, Berger  
21 faxed a letter to John Doe C, which was addressed to Nguema,  
22 stating that \$30,000 was "now due" for legal services he had  
23 provided and "costs advanced for you." On or about March 13,  
24 2006, Berger faxed to John Doe C another letter addressed to  
25 Nguema, stating that another \$350,000 was "now due."  
26  
27  
28

1 142. Bank records show that most of the funds in the  
2 Commercial Capital Bank account were either withdrawn by Berger  
3 in the form of cash to pay himself or to pay for expenses  
4 related to Nguema's Sweetwater property, including payments made  
5 to Nguema's household staff.  
6

7 143. On or about June 22, 2006, Commercial Capital Bank  
8 closed Unlimited Horizon's account. This was the fifth account  
9 in less than two years closed by a California bank after  
10 discovering its association with Nguema.  
11

12 d. Scheme to Defraud California National Bank: May 2006-  
13 Jun. 2006

14 144. On or about May 16, 2006, after Nguema had acquired  
15 the Sweetwater property in April 2006, Nagler formed another  
16 company for Nguema called Sweetwater Management, Inc. Nagler  
17 explained to PSI staff that Sweetwater Management was formed to  
18 employ individuals at the Sweetwater property, including  
19 executive assistants, estate managers, housekeepers, and  
20 gardeners, and to handle payroll and other matters related to  
21 the employment of the household staff. Sweetwater Management's  
22 articles of incorporation make no reference to Nguema and  
23 identify Nagler as the corporation's initial agent for service  
24 of process. The articles are signed by an employee of Gregory  
25 Holden Corporate Services Co., who resigned as Sweetwater  
26  
27  
28

1 Management's incorporator approximately seven days after the  
2 articles were filed with California's Secretary of State.

3 145. Internal corporate records show that on or about May  
4 23, 2006, Sweetwater Management resolved that Nguema would serve  
5 as the corporation's president, chief financial officer,  
6 secretary, sole director and sole shareholder. These records  
7 also reflect that only Nguema was authorized by the corporation  
8 to file an EIN application with the I.R.S.  
9

10 146. On or about May 23, 2006, Nagler directed Nguema's  
11 personal assistant to file an application to obtain an EIN with  
12 the I.R.S., identifying herself as the "principal officer,  
13 general partner, grantor, owner, or trustor" of Sweetwater  
14 Management. Nothing in Sweetwater Management's corporate  
15 records suggests that Nguema's personal assistant retained such  
16 authority within the corporation. This EIN was then used by  
17 Sweetwater Management in opening bank accounts at California  
18 National Bank ("CNB").  
19

20 21 147. On or about May 30, 2006, after agreeing to be named  
22 as an officer of Sweetwater Management and filing an EIN  
23 application with the I.R.S. for the corporation, Nguema's  
24 personal assistant asked Nagler whether she could "be held  
25 liable for anything" as an officer of Nguema's corporation.  
26 Nagler reassured her, "I am not aware of an officer having  
27  
28

1 personal liability for a company's bank account except if it is  
2 a payroll account and then only for the employment taxes that  
3 are not paid to the I.R.S. You would only be a backup signatory  
4 on the payroll account at most."  
5

6 148. That same day, John Doe D, Nguema's estate manager,  
7 opened an account at CNB in Los Angeles, in the name of  
8 "American Equity Properties, DBA: American Property MGMT ITF:  
9 Sweet Water Malibu" ("AEP Account"). In opening this account,  
10 John Doe D concealed Nguema's involvement with the account as  
11 well as Nguema's status as a SFP and a PEP. John Doe D  
12 identified the owner of Sweetwater Malibu as a "high profile"  
13 person who wanted to remain confidential. When CNB insisted  
14 that John Doe D and Nagler provide the bank with Sweetwater  
15 Malibu's operating agreement, they agreed that they would do so  
16 in the future. Based upon these assurances, CNB opened this  
17 account on a temporary basis.  
18  
19

20 149. The following day, on or about May 31, 2006, Nguema's  
21 personal assistant opened three additional business accounts at  
22 CNB in the name of Sweetwater Management, Inc. Both John Doe D  
23 and the personal assistant were named as signatories on these  
24 accounts. The personal assistant identified herself to CNB as  
25 Sweetwater Management's vice president. Again, Nguema's  
26 association with these accounts was not explicitly disclosed to  
27  
28

1 CNB, and his status as an SFP and a PEP was hidden from bank  
2 personnel. By using the EIN obtained by Nguema's personal  
3 assistant to open the accounts, Nguema and Nagler were able to  
4 open these accounts without using Nguema's social security  
5 number and, thus, obscure further Nguema's association with the  
6 accounts.  
7

8 150. No banker looking at the documents and information  
9 initially provided to CNB by Nguema and Nagler, could have  
10 identified Nguema as being the owner of these accounts, nor  
11 could they have identified the accounts as affiliated with an  
12 SFP and a PEP.  
13

14 151. After opening these three accounts, Nagler emailed  
15 Nguema, confirming that John Doe D "has been able to open the  
16 accounts . . . in the name of Sweetwater Management, Inc."  
17 Nagler further informed Nguema that his personal assistant  
18 should be made Sweetwater Management's secretary because, "It  
19 avoids you having to go into the bank and sign documents. . .  
20 Please advise if anything differently should be done."  
21

22 152. In another e-mail dated on or about May 31, 2006,  
23 Nagler informed Nguema that "[John Doe D] is waiting for you to  
24 wire in the first \$250,000. I told him that I assumed he should  
25 have it by the end of this week. Please advise if you expect to  
26 send it later. I also told [John Doe D] that [Nguema's personal  
27  
28

1 assistant] is setting up a household account that will have a  
2 maximum of \$10,000 to allow her to pay certain household  
3 expenses."  
4

5 153. On or about June 12, 2006, within two weeks of  
6 opening his CNB bank account, Nguema sent a wire from E.G. in  
7 the name of SOCAGE for \$249,899 to the AEP Account. The  
8 following day, Nguema's personal assistant requested that CNB  
9 transfer these funds to one of the Sweetwater Management  
10 accounts, where she was a signatory. After being reprimanded  
11 for contacting the bank directly, Nguema's personal assistant  
12 apologized in an email stating, "Sorry if I didn't go about it  
13 the correct way. I didn't realize that speaking with [the bank  
14 manager] wasn't proper."  
15

16 154. Soon thereafter, Nagler sent CNB a copy of Sweetwater  
17 Malibu's operating agreement, which lists Nguema as the  
18 company's owner. After receiving this document, CNB for the  
19 first time identified Nguema as being associated with Sweetwater  
20 Malibu, a fact which had been withheld from the bank.  
21

22 155. Soon thereafter, CNB informed John Doe D that it was  
23 CNB's policy to have only "'clients that are not politically  
24 connected' [and] . . . that the bank accounts (that were just  
25 opened) could be closed by the bank due to their findings."  
26 John Doe D relayed this same information to Nagler.  
27  
28



1           156. On or about June 22, 2006, CNB closed all four bank  
2 accounts. The funds in these accounts were transferred to  
3 Nagler's client trust account and used for expenses related to  
4 Sweetwater Management, and its maintenance of the defendant  
5 Sweetwater property. Between July 2004 and June 22, 2006, a  
6 period of less than two years, five different banks in the Los  
7 Angeles area had closed nine bank accounts controlled by Nguema  
8 after learning of his association with them.  
9

10  
11           e. Scheme to Defraud Union Bank of California: Aug. 2006-  
12           Jun. 2007

13           157. On or about August 28, 2006, two months after  
14 Unlimited Horizon's account at Commercial Capital Bank was  
15 closed and Nguema's four accounts at CNB were closed, Berger  
16 opened two Basic Business Checking Accounts in the name of  
17 Unlimited Horizon, Inc. at a UBOC branch on Wilshire Boulevard  
18 in Beverly Hills. UBOC's Wilshire branch is located directly  
19 across the street from the BOA branch that had closed Nguema's  
20 Beautiful Vision accounts nine months earlier, and next door to  
21 both Commercial Capital Bank and Berger's law office. Like  
22 Nguema's accounts at CNB and Commercial Capital Bank, these  
23 accounts were for Nguema's exclusive use and control.  
24

25           158. Bank records show that Berger identified himself to  
26 UBOC as Unlimited Horizon's president, and was the sole  
27 signatory on both UBOC accounts. Berger again concealed  
28

1 material information from UBOC, including Nguema's association  
2 with Unlimited Horizon, as well as Nguema's status as a SFP and  
3 a PEP. No banker looking at the documents and information  
4 provided to UBOC by Nguema and Berger, could have identified  
5 Nguema as being the owner of these accounts, nor could they have  
6 identified the account as one affiliated with an SFP and a PEP.  
7 Also, by using the EIN obtained for Unlimited Horizon, rather  
8 than Nguema's social security number, to open these accounts,  
9 Nguema and Berger were able to further conceal Nguema's  
10 association with these accounts.  
11  
12

13 159. After opening both checking accounts, Berger emailed  
14 Nguema that day informing him that Unlimited Horizon's two  
15 checking accounts had been opened at UBOC and that \$30,000 of  
16 Nguema's funds, which were deposited in Berger's BOA client  
17 trust account, were used to fund these accounts.  
18

19 160. In addition to the Unlimited Horizon accounts, Berger  
20 opened a client trust account at UBOC on or about October 16,  
21 2006. Berger and Nguema agreed that future wires from E.G.  
22 should be sent by Nguema initially to this new client trust  
23 account. From there, Berger agreed to transmit Nguema's funds  
24 to Unlimited Horizon's UBOC accounts. Berger explained to  
25 Nguema in an email dated on or about November 1, 2006, that  
26 future wires should be sent "to my new client trust account at  
27  
28

1 [UBOC]. I will transfer it from there to the Unlimited Horizon,  
2 Inc. General Account. I will send you a separate e-mail and fax  
3 requesting a \$200,000 wire transfer and providing wire transfer  
4 information for this new account."  
5

6 161. Within three months of opening these accounts, Nguema  
7 began wiring hundreds of thousands of dollars into the United  
8 States through Berger's client trust accounts at both UBOC and  
9 BOA. Between November 24, 2006 and June 6, 2007, Berger's UBOC  
10 client trust account received eight wires from Nguema, including  
11 from Somagui's account at CCEI Bank in E.G., amounting  
12 cumulatively to approximately \$1,599,419.  
13

14 162. Upon receiving these wires in his client trust  
15 accounts, Berger withdrew these funds and deposited them into  
16 Unlimited Horizon's UBOC accounts in the form of checks and bank  
17 drafts. Between November 29, 2006 and May 11, 2007, Berger  
18 deposited seven checks totaling \$1,399,485 into Unlimited  
19 Horizon's UBOC accounts, after withdrawing these funds as "cash"  
20 from his client trust account. In addition, on June 8, 2007,  
21 Berger wired \$153,101 from his client trust account directly to  
22 Guernsey's Auction House in New York to purchase personal assets  
23 for Nguema.  
24  
25

26 163. Berger sent Nguema an email on or about October 16,  
27 2006, confirming that any funds wired to this client trust  
28

1 account by Nguema would, in turn, be transferred to Unlimited  
2 Horizon's UBOC accounts. Specifically, Berger reminded Nguema,  
3 "I have spent or transferred to the Unlimited Horizon Accounts  
4 all of the funds that you wired to my [client trust] account . .  
5 . . Unlike my [client trust] account [at BOA] which is used for  
6 many clients, the 2 Unlimited Horizon Accounts are used  
7 exclusively for your business . . . ."

9 164. UBOC records show that Unlimited Horizon's accounts  
10 were used to support, maintain and enhance the Sweetwater  
11 property, including, among other things, paying in or around  
12 \$54,000 per month for home security services; \$10,000 per month  
13 in electricity bills; \$8,000 per month in phone bills;  
14 \$73,649.95 in property taxes; \$6,875 for the installation of a  
15 sauna; more than \$10,000 for home theater equipment; more than  
16 \$4,000 for home insurance; more than \$12,000 in landscaping  
17 fees; more than \$36,000 in tree care-related fees; and more than  
18 \$30,000 per month in payroll for Nguema's household staff,  
19 including estate managers, maintenance crews, and housekeepers.

22 165. Berger obtained Nguema's consent before disbursing  
23 any checks from Unlimited Horizon's accounts. Berger would make  
24 payments from these accounts after receiving a "check request  
25 form" signed in Nguema's handwriting authorizing Berger to pay a  
26 specific vendor a specified amount. In an email to Berger from  
27  
28

1 Nguema's then-personal assistant on or about August 8, 2006, she  
2 wrote, "Mr. Nguema wanted me to inform you that he does not want  
3 you to use or allocate any of Mr. Nguema's funds, either  
4 existing or forthcoming, without his written approval."  
5

6 166. PSI records show that even when Nguema was in E.G.,  
7 Berger faxed "check request forms" to Nguema and received signed  
8 "check request forms" back from Nguema via John Doe E, an  
9 employee of General Work.  
10

11 167. On or about June 12, 2007, after an investigation by  
12 UBOC discovered that Berger represented Nguema, an SFP and a  
13 PEP, and that Berger was using corporate vehicles to "disguise  
14 the identity of" Nguema to pay for the Sweetwater property and  
15 Nguema's living expenses, UBOC closed all three accounts.  
16

17 **f. Bank Account at Comerica Bank: Feb.-Mar. 2007**

18 168. On or about February 6, 2007 -- eight months after  
19 CNB closed Nguema's four accounts -- Nguema applied to open a  
20 bank account at Comerica Bank on the Avenue of the Stars in Los  
21 Angeles.  
22

23 169. On this occasion, Nguema directed Jane Doe D, an  
24 accountant, to open the account in his name and to identify  
25 himself as an E.G. citizen to the bank, but he nonetheless  
26 concealed from Comerica the fact that he was a PEP and an SFP.  
27 When asked explicitly whether Nguema "ever performed important  
28

1 public functions for a foreign state (PEP)?" Jane Doe D answered  
2 in the negative. When asked whether Nguema was "closely  
3 associated with person(s) who perform public functions for a  
4 foreign state (PEP)?" Jane Doe D again answered in the negative.  
5 Had Nguema disclosed his status as a SFP or PEP, the banker  
6 would have been required under Comerica's policies to contact  
7 the bank's AML Compliance OFAC/PEP Officer before opening this  
8 account.  
9

10  
11 170. Furthermore, instead of identifying Nguema as E.G.'s  
12 Minister of Forestry and Agriculture, Jane Doe D claimed that  
13 Nguema was not employed and that his source of income was  
14 "family inheritance, sale of automobiles . . . [and] trading  
15 expensive & custom automobiles." In connection with his family  
16 inheritance, Jane Doe D informed the bank that Nguema receives  
17 \$50,000 per week (or approximately \$1.2 million per year) "from  
18 France, Spain or England from private funds received re  
19 inheritance."  
20

21 171. Once this account was opened, Nguema deposited  
22 \$158,086.99 in checks into it.  
23

24 172. On or about March 22, 2007, Comerica closed this  
25 account after the bank's compliance personnel discovered that  
26 Nguema was a PEP and an SFP. The remaining balance of  
27 \$153,100.99 was provided to Nguema in the form of a bank check  
28

1 that, in turn, was deposited into Berger's BOA client trust  
2 account. These funds were again used to pay for Nguema's  
3 personal expenses, including maintenance and upkeep of the  
4 defendant Sweetwater property.  
5

6 **g. Citibank Accounts: June 2007-May 2008**

7 173. On or about June 25, 2007, approximately thirteen  
8 days after UBOC closed Nguema's accounts, Berger opened another  
9 account in the name of Unlimited Horizon at a Citibank branch on  
10 Wilshire Boulevard, one block from UBOC and across the street  
11 from his law office. Although during the preceding three years  
12 five different banks in California closed twelve different  
13 accounts used by Nguema after learning that Nguema controlled or  
14 used those accounts to transmit funds into the United States,  
15 Berger represented to Citibank that he alone was Unlimited  
16 Horizon's president and concealed from Citibank Nguema's  
17 association with the company as well as Nguema's status as an  
18 SFP and a PEP.  
19  
20

21 174. Furthermore, in opening the Citibank account, Berger  
22 made several explicit misrepresentations to mislead Citibank  
23 personnel. Berger fraudulently represented that:  
24

- 25 (i) He was the sole shareholder and director of  
26 Unlimited Horizon, a single stockholder  
27 corporation, when, in fact, Nguema was Unlimited  
28 Horizon's sole owner;

1 (ii) Unlimited Horizon was in the business of  
2 providing legal and accounting services when, in  
3 actuality, Unlimited Horizon provided no  
4 commercial services of any kind, let alone legal  
and accounting services; and

5 (iii) Unlimited Horizon generated \$400,000 in  
6 annual sales per year and \$100,000 in profit  
7 when, in actuality, Unlimited Horizon made no  
such earnings.

8 175. Furthermore, prior to opening this bank account, a  
9 Citibank banker explicitly asked Berger:

10 (i) whether "any signer/owner (owning 25% or more)  
11 [of Unlimited Horizon]. . . is a citizen of a  
12 country other than the United States or Puerto  
Rico?" and

13 (ii) "If yes, are any of such owners a Senior Public  
14 Figure (SPF) (for example, a current or former  
15 Senior Public Figure or Senior Official in the  
16 executive, legislative, administrative, military  
or judicial branch of a government) or a close  
associate/family member of an SPF?"

17 In response, Berger fraudulently answered "no" to both  
18 questions.

19 176. On or about June 26, 2007, a Citibank employee  
20 performed a site visit at the Wilshire Boulevard location where  
21 Unlimited Horizon was purportedly located. Upon arriving at  
22 this location, the Citibank employee noticed that an entity  
23 called the "Law Offices of Michael J. Berger" operated at the  
24 location and used the same address and phone number as the one  
25 provided for Unlimited Horizon. The banker, however, saw no  
26 evidence of any signage or marketing by Unlimited Horizon at the  
27  
28



1 location. Furthermore, even though Berger was present at the  
2 time the site visit occurred, he -- again -- failed to clarify  
3 that Nguema, a PEP and an SFP, owned or was associated with  
4 Unlimited Horizon.  
5

6 177. On or about July 10, 2007, Berger withdrew \$100,000  
7 of Nguema's funds from his client trust account at BOA to open  
8 Unlimited Horizon's Citibank account. In an email to Nguema on  
9 or about July 12, 2007, Berger confirmed, "[A]s we discussed  
10 this morning, on July 10, 2007 I went to Bank of America,  
11 withdrew \$100,000.00 of your money from my Bank of America  
12 [client trust] account, purchased a cashier's check for  
13 \$100,000.00 made out to Unlimited Horizon, Inc. and deposited  
14 said cashier's check into the new Unlimited Horizon, Inc.  
15 account at Citibank."  
16  
17

18 178. Over the course of the next five months, Nguema  
19 transferred over \$1 million directly from E.G. into Berger's  
20 client trust account. Berger, in turn, transferred these funds  
21 into Unlimited Horizon's Citibank account. Specifically:  
22

23 (i) On or about July 27, 2007, Nguema wired approximately  
24 \$199,948.82 in the name of Somagui in E.G. into  
25 Berger's BOA client trust account. Berger then  
26 withdrew these funds in cash and deposited them in the  
27 form of a bank check into Unlimited Horizon's Citibank  
28 account;

(ii) On or about August 16, 2007, Berger withdrew  
\$199,908.45 of Nguema's money from his BOA client  
trust account as cash and deposited these funds in the

1 form of a bank check into the Unlimited Horizon  
2 Citibank account;

3 (iii) On or about September 11, 2007, Nguema wired  
4 approximately \$199,934.10 in the name of Somagui in  
5 E.G. into Berger's BOA client trust account. Berger  
6 then withdrew these funds as cash and deposited them  
in the form of a bank check into the Unlimited Horizon  
Citibank account;

7 (iv) On or about October 12, 2007, Nguema wired \$199,931.82  
8 in the name of Somagui in E.G. into Berger's BOA  
9 client trust account. That same day, Berger withdrew  
10 \$199,896.82 as cash from his BOA client trust account  
and deposited these funds in the form of a bank check  
into the Citibank account; and

11 (v) On or about November 6, 2007, Nguema wired \$169,178.26  
12 in the name of Somagui in E.G. into Berger's BOA  
13 client trust account. Three days later, Berger  
14 transferred \$169,143.26 to the Citibank account from  
his BOA client trust account.

15 179. Citibank records show that the funds in Unlimited  
16 Horizon's Citibank account were used to pay for expenses  
17 relating to the Defendant Sweetwater property, including, among  
18 other things, approximately \$54,000 per month on the home's  
19 security detail, over \$9,000 per month on the power bill to  
20 Southern California Edison, over \$5,000 per month on the home's  
21 water bill to Los Angeles County Waterworks, \$37,000 on  
22 landscaping costs, \$3,773 on maintenance for the home's fish  
23 tank, \$24,700 on outdoor landscape lighting, \$7,577 for the  
24 "Fish Physician" in connection with the home's Koi pond, \$9,600  
25 on audio-video equipment, \$1,304 for swimming pool maintenance,  
26 and thousands of dollars for home furniture and decorations.  
27  
28

1           180. In an email dated on or about December 7, 2007,  
2 Berger confirmed with Nguema, "I know that all payments [from  
3 the Citibank account] must be approved by you . . . I understand  
4 the importance of the principle. This e-mail will reconfirm  
5 that I will only pay bills approved by you."  
6

7           181. When the Citibank account ran low on funds, Berger  
8 contacted Nguema to wire more money from E.G. On or about  
9 October 30, 2007, for instance, Berger emailed Nguema and  
10 advised him, "[t]he bottom line is that it is time to send more  
11 money to my [client trust] account. I have prepared a bill and  
12 wire transfer instructions and attached those conditions."  
13

14           182. On or about May 20, 2008, after uncovering Nguema's  
15 association with Unlimited Horizon and this account, Citibank  
16 closed Unlimited Horizon's account. When a Citibank banker from  
17 the Wilshire Branch telephoned Berger to advise him that this  
18 account needed to be closed, Berger neither commented nor raised  
19 any questions as to why such a decision had been made. As of  
20 May 2008, six banks in California had closed thirteen accounts  
21 during the preceding four years after learning of their  
22 association with Nguema.  
23  
24

25           **h. Berger's Use of Client Trust Accounts at BOA and UBOC**

26           183. Berger has maintained a client trust account at BOA  
27 since 1996. Berger opened his UBOC client trust account on  
28

1 October 16, 2006. Under California's Rules of Professional  
2 Conduct ("RPC"), California lawyers are permitted to open and  
3 maintain client trust accounts to maintain client funds in  
4 connection with or related to the provision of legal services.  
5 See Rule 4-100. Under the RPC, funds in which a client  
6 maintains an interest must be deposited in a client trust  
7 account. See Rule 4-100(A). Funds in a client trust account,  
8 however, are precluded from being used to pay for expenses not  
9 directly related to a lawyer's duty to provide legal services to  
10 a client. Rule 4-210 ("A member shall not directly or  
11 indirectly pay or agree to pay, guarantee, represent, or  
12 sanction a representation that the member or member's law firm  
13 will pay the personal or business expenses of a prospective or  
14 existing client . . . .").  
15  
16  
17

18 184. Between 2004 and 2007, Nguema transmitted more than  
19 \$1.5 million dollars into the U.S. from E.G. through Berger's  
20 client trust accounts at BOA and UBOC. By wiring funds into  
21 Berger's client trust account, Berger implicitly represented  
22 that the funds in this account were payment for legal services  
23 or otherwise directly related to his law practice. Unbeknownst  
24 to BOA, these funds had nothing to do with legal services  
25 provided by Berger and, instead, were used to pay for Nguema's  
26 personal expenses, including the maintenance and upkeep of the  
27  
28

1 defendant assets. By deceptively representing implicitly to BOA  
2 that the funds being transmitted by Nguema into Berger's client  
3 trust account were directly related to legal services, Berger  
4 succeeded in providing Nguema with access to, and the use of, a  
5 BOA account to receive and pay for personal expenses.  
6

7 185. Furthermore, by permitting Nguema to wire money into  
8 Berger's client trust account, before transferring those funds  
9 to Unlimited Horizon's bank accounts at UBOC and Citibank,  
10 Nguema and Berger were able to further conceal from financial  
11 institutions in the United States Nguema's association with  
12 these accounts.  
13

14 186. Upon receiving funds from Nguema, Berger either (i)  
15 transmitted these funds to various bank accounts held in the  
16 names of various California corporations used by Nguema to pay  
17 his personal expenses, including for the maintenance and upkeep  
18 of the defendant assets, or (ii) used the funds to pay Nguema's  
19 personal bills directly.  
20

21 187. Specifically, Berger's BOA account received the  
22 following wires from E.G.: (i) a wire for \$299,933.50 from  
23 Nguema on or about August 8, 2005; (ii) a wire for \$299,923.68  
24 from SOCAGE on or about August 4, 2006; (iii) a wire for  
25 \$199,975.90 from SOCAGE on or about September 26, 2006; (iv) a  
26 wire for \$199,976.17 from SOCAGE on or about October 20, 2006;  
27  
28

1 (v) a wire for \$199,948.82 from SOCAGE on or about July 26,  
2 2007; (vi) a wire for \$199,933.45 from Somagui on or about  
3 August 14, 2007; and (vii) a wire for \$199,934.10 from Somagui  
4 on or about September 11, 2007.  
5

6 188. After receiving these wires, Berger frequently wrote  
7 checks to "cash" and used the funds to purchase cashier's checks  
8 that were then deposited in Unlimited Horizon's accounts at UBOC  
9 and Citibank.<sup>5</sup> For instance, Berger (i) on or about October 23,  
10 2006, wrote a check to cash and used the funds to purchase a  
11 cashier's check for \$199,931.17 that was deposited in Unlimited  
12 Horizon's UBOC account; (ii) on or about July 10, 2007, wrote a  
13 check to cash and used the funds to purchase a cashier's check  
14 for \$100,000 that was deposited in Unlimited Horizon's Citibank  
15 account; (iii) on or about July 27, 2007, wrote a check to cash  
16 and used the funds to purchase a cashier's check for \$199,948.82  
17 that was deposited in Unlimited Horizon's Citibank account; (iv)  
18 on or about August 16, 2007, wrote a check to cash and used the  
19 funds to purchase a cashier's check for \$199,908.45 that was  
20 deposited in Unlimited Horizon's Citibank account; (v) on or  
21  
22  
23

---

24 <sup>5</sup> Lawyers "should **NEVER** make out a client trust bank  
25 account check to cash, because there's no way to know later who  
26 actually cashed the check." See State Bar of California,  
27 *Handbook on Client Trust Accounting for California Attorneys*  
28 (2009),  
<http://www.calbar.ca.gov/LinkClick.aspx?fileticket=ndD6TpJbR8g%3D&tabid=2326>, (emphasis in original).

1 about September 11, 2007, wrote a check to cash and used the  
2 funds to purchase a cashier's check for \$199,934.10 that was  
3 deposited in Unlimited Horizon's Citibank account; (vi) on or  
4 about October 12, 2007, wrote a check to purchase a cashier's  
5 check for \$199,896.82 that was deposited in Unlimited Horizon's  
6 Citibank account; (vii) on or about November 9, 2007, wrote a  
7 check to purchase a cashier's check for \$169,143.26 that was  
8 deposited in Unlimited Horizon's Citibank account; and (viii) on  
9 or about December 14, 2007, wrote a check to purchase a  
10 cashier's check for \$230,687.84 that was deposited in Unlimited  
11 Horizon's Citibank account. The funds in Unlimited Horizon's  
12 UBOC and Citibank accounts were then used by Nguema to pay for  
13 various personal expenses, including the maintenance and upkeep  
14 of the defendant assets.

15  
16  
17  
18 189. In addition, at other times, Berger wrote checks  
19 directly from his BOA client trust account to pay for various  
20 personal expenses incurred by Nguema, including some relating to  
21 the maintenance and upkeep of the Sweetwater property. For  
22 instance, (i) on or about August 31, 2006, October 4, 2006, and  
23 July 6, 2007, Berger paid \$56,544, \$54,720, and \$54,720,  
24 respectively, to the Sweetwater property's security service; and  
25 (ii) on or about December 10, 2007, Berger paid \$169,242.68 in  
26  
27  
28

1 county property taxes for the Sweetwater property from this  
2 account.

3 190. After BOA investigated Berger's use of his client  
4 trust account in 2008, BOA closed Berger's client trust account  
5 as it "wasn't comfortable" with Berger's use of this account.  
6 Likewise, as explained above, UBOC closed Berger's client trust  
7 account in June 2007.  
8

9 i. Nagler's Client Trust Account and Business Account at  
10 City National Bank

11 191. Nagler's law practice maintained both a client trust  
12 account and a business account at City National Bank since 1995.  
13 Nagler told PSI staff that after CNB closed Nguema's four  
14 accounts in June 2006, Nagler -- at Nguema's request --  
15 permitted Nguema to use his client trust account between on or  
16 about June 26, 2006 and August 23, 2006, to pay various personal  
17 expenses, including those relating to the maintenance and upkeep  
18 of the Sweetwater property, with funds provided to the account  
19 by Nguema.  
20  
21

22 192. When CNB closed Nguema's accounts in June 2006,  
23 approximately \$213,149 was transferred from these accounts into  
24 Nagler's client trust account. Until Nguema opened his  
25 Unlimited Horizon accounts at UBOC, Nguema used Nagler's client  
26 trust account to pay for thousands of dollars in personal  
27  
28



1 expenses, including the maintenance and upkeep of the Sweetwater  
2 property.

3 193. Nagler concealed the fact that these funds belonged  
4 to Nguema, who is both a PEP and an SFP. Furthermore, Nagler  
5 failed to disclose to City National Bank that these funds had no  
6 direct connection to any legal service being offered by his  
7 office and, instead, were being used primarily to pay for the  
8 personal expenses of an SFP and a PEP.  
9

10 194. In fact, Nagler even printed "Sweetwater Management,  
11 Inc.," the name of Nguema's company, on a set of checks linked  
12 to his law office's business checking account to pay for  
13 Nguema's personal expenses. These checks were funded with  
14 transfers from Nagler's client trust account.  
15

16 195. Between on or about June 26, 2006 and August 23,  
17 2006, Nagler received Nguema's consent to make a payment from  
18 his client trust account or business account by requesting and  
19 having Nguema sign a "Check Request Form." These forms would  
20 identify who the check should be issued to; the amount of the  
21 check; the purpose of the check; and the address of the  
22 recipient.  
23

24 196. Like Berger, Nagler issued dozens of checks for  
25 expenses related to the upkeep and maintenance of the Sweetwater  
26 property, including paying for Nguema's household employees at  
27  
28

1 the Sweetwater property; the phone bill; the gas bill;  
2 landscaping and gardening bills; the "Fish Physician" who cared  
3 for the estate's Koi pond; the water bill; the security guards;  
4 and insurance fees.  
5

6 197. On or about July 20, 2006, Nagler even faxed Nguema a  
7 letter advising him that only \$40,000 of Nguema's funds remained  
8 in the client trust account and that Nguema should make  
9 "arrangements to have another \$250,000 transferred to my trust  
10 account."  
11

12 198. Between on or about June 26, 2006 and August 23,  
13 2006, Nagler -- unbeknownst to City National Bank -- expended in  
14 or around \$309,607.71 from his client trust account on Nguema's  
15 personal expenses.  
16

17 199. Nagler informed PSI staff that he received the  
18 following amounts in fees for services he provided to Nguema,  
19 Sweet Pink, Inc., Sweetwater Management, Inc., and Sweetwater  
20 Malibu, LLC: (i) \$13,992 in 2005; (ii) \$152,393 in 2006; and  
21 (iii) \$30,184 in 2007.  
22

23 **j. Scheme to Defraud Wells Fargo Bank: Opened Mar. 2008**

24 200. On or about March 14, 2008, approximately nine months  
25 after UBOC closed Nguema's Unlimited Horizon accounts and Berger  
26 fraudulently opened another Unlimited Horizon account at  
27 Citibank, Nguema directed his employee John Doe F to open more  
28

1 bank accounts at various banks located on Pacific Coast Highway  
2 in Malibu. Specifically, Nguema directed John Doe F to open  
3 these account for Nguema's exclusive use and control in the name  
4 of Mecafis Estate Services LLC ("Mecafis") at various banks,  
5 including a branch of Wells Fargo Bank, N.A., located on Pacific  
6 Coast Highway in Malibu less than one mile from the Sweetwater  
7 property.  
8

9           201. Nguema explained to John Doe F that because banks in  
10 the United States would never open an account for him if they  
11 knew he was associated with it, all of these accounts must be  
12 opened by third parties -- like John Doe F -- in the names of  
13 various companies -- like Mecafis. As a result, Nguema warned  
14 John Doe F not to disclose his involvement or association with  
15 this account to the bank. Nguema provided John Doe F with  
16 \$2,000 in cash to open this account. No banker looking at the  
17 documents and information provided to Wells Fargo by John Doe F  
18 and Nguema, could have identified Nguema as being the owner of  
19 this account, nor could they have identified the account as one  
20 affiliated with an SFP and a PEP.  
21  
22  
23

24           202. As of about March 14, 2008, when this Wells Fargo  
25 account was opened, five different banks in California had  
26 closed twelve different accounts associated or controlled by  
27 Nguema during the preceding four year period. Yet, John Doe F,  
28

1 at Nguema's direction, did not disclose Nguema's association  
2 with this account, nor did he disclose Nguema's status as an SFP  
3 or PEP. When John Doe F opened this account, he informed Wells  
4 Fargo that he was Mecafis' owner.  
5

6 203. Over the course of the following seventeen months,  
7 eight other signatories cycled through this account for varying  
8 periods of time. These individuals included Nguema's  
9 accountants in Pasadena, California; various household employees  
10 of Nguema; and a girlfriend of Nguema. None of these  
11 individuals ever disclosed Nguema's association and use of this  
12 account, as well as his status as an SFP and PEP, to Wells  
13 Fargo.  
14

15 204. Between on or about April 14, 2008, and March 25,  
16 2010, Mecafis' Wells Fargo account received 23 wires from Nguema  
17 in E.G. In total, these wires amount to in or around  
18 \$3,980,109. These wires originated from E.G. bank accounts held  
19 by Nguema, SOCAGE, Somagui, and Sofona at three E.G. banks: CCEI  
20 Bank, BGFI Bank and Societe Generale Guinee Equatoriale.  
21

22 205. The funds in this account were used to pay for the  
23 maintenance and upkeep of the Sweetwater property.  
24

25 206. When John Doe F, who originally opened the account,  
26 asked Nguema to have his name removed from the account, his name  
27  
28

1 was replaced by John Doe G, an accountant in Pasadena. The  
2 next day Nguema terminated John Doe F as an employee.

3 **k. Scheme to Defraud J. P. Morgan Chase Bank: Opened Oct.**  
4 **2010**

5 207. Two years after Nguema fraudulently opened the  
6 Mecafis account at Wells Fargo, John Doe G opened an account for  
7 Nguema's use and control under the name of Sweetwater Canyon,  
8 Inc. at a branch of J.P. Morgan Chase Bank, N.A., located on  
9 East Colorado Boulevard in Pasadena, California in or around one  
10 mile from John Doe G's accounting firm, on October 5, 2010.

11 John Doe G stated that he was Sweetwater Canyon's president but  
12 neither disclosed Nguema's association with this account nor his  
13 status as a PEP and a SFP. The initial deposit for the  
14 account's opening was funded with a check from Mecafis' account  
15 at Dominica Bank. No banker looking at the documents and  
16 information, provided to J.P. Morgan Chase by John Doe G and  
17 Nguema, could have identified Nguema as being the owner of this  
18 account, nor could they have identified the account as one  
19 affiliated with an SFP and a PEP.  
20  
21  
22

23 208. This account is used to pay for the maintenance and  
24 upkeep of the defendant assets, including the Sweetwater  
25 property's gas bills, phone bills, water bills, swimming pool  
26 maintenance fees, maintenance fees for the property's aquarium,  
27 gardening and landscaping bills, legal bills, accounting bills,  
28

1 and the salaries of the Sweetwater property's employees. This  
2 account was also used to pay for, among other things, the  
3 insurance for the defendant Ferrari and the storage fees for  
4 Rockin Boxes, where the defendant Michael Jackson memorabilia  
5 was stored and secured.  
6

7 209. The account received several wires from E.G. for  
8 Nguema's use including (i) \$150,000 in the name of G.E. Port SA  
9 in Bata on or about January 20, 2011; (ii) \$149,987 in the name  
10 of Eloba Construcion on or about October 22, 2010.  
11

12 **I. Purchase of the Defendants In Rem**

13 **a. Purchase of the Defendant White Crystal-Covered**  
14 **"Bad Tour" Glove and Other Michael Jackson**  
15 **Memorabilia**

16 210. In August 2010, an intermediary registered Nguema to  
17 bid in a live auction of celebrity memorabilia (called the  
18 "Legends" auction) taking place on October 9, 2010, in Macau,  
19 China (October 8, 2010, in California). The intermediary  
20 advised the auction house by email to "Please make sure that  
21 [Nguema's] name does not appear anywhere, he should be  
22 invisible," and to "please make sure that where a name needs to  
23 be, my name is there. This is very important."  
24

25 211. At the "Legends" auction, the intermediary bid on  
26 various auction items by telephone from Los Angeles, for Nguema,  
27 and was the winning bidder on numerous items of Michael Jackson  
28

1 memorabilia. The auction house prepared two invoices in the  
2 name of the intermediary, totaling \$1,398,062.50, using the  
3 address of the Sweetwater property.  
4

5 212. When one of Nguema's assistants received the  
6 invoices, she instructed the auction house to revise the  
7 invoices to indicate that the purchases were being billed to  
8 "Amadeo Oluy, Malabo, Guinea Equatorial." These items were  
9 shipped to E.G.  
10

11 213. In December 2010, another auction of celebrity  
12 memorabilia was held by the same auction house, this time in  
13 Beverly Hills, California. An intermediary came to the auction  
14 on Nguema's behalf and successfully bid on the defendant white  
15 crystal-covered "Bad Tour" glove and other defendant items  
16 listed in Attachment A-1. The total cost of these items was  
17 \$872,125.00.  
18

19 214. In accordance with the instructions it had previously  
20 received, the auction house prepared invoices that did not list  
21 the buyer as Nguema, but instead used another name, with the  
22 address Sweetwater, Malabo, Guinea Equatorial.  
23

24 215. On January 31, 2011, Nguema caused \$872,112.00 to be  
25 wire transferred from an account in the name of "Eloba  
26 Construccion, S.A.," in E.G. to an account at American Business  
27 Bank in Los Angeles in the name of the auction house, Julien  
28

1 Entertainment, to pay for the items purchased at the December  
2 2010 auction. These items were subsequently packed for shipment  
3 and delivered to the defendant Sweetwater property.  
4

5 216. In March 2011, the auction house held another  
6 auction, called "Rock & Roll." Again, an intermediary bid on  
7 items on Nguema's behalf. Through the intermediary, Nguema  
8 purchased the items listed in Attachment A-2, for a total  
9 purchase price of \$115,000.  
10

11 217. On March 29, 2011, an employee of the auction house  
12 sent her employer an email regarding the invoices for the items  
13 purchased on Nguema's behalf asking,

14 I assume I need to rewrite the invoices in the same  
15 fashion as I've done in prior sales? (putting all lots  
16 on one page, adding catalog page numbers and changing  
the Buyer's name)

17 218. The invoices were prepared listing the intermediary,  
18 rather than Nguema, as the buyer.  
19

20 219. On April 15, 2011, Nguema caused a net total of  
21 \$119,974.00 to be wire transferred from his account in the name  
22 of "Eloba Construcccion S.A." in E.G. to the bank account of the  
23 auction house at American Business Bank in Los Angeles,  
24 California, to pay for the items purchased at the March 2011  
25 auction.  
26

27 ///

28 ///



1           220. The items listed in Attachment A-2 were transported  
2 to the defendant Sweetwater property on or about September 8,  
3 2011.

4  
5           221. In June 2011, Nguema again used an intermediary to  
6 bid on more Michael Jackson memorabilia at a "Music Icons"  
7 auction. The intermediary successfully bid on items costing a  
8 total of \$379,700.00. On or about August 22, 2011, Nguema paid  
9 for the items through a wire transfer in the amount of  
10 \$379,692.00 sent by "Oluy Amadeo" in Equatorial Guinea to the  
11 bank account of the auction house at American Business Bank in  
12 Los Angeles, California. The items purchased by Nguema at the  
13 June 2011 auction are listed in Attachment A-3 and were also  
14 delivered to the defendant Sweetwater property on or about  
15 September 8, 2011.  
16  
17

18           **b. Purchase of the Defendant Real Property**

19           222. The defendant real property is located in a gated  
20 community in Malibu, California, and at the time of purchase in  
21 2006, it included approximately 12 acres of land overlooking the  
22 Pacific Ocean, a 15,000 square-foot main house, a 2,500 square-  
23 foot guest house, two gate houses, a pool overlooking the ocean,  
24 a putting green, and a tennis court.  
25

26 ///

27 ///

1           223. In approximately February 2006, Nguema reached an  
2 agreement to purchase the defendant real property for  
3 approximately \$30 million.  
4

5           224. Although Nguema was in Bata, E.G. during much of the  
6 negotiations with the seller and the title company prior to  
7 closing, Nguema remained actively engaged in these discussions.  
8 According to PSI records, Nguema, for instance, (i) signed in  
9 his own handwriting a "Residential Lease After Sale" ("Lease")  
10 with the seller, faxing the signed contract to Nagler on April  
11 2, 2006, using John Doe C's General Work office fax line in  
12 Bata; (ii) initialed an addendum to the Lease on April 2, 2006,  
13 and faxed the document back to Nagler from John Doe C's office  
14 fax line; (iii) requested that the title company amend the  
15 escrow instructions, using John Doe E's General Work fax line on  
16 April 2, 2006; and (iv) signed in his own handwriting the  
17 "Amended/Supplemental Escrow Instructions" on April 5, 2006,  
18 again faxing the document to Nagler from John Doe E's fax line.  
19  
20

21           225. Nguema did not purchase the defendant real property  
22 in his own name. On or about February 8, 2006, Nguema caused  
23 the formation of a limited liability company called Sweetwater  
24 Malibu, LLC, for the purpose of taking title to the defendant  
25 real property. Nguema was the sole member of the company at all  
26  
27  
28

1 times, and provided Sweetwater Malibu, LLC with all necessary  
2 funds to take title to the defendant real property.

3 226. In addition, Nguema took steps to conceal the source,  
4 ownership and control of the Sweetwater property. For instance:  
5

6 (i) Sweetwater Malibu's articles of organization, which were  
7 filed with the California Secretary of State on February  
8 8, 2006, make no reference to Nguema anywhere in the  
9 document. Instead, Nagler is listed as the company's  
10 initial agent for service of process and an unrelated  
11 nominee signed the document as the company's purported  
12 "organizer."

13 (ii) Although Sweetwater Malibu was required under California  
14 law to file a Statement of Information disclosing  
15 publicly the name and address of its manager, the type of  
16 business it engages in, and the name and address of its  
17 chief executive officer, by May 7, 2006, no such  
18 statement was filed. Sweetwater Malibu did not file such  
19 a statement until September 25, 2006, after the  
20 transaction to purchase the Sweetwater property was  
21 completed.

22 (iii) In obtaining an EIN for Sweetwater Malibu, Nagler's  
23 assistant, the same Nagler employee who filed the false  
24 EIN application for Sweet Pink, Inc., filed a false EIN  
25 application with the I.R.S. for Sweetwater Malibu. In  
26 that application, Nagler's assistant, at Nagler's  
27 direction, claimed falsely to the I.R.S. that she was  
28 Sweetwater Malibu's "principal officer, general partner,  
grantor, owner or trustor." In addition, she claimed  
falsely to the I.R.S. that she, rather than Nguema, was  
Sweetwater Malibu's lone member. No reference is made  
anywhere in this application to Nguema's involvement  
and/or association with Sweetwater Malibu. Again, Nagler  
dictated information directly into a tape recorder that  
his assistant then used to complete the relevant I.R.S.  
EIN application form.

(iv) Nguema required his realtor to enter into a  
confidentiality agreement barring him from discussing or  
disclosing Nguema's identity or details and facts  
relating to the Sweetwater property transaction.

1  
2 (v) Nguema also required his realtor not to disclose his  
3 identity as the listing agent on the Multiple Listing  
4 Service database, which ordinarily records and discloses  
5 real estate transactions and the names of the realtors  
who handled a transaction.

6 (vi) On April 3, 2006, Nagler recommended that Nguema ask that  
7 the escrow company draft the deed so as to "show  
8 [Nagler's] office address so that there is no tie in with  
9 [Nguema's current residential] address." Nagler reminded  
Nguema that, "The deed is a public document. The other  
closing documents should [also] go to my address."

10 (vii) On April 4, 2006, Nguema responded to, and explicitly  
11 approved, Nagler's recommendation that the Sweetwater  
12 property's deed list Nagler's office address. Nguema  
13 signed the letter in his own handwriting and faxed his  
response back to Nagler using John Doe E's fax line in  
Bata.

14 227. A grant deed was recorded indicating that the seller  
15 sold the defendant real property to "Sweetwater Malibu, LLC" on  
16 February 27, 2006. However, escrow did not close, and the deed  
17 was not recorded, until April 27, 2006.

18 228. Nguema paid a total of \$30,442,000 into escrow  
19 account #LGL-226-1234 at First American Title Company, 520 North  
20 Central Avenue, Glendale, California 91203, held at First  
21 American Trust FSB in Santa Ana, California, for the purchase of  
22 the defendant real property. These payments were made as  
23 follows on or about the following dates, according to the  
24 records of the PSI.  
25  
26

27 ///  
28

1           229. On February 2, 2006, West Coast Escrow, on behalf of  
2 Nguema, wire transferred \$900,000 from one of its escrow  
3 accounts to First American Title Company's escrow account.  
4  
5 These funds had come from Nguema's unsuccessful attempt to buy a  
6 private jet directly from Gulfstream Aerospace Corporation in  
7 2005. When it cancelled the sale, Gulfstream released  
8 approximately \$20 million plus interest that it had received as  
9 partial payment for the plane to Nguema through a United States  
10 law firm. Per Nguema's instructions, the law firm transferred  
11 \$900,000 of these funds to West Coast Escrow on December 22,  
12 2005, in connection with an earlier attempt by Nguema to  
13 purchase the defendant real property. West Coast Escrow, in  
14 turn, executed this transfer into the First American Title  
15 Company escrow account in California in February 2006.  
16  
17

18           230. From April 5, 2006 through April 26, 2006, Nguema  
19 sent five wire transfers, each in the amount of \$5,908,400, from  
20 Equatorial Guinea to the First American Trust escrow account.  
21 The funds originated at Société Générale de Banque en Guinée  
22 Équatoriale, where Nguema held a personal account. The total  
23 amount of these five wire transfers was \$29,542,000. Added to  
24 the \$900,000 initial payment into escrow, the total amount paid  
25 into escrow was \$30,442,000.  
26

27 ///  
28

1           231. The total purchase price for the defendant real  
2 property was paid in full from funds provided by Nguema.

3           c.     Purchase of The Defendant 2011 Ferrari

4  
5           232. On or about November 11, 2010, Nguema took delivery  
6 of the defendant 2011 Ferrari 599 GTO from Ferrari of Beverly  
7 Hills. Nguema caused his forestry company, Somagui, to make  
8 initial down payments on his behalf by executing wire transfers  
9 of approximately \$25,131, \$39,912, and \$14,929.65 to the account  
10 of Ferrari of Beverly Hills at Pacific Western Bank in  
11 California in November and December of 2009. On October 21,  
12 2010, Nguema faxed a wire transfer request from the Sweetwater  
13 property to an E.G. bank, requesting that \$493,010.99 be wired  
14 to the Ferrari dealer at Pacific Western Bank. Although the  
15 signature line on the document reads "Amadeo Oluy," Nguema  
16 signed the document in his own handwriting. In December 2010,  
17 \$493,010.99 was paid via wire transfer to Pacific Western Bank.  
18 The total recorded purchase price for the vehicle was  
19 \$532,984.12. When the Ferrari dealer realized that Nguema had  
20 overpaid by \$39,973.13, this money was refunded to Nguema on  
21 December 23, 2009, by wiring this amount directly to the Mecafis  
22 account at Wells Fargo, as referenced in paragraphs 200-206.  
23 The defendant Ferrari was located at the Sweetwater property  
24  
25  
26  
27  
28

1 when this action was originally filed and is currently in the  
2 custody of the United States.

3  
4 CONCLUSION

5 233. As set forth above, despite a relatively modest  
6 government salary, Nguema has acquired vast personal wealth in  
7 excess of one hundred million dollars through corrupt schemes.  
8 Nguema also has taken significant steps to conceal the source  
9 and ownership of his funds and assets.

10  
11 234. On information and belief, the approximately \$32  
12 million used by Nguema to purchase the defendant assets was  
13 derived from funds obtained through extortion, bribery of a  
14 public official and/or the misappropriation, theft, or  
15 embezzlement of public funds by or for the benefit of a public  
16 official, in violation of the laws of E.G.

17  
18 FIRST CLAIM FOR FORFEITURE

19 (18 U.S.C. § 981(a)(1)(C))

20 235. Paragraphs 1-234 above are incorporated by reference  
21 as if fully set forth herein.

22  
23 236. Pursuant to 18 U.S.C. § 981(a)(1)(C), "[a]ny  
24 property, real or personal, which constitutes or is derived from  
25 proceeds traceable to . . . any offense constituting 'specified  
26 unlawful activity'" is subject to forfeiture to the United  
27 States.  
28

1           237. "Specified unlawful activity" is defined in 18 U.S.C.  
2 § 1956(c)(7)(B)(ii) and (iv) to include, among other things, (i)  
3 foreign offenses involving "extortion"; (ii) foreign offenses  
4 involving "the misappropriation, theft, or embezzlement of  
5 public funds by or for the benefit of a public official"; and  
6 (iii) foreign offenses involving bribery of a public official.  
7 "Specified unlawful activity" is also defined in 18 U.S.C. §  
8 1956(c)(7)(A) as including bank fraud (18 U.S.C. § 1344).  
9

10  
11           238. As set forth above, the defendant assets constitute  
12 property that constitutes or is derived from proceeds traceable  
13 to extortion, bribery of a public official, and the  
14 misappropriation, theft, or embezzlement of public funds by or  
15 for the benefit of a public official, in violation of the laws  
16 of E.G., or domestic bank fraud in violation of 18 U.S.C. §  
17 1344.  
18

19           239. The foreign offenses at issue include violations of  
20 the following provisions of the Spanish Penal Code of 1968,  
21 which are still the law in E.G.: Article 131 (abuse of public  
22 office); Article 196 (expropriation of assets by a public  
23 official); Article 198 (taking advantage of official position to  
24 exercise a profession directly related to scope of official  
25 duties); Article 200 (collection of illegal taxes); Article 202  
26 (demanding payment of unauthorized taxes); Article 385  
27  
28



1 (prohibiting public officials from demanding or accepting  
2 bribes to perform a crime); Article 386 (prohibiting public  
3 officials from demanding or accepting bribes to perform an  
4 unjust act); Article 387 (prohibiting public officials from  
5 soliciting improper gifts); Article 390 (prohibiting public  
6 officials from receiving improper gifts), Article 394  
7 (prohibiting public officials from stealing public funds);  
8 Article 396 (prohibiting public officials from embezzling funds  
9 under his care); Article 400 (prohibiting public officials from  
10 defrauding the state); Article 401 (criminal conflict of  
11 interest by a public official); Article 404 (prohibiting public  
12 officials from taking part in for-profit transactions within the  
13 limits of their jurisdiction); Article 493 (criminal threats);  
14 Article 496 (unlawful compulsion); Article 503 (forcibly  
15 requiring someone to sign, grant or quit claim a public  
16 instrument or document); Article 514 (theft); and Articles 528  
17 and 533 (fraud).

21           240. Therefore, the defendant assets are subject to  
22 forfeiture to the United States pursuant to 18 U.S.C.  
23 § 981(a)(1)(C), on the grounds that they constitute or are  
24 derived from proceeds traceable to a specified unlawful  
25 activity.  
26

27 ///  
28

1  
2                                 SECOND CLAIM FOR FORFEITURE

3                                 (18 U.S.C. § 981(a)(1)(A))

4                 241. Paragraphs 1-240 above are incorporated by reference  
5 as if fully set forth herein.

6                 242. Pursuant to 18 U.S.C. § 981(a)(1)(A), "[a]ny  
7 property, real or personal, involved in a transaction or  
8 attempted transaction in violation of section . . . [18 U.S.C. §  
9 1957], or any property traceable to such property," is subject  
10 to forfeiture to the United States.  
11

12                 243. 18 U.S.C. § 1957 imposes a criminal penalty on any  
13 person who:

14                     knowingly engages or attempts to engage in a monetary  
15 transaction in criminally derived property of a value  
16 greater than \$10,000 and is derived from specified  
   unlawful activity.

17                 244. For purposes of Section 1957, "Specified unlawful  
18 activity" is defined in 18 U.S.C. § 1956(c)(7)(B)(ii) and (iv)  
19 to include, among other things, (i) foreign offenses involving  
20 "extortion"; (ii) foreign offenses involving "the  
21 misappropriation, theft, or embezzlement of public funds by or  
22 for the benefit of a public official"; and (iii) foreign  
23 offenses involving bribery of a public official. "Specified  
24 unlawful activity" is also defined in 18 U.S.C. § 1956(c)(7)(A)  
25 as including bank fraud (18 U.S.C. § 1344).  
26  
27  
28

1           245. As set forth above, the defendants *in rem* were the  
2 subject of, or traceable to, monetary transactions or attempted  
3 transactions involving criminally -- derived property of a value  
4 greater than \$10,000 and, for the reasons set forth above, the  
5 funds involved in those transactions were derived from specified  
6 unlawful activity, that is, (i) foreign offenses involving  
7 "extortion"; (ii) foreign offenses involving "the  
8 misappropriation, theft, or embezzlement of public funds by or  
9 for the benefit of a public official"; (iii) foreign offenses  
10 involving bribery of a public official; and (iv) bank fraud.  
11 The foreign offenses at issue are as set forth in paragraph 239,  
12 above.  
13  
14

15           246. The funds involved in these transactions were used to  
16 acquire the defendants *in rem* as well as to provide for the  
17 enhancement, decoration, maintenance and upkeep of the defendant  
18 *in rem*, including paying for the taxes and insurance fees  
19 associated with these assets, the payroll of individuals  
20 retained to manage and care for the defendant assets, as well as  
21 provide for the general security, preservation and safeguarding  
22 of the defendant assets.  
23  
24

25           247. Therefore, the defendants *in rem* are subject to  
26 forfeiture to the United States pursuant to 18 U.S.C. §  
27 981(a)(1)(A), on the grounds that they were involved in  
28

1 transactions or attempted transactions in violation of 18 U.S.C.  
2 § 1957, or are traceable to such property.

3 THIRD CLAIM FOR FORFEITURE

4 (18 U.S.C. § 981(a)(1)(A))

5  
6 248. Paragraphs 1-247 above are incorporated by reference  
7 as if fully set forth herein.

8 249. Pursuant to 18 U.S.C. § 981(a)(1)(A), "[a]ny  
9 property, real or personal, involved in a transaction or  
10 attempted transaction in violation of [18 U.S.C. § 1956], or any  
11 property traceable to such property," is subject to forfeiture  
12 to the United States.

13  
14 250. 18 U.S.C. § 1956(a)(1) imposes a criminal penalty on  
15 any person who:

16  
17 knowing that the property involved in a  
18 financial transaction represents the  
19 proceeds of some form of unlawful  
20 activity, conducts or attempts to conduct  
21 such a financial transaction which in  
22 fact involves the proceeds of specified  
23 unlawful activity -

24 . . .

25 (B) knowing that the transaction is  
26 designed in whole or in part -

27 (i) to conceal or disguise the  
28 nature, the location, the  
source, the ownership, or the  
control of the proceeds of  
specified unlawful activity[.]

///

///

1           251. For purposes of Section 1956, "Specified unlawful  
2 activity" is defined in 18 U.S.C. § 1956(c)(7)(B)(ii) and (iv)  
3 to include, among other things, (i) foreign offenses involving  
4 "extortion"; (ii) foreign offenses involving "the  
5 misappropriation, theft, or embezzlement of public funds by or  
6 for the benefit of a public official"; and (iii) foreign  
7 offenses involving bribery of a public official. "Specified  
8 unlawful activity" is also defined in 18 U.S.C. § 1956(c)(7)(A)  
9 as including bank fraud (18 U.S.C. § 1344).  
10  
11

12           252. As set forth above, the defendant real property and  
13 memorabilia were the subject of, or traceable to, financial  
14 transactions or attempted financial transactions and, for the  
15 reasons set forth above, the funds involved in those  
16 transactions were derived from specified unlawful activity, that  
17 is, (i) foreign offenses involving "extortion"; (ii) foreign  
18 offenses involving "the misappropriation, theft, or embezzlement  
19 of public funds by or for the benefit of a public  
20 official"; (iii) foreign offenses involving bribery of a public  
21 official; and (iv) bank fraud. The foreign offenses at issue  
22 are as set forth in paragraph 239, above.  
23  
24

25           253. Also, as set forth above, the transactions were  
26 designed in whole or in part to conceal or disguise the source,  
27 ownership, or control of the proceeds of specified unlawful  
28

1 activity, in that, among other things, the nominal purchaser of  
2 the defendant real property was Sweetwater Malibu, LLC, and the  
3 invoices for the defendant memorabilia were in the name of  
4 Nguema's assistant or a different name, rather than the name of  
5 the true owner, Teodoro Nguema Obiang Mangue.  
6

7 254. The funds involved in these transactions were used to  
8 acquire the defendants *in rem* as well as to provide for the  
9 enhancement, decoration, maintenance and upkeep of these  
10 defendants *in rem*, including paying for the taxes and insurance  
11 fees associated with these assets, the payroll of individuals  
12 retained to manage and care for the defendant assets, as well as  
13 provide for the general security, preservation and safeguarding  
14 of these defendant properties.  
15

16 255. Therefore, the defendant real property and the  
17 defendant memorabilia are subject to forfeiture to the United  
18 States pursuant to 18 U.S.C. § 981(a)(1)(A), on the grounds that  
19 they were involved in transactions or attempted transactions in  
20 violation of 18 U.S.C. § 1956(a)(1)(B)(i), or are traceable to  
21 such property.  
22  
23

24 **FOURTH CLAIM FOR FORFEITURE**

25 (18 U.S.C. § 981(a)(1)(A))

26 256. Paragraphs 1-255 above are incorporated by reference  
27 as if fully set forth herein.  
28

1           257. Pursuant to 18 U.S.C. § 981(a)(1)(A), "[a]ny  
2 property, real or personal, involved in a transaction or  
3 attempted transaction in violation of [18 U.S.C. § 1956], or any  
4 property traceable to such property," is subject to forfeiture  
5 to the United States.  
6

7           258. 18 U.S.C. § 1956(a)(1) imposes a criminal penalty on  
8 any person who:

9           knowing that the property involved in a  
10 financial transaction represents the  
11 proceeds of some form of unlawful  
12 activity, conducts or attempts to conduct  
13 such a financial transaction which in  
14 fact involves the proceeds of specified  
15 unlawful activity -

14           . . . .

15                       (A) (i) with the intent to promote  
16 the carrying on of specific unlawful  
17 activity.

18           259. For purposes of Section 1956, "specified unlawful  
19 activity" is defined in 18 U.S.C. § 1956(c)(7)(A) and 18 U.S.C.  
20 1961(1) to include bank fraud (18 U.S.C. § 1344).  
21

22           260. As set forth above, the defendant real property was  
23 the subject of, or traceable to, financial transactions or  
24 attempted financial transactions and, for the reasons set forth  
25 above, the funds involved in those transactions were derived  
26 from specified unlawful activity, that is, bank fraud.  
27  
28

1 261. Also, as set forth above, the transactions were  
2 designed in whole or in part to promote the carrying on of  
3 specified unlawful activity (bank fraud).  
4

5 262. Therefore, the defendant real property is subject to  
6 forfeiture to the United States pursuant to 18 U.S.C.  
7 § 981(a)(1)(A), on the grounds that it was involved in  
8 transactions or attempted transactions in violation of 18 U.S.C.  
9 § 1956(a)(1)(A)(i), or is traceable to such property.  
10

11 CLAIM FOR RELIEF

12 WHEREFORE plaintiff, the United States of America, requests  
13 that judgment be entered in its favor and against the defendants  
14 *in rem*, and that process issue to enforce the forfeiture of the  
15 defendants *in rem*, and that all persons having an interest in  
16 the defendants *in rem* be cited to appear and show cause why the  
17 forfeiture should not be decreed, and that this Court decree  
18 forfeiture of the defendants *in rem* to the United States of  
19

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

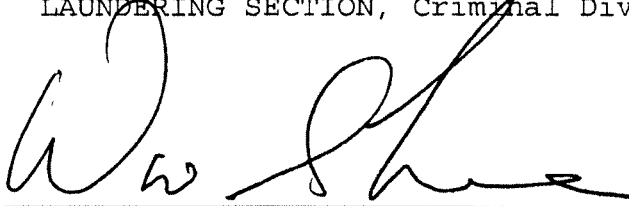
28 ///



1 America for disposition according to law, and that this Court  
2 grant the United States such further relief as this Court may  
3 deem just and proper, together with the costs and disbursements  
4 in this action.  
5

6  
7 DATED: June 11, 2012

JENNIFER SHASKY CALVERY, CHIEF  
LINDA M. SAMUEL, Deputy Chief  
DANIEL H. CLAMAN, Assistant Deputy  
Chief  
ASSET FORFEITURE AND MONEY  
LAUNDERING SECTION, Criminal Division

11  
12  
13 

14 WOO S. LEE  
STEPHEN GIBBONS  
Trial Attorneys  
Criminal Division  
United States Department of  
Justice

18 ANDRÉ BIROTTE, JR.  
United States Attorney  
19 STEVEN WELK  
Assistant United States Attorney

21 Attorneys for Plaintiff  
22 UNITED STATES OF AMERICA  
23  
24  
25  
26  
27  
28


1  
2 VERIFICATION

3 I, Robert Manzanares, hereby verify and declare under  
4 penalty of perjury that I am a Special Agent with Homeland  
5 Security Investigations, that I have read the foregoing Second  
6 Amended Verified Complaint for Forfeiture *In Rem* and know the  
7 contents thereof, and that the matters contained in the Second  
8 Amended Verified Complaint are true to the best of my knowledge  
9 and belief.  
10

11 The sources of my knowledge and information and the grounds  
12 of my belief are official files and records of the United  
13 States, publicly available files and historical information,  
14 files and records compiled by the Senate Permanent Subcommittee  
15 on Investigations, information supplied to me by other law  
16 enforcement officers, experts, and other witnesses, as well as  
17 my investigation in this case, together with others, as a  
18 Special Agent of Homeland Security Investigations.  
19  
20

21 I hereby declare under penalty of perjury that the  
22 foregoing is true and correct.

23 Executed this 11 day of JUNE, 2012, at 2:50 pm.

24  
25   
26 ROBERT MANZANARES  
27 Special Agent  
28 Homeland Security Investigations  
U.S. Department of Homeland Security

## ATTACHMENT A-1:

## ICONS AND IDOLS

Lot No.	Description	Price
586	MICHAEL JACKSON BAD TOUR GLOVE	275,000.00
573	"WE ARE THE WORLD" MTV VIDEO MUSIC AWARD	60,000.00
585	MICHAEL JACKSON STAGE WORN FEDORA	60,000.00
621	MICHAEL JACKSON STAGE WORN FEDORA	60,000.00
553	MICHAEL JACKSON SIGNED FEDORA	42,500.00
549	MICHAEL JACKSON SIGNED THRILLER JACKET	40,000.00
650B	M.J. STAGE WORN SIGNED GOLD FENCING SHIRT	30,000.00
606	MICHAEL JACKSON WORN FEDORA	25,000.00
556	MICHAEL JACKSON "GOLD" RECORD AWARD	10,000.00
576	"WE ARE THE WORLD" SIGNED DOCUMENT ARCHIVE	10,000.00
575	"WE ARE THE WORLD" SIGNED ALBUM	8,000.00
650	M.J. NEVERLAND RANCH GOLD & COUNTRY BY	7,000.00
580	MICHAEL JACKSON SIGNED SHEET MUSIC	6,500.00
617	MICHAEL JACKSON SIGNED PHOTOGRAPH	5,250.00
624	MICHAEL JACKSON KATHERINE BAUMANN BAG	5,000.00
557	MICHAEL JACKSON "THRILLER" RECORD AWARD	4,500.00
589	MICHAEL JACKSON SIGNED BAD ERA POSTER	4,000.00
635a	M. JACKSON AND TROY AIKMAN SIGNED FOOTBALL	4,000.00
579	MICHAEL JACKSON "PLATINUM" RECORD AWARD	3,500.00
588	MICHAEL JACKSON SIGNED PHOTO	3,250.00
558	M. JACKSON SIGNED "THRILLER" 12-INCH SINGLE	3,000.00
584	M. JACKSON AND PAUL MCCARTNEY SIGNED BAG	3,000.00
540	JACKSON 5 "GOLD" SINGLE AWARD	2,500.00
614	MICHAEL JACKSON SIGNED BANNER	2,400.00
616	MICHAEL JACKSON SIGNED POSTER	2,400.00
550	M. JACKSON SIGNED PHOTOGRAPH FROM DISNEYLAND	2,250.00
647	M. JACKSON NEVERLAND RANCH LIFE SIZE FIGURE O	2,250.00
645	M. JACKSON NEVERLAND RANCH LIFE SIZED SEATED	2,000.00
646	M. JACKSON NEVERLAND RANCH LIFE SIZE INDIAN F	2,000.00
648	M. JACKSON NEVERLAND RANCH LIFE SIZE FIGURE Y	2,000.00
539	JACKSON 5 "GOLD" RECORD AWARD	1,500.00
650C	M. JACKSON SIGNED "LIVE AND DANGEROUS" BOOK	1,500.00
555	M. JACKSON "THRILLER" COMMEMORATIVE STATUE	1,400.00
623	M. JACKSON KATHARINE BAUMANN FOOTBALL BAG	1,400.00
610	M. JACKSON SIGNED HISTORY MAGAZINE CUTOUT	1,300.00
643	M. JACKSON NEVERLAND RANCH LIFE SIZE FIGURE O	1,300.00
642	M. JACKSON NEVERLAND RANCH LIFE SIZE FIGURE O	700.00
644	M. JACKSON NEVERLAND RANCH LIFE SIZE WESTERN	700.00
603	MICHAEL JACKSON STATUETTE	600.00
	SUBTOTAL	697,700.00
	PLUS 25% BUYER'S PREMIUM	174,425.00
	TOTAL	872,125.00

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ATTACHMENT A-2 :

ROCK N ROLL

Lot No.	Description	Price
180	MICHAEL JACKSON'S PERSONAL MTV MOONMAN PLUS 20% BUYER'S PREMIUM	50,000.00 <u>10,000.00</u>
	TOTAL	<b>60,000.00</b>
152	M. JACKSON "GOLD" RECORD AWARD FOR "BEAT IT"	10,000.00
139	JACKSON 5 "GOLD" RECORD AWARD	6,500.00
164	M. JACKSON ARTIST OF THE DECADE LIMITED EDITION	6,500.00
148	MICHAEL JACKSON SIGNED THRILLER DISPLAY	6,000.00
153	MICHAEL JACKSON THRILLER RECORD AWARD	4,500.00
154	MICHAEL JACKSON THRILLER DISPLAY	4,500.00
147	M. JACKSON THRILLER COMMEMORATIVE AWARD	3,000.00
186	M. JACKSON CARLITTA COLLECTION FIGURINES	1,600.00
185	M. JACKSON PORCELAIN HISTORY FIGURINE	600.00
183	M. JACKSON CARLITTA COLLECTION FIGURINE	400.00
184	MICHAEL JACKSON WHITE HISTORY FIGURINE	<u>400.00</u>
	SUBTOTAL	44,000.00
	PLUS 25% BUYER'S PREMIUM	<u>11,000.00</u>
	TOTAL	<b>55,000.00</b>
	GRAND TOTAL	<b>115,000.00</b>

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ATTACHMENT A-3

Lot #	Item	Price	
565	MICHAEL JACKSON "SCREAM" SHIRT	60,000.00	
606	MICHAEL JACKSON WIG	60,000.00	
467	MICHAEL JACKSON MOTOWN PERF. SHIRT	51,000.00	
	20% BUYER'S PREMIUM	34,200.00	
	TOTAL		205,200.00
585	MICHAEL JACKSON MILITARY STYLE JACKET	25,000.00	
481	MICHAEL JACKSON "PLATINUM" RECORD AWD	16,000.00	
479	MICHAEL JACKSON "GOLD" RECORD AWARD	15,000.00	
525	MICHAEL JACKSON IN-HOUSE RECORD AWARD	9,500.00	
509	MICHAEL JACKSON "GOLD" RECORD AWARD	8,500.00	
484	MICHAEL JACKSON SIGNED THRILLER NOTE	7,250.00	
446	EPIC PRESENTATION AWARD	6,500.00	
458	EMMY AWARD FOR THE JACKSONS: AMER DRM	6,500.00	
486	M. JACKSON SIGNED PRESENTATION AWARD	6,000.00	
488	MICHAEL JACKSON "GOLD" RECORD AWARD	5,000.00	
444	MICHAEL JACKSON PLATINUM RECORD AWARD	4,500.00	
469	M. JACKSON & P. MCCARTNEY SIGNED PHOTO	4,500.00	
474	MICHAEL JACKSON LIFE MASK	4,500.00	
592	RIAA "PLATINUM" RECORD AWARD	4,500.00	
490	MICHAEL JACKSON IN-HOUSE RECORD AWARD	4,250.00	
405	MOTOWN PRESENTATION RECORD	3,500.00	
443	MICHAEL JACKSON "GOLD" RECORD AWARD	3,250.00	
449	THE JACKSONS "PLATINUM" RECORD AWARD	2,750.00	
569	MICHAEL JACKSON PORCELAIN STATUETTE	1,600.00	
403	MOTOWN RECORD AWARD	1,000.00	
	SUBTOTAL	139,600.00	
	25% BUYER'S PREMIUM	34,900.00	
	TOTAL		174,500.00
	GRAND TOTAL		<u>379,700.00</u>

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4

LEGAL DESCRIPTION

Real property in the City of Malibu, County of Los Angeles, State of California, described as follows:

PARCEL 1:

A PARCEL OF LAND BEING A PORTION OF RANCHO TOPANGA MALIBU SEQUIT, AS CONFIRMED TO MATTHEW KELLER BY PATENT RECORDED IN BOOK 1 PAGE 407, ET SEQ., OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THE STRIP OF LAND DESCRIBED IN A DEED FROM MARBLEHEAD LAND COMPANY TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 16845 PAGE 253, OFFICIAL RECORDS, SAID POINT OF BEGINNING BEING NORTH 46° 08' 15" WEST 60 FEET FROM ENGINEER'S CENTER LINE STATION 936 PLUS 62.94 AT THE WESTERLY EXTREMITY OF THAT CERTAIN CENTER LINE COURSE DESCRIBED AS NORTH 43° 51' 45" EAST 362.63 FEET IN THE DEED OF THE 80 FOOT STRIP OF LAND FROM T. R. CADWALADER, ET AL., TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 15228 PAGE 342, OFFICIAL RECORDS; THENCE NORTH 43° 51' 45" EAST 189.63 FEET ALONG THE NORTHERLY LINE OF SAID FIRST MENTIONED STRIP; THENCE NORTH 46° 08' 15" WEST 192.92 FEET; THENCE NORTH 31° 32' 55" EAST 214.93 FEET; THENCE NORTH 42° 01' 59" EAST 186.06 FEET; THENCE NORTH 54° 23' 15" EAST 77.65 FEET, MORE OR LESS, TO THE NORTHWESTERLY CORNER OF THE PARCEL OF LAND DESCRIBED IN A DEED FROM MARBLEHEAD LAND COMPANY TO CHESTER A. VOUGHT AND WIFE RECORDED IN BOOK 20254 PAGE 69, OFFICIAL RECORDS; THENCE NORTH 53° 17' 55" EAST 152.26 FEET ALONG THE NORTHERLY LINE OF SAID PARCEL TO THE NORTHEASTERLY CORNER THEREOF; THENCE NORTH 32° 19' 55" WEST 119.27 FEET; THENCE NORTH 46° 58' 55" EAST 28.96 FEET; THENCE 50° 59' 55" WEST 161.73 FEET; THENCE NORTH 62° 09' 00" WEST 123.16 FEET; THENCE SOUTH 60° 48' 00" WEST 21.76 FEET; THENCE SOUTH 29° 12' EAST 75 FEET; THENCE SOUTH 60° 48' WEST 183.01 FEET; THENCE SOUTH 45° 17' 30" WEST 139.76 FEET; THENCE SOUTH 62° 12' 40" WEST 258.81 FEET; THENCE NORTH 44° 07' 06" WEST 158.98 FEET TO THE CENTER LINE DESCRIBED IN THE DEED TO SANGER W. CRUMPACKER ET AL., RECORDED JANUARY 22, 1944 AS INSTRUMENT NO. 973 IN BOOK 20517 PAGE 382, OFFICIAL RECORDS; THENCE ALONG SAID CENTER LINE AS TO THE BEGINNING OF TANGENT CURVE CONCAVE SOUTHEASTERLY WITH A RADIUS OF 183.32 FEET SOUTHWESTERLY ALONG THE ARC OF SAID CURVE 171.24 FEET, TANGENT SOUTH 01° 48' 25" WEST 256.65 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE EASTERLY WITH A RADIUS OF 253.04 FEET SOUTHERLY ALONG THE ARC OF SAID CURVE 79.24 FEET; TANGENT SOUTH 17° 30' 35"; THENCE EAST 104.43 FEET, SOUTH 27° 05' 15" EAST 386.93 FEET AND SOUTH 20° 53' 35" EAST 25.83 FEET, MORE OR LESS, TO A POINT IN THE NORTHERLY LINE OF THE STRIP OF LAND DESCRIBED IN A DEED FROM MARBLEHEAD LAND COMPANY TO THE STATE OF CALIFORNIA RECORDED IN BOOK 16845 PAGE 253, OFFICIAL RECORDS, SAID LAST MENTIONED POINT BEING ON THE ARC OF A CURVE CONCAVE NORTHWESTERLY WITH A RADIUS OF 1450 FEET AND THE RADIAL BEARING TO SAID POINT BEING SOUTH 22° 47' 36" EAST; THENCE EASTERLY ALONG THE ARC OF SAID CURVE 590.71 FEET; THENCE TANGENT NORTH 43° 51' 45" EAST 12.21 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL RIPARIAN RIGHTS OF SAID LANDS AND ALL MINERALS, OIL, PETROLEUM, ASPHALTUM, GAS, COAL AND OTHER HYDROCARBON SUBSTANCES IN, ON, WITHIN AND UNDER SAID LANDS BUT WITHOUT SURFACE RIGHT TO GO UPON SAID LANDS TO EXTRACT SAID SUBSTANCES AS CONTAINED IN DEED FROM MARBLEHEAD LAND COMPANY, A

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Attachment B

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CORPORATION RECORDED FEBRUARY 14, 1944 IN BOOK 20657 PAGE 140, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND CONVEYED TO THE STATE OF CALIFORNIA BY A DEED RECORDED NOVEMBER 16, 1948 AS INSTRUMENT NO. 2085 IN BOOK 28732 PAGE 310, OFFICIAL RECORDS.

PARCEL 2:

A PARCEL OF LAND BEING A RANCHO TOPANGA MALIBU SEQUIT, AS CONFIRMED TO MATTHEW KELLER BY PATENT RECORDED IN BOOK 1 PAGE 407 ET SEQ., OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THE STRIP OF LAND DESCRIBED IN A DEED FROM MARBLEHEAD LAND COMPANY TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 16845 PAGE 253, OFFICIAL RECORDS AT THE NORTHEASTERLY EXTREMITY OF THE COURSE DESCRIBED AS "NORTH 43° 51' 45" EAST 189.63 FEET" IN THE DEED TO THE MYLES EDWARD CONNOLLY AND WIFE RECORDED IN BOOK 20657 PAGE 146, OFFICIAL RECORDS; THENCE ALONG THE BOUNDARY OF THE LAND DESCRIBED IN SAID DEED TO CONNOLLY AND WIFE; NORTH 46° 00' 15" WEST 192.92 FEET AND NORTH 31° 32' 55" EAST 193.51 FEET; THENCE SOUTH 45° 44' 11" EAST 234.25 FEET TO A POINT IN THE NORTHWESTERLY LINE BEING A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 2060 FEET, THE RADIAL BEARING TO SAID POINT BEING NORTH 45° 44' 11" WEST; THENCE ALONG SAID NORTHWESTERLY LINE SOUTHWESTERLY ALONG SAID CURVE 14.42 FEET AND SOUTH 43° 51' 45" WEST 173.00 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL MINERALS, OIL, PETROLEUM, ASPHALTUM, GAS, COAL AND OTHER HYDROCARBON SUBSTANCES IN, ON, WITHIN AND UNDER SAID LANDS AND EVERY PART THEREOF BUT WITHOUT RIGHT OF ENTRY, AS RESERVED BY MARBLEHEAD LAND COMPANY IN DEED RECORDED OCTOBER 17, 1944 IN BOOK 21321 PAGE 347, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND CONVEYED TO THE STATE OF CALIFORNIA, BY DEED RECORDED NOVEMBER 16, 1948 AS INSTRUMENT NO. 2085 IN BOOK 28732 PAGE 310, OFFICIAL RECORDS.

PARCEL 3:

A. AN EASEMENT FOR ROAD PURPOSES TO BE USED IN COMMON WITH OTHERS OVER A STRIP OF LAND 40 FEET IN WIDTH, THE CENTER LINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY EXTREMITY OF THE COURSE DESCRIBED AS NORTH 62° 09' 00" WEST 123.16 FEET IN THE DESCRIPTION OF THE PARCEL HEREIN CONVEYED; THENCE NORTH 62° 09' 00" WEST 123.16 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE NORTHEASTERLY WITH A RADIUS OF 229.33 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE 262.44 FEET; THENCE TANGENT NORTH 03° 25' 05" EAST 36.35 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE WESTERLY WITH A RADIUS OF 136.48 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE 129.36 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE SOUTHERLY WITH A RADIUS OF 91.02 FEET; THENCE WESTERLY ALONG THE ARC OF SAID CURVE 138.63 FEET; THENCE TANGENT SOUTH 41° 50' 55" WEST 114.41 FEET, MORE OR LESS TO A POINT IN THE CENTER LINE OF THE EASEMENT FOR ROAD AND HIGHWAY PURPOSES 50 FEET IN WIDTH DESCRIBED IN A DEED FROM MARBLEHEAD LAND COMPANY TO SANGER W. CRUMPACKER ET AL., RECORDED JANUARY 22, 1944 IN BOOK 20517 PAGE 382, OFFICIAL RECORDS, SAID LAST MENTIONED POINT BEING NORTH 20° 32' 35" EAST 124.79 FEET FROM THE SOUTHWESTERLY EXTREMITY OF THAT

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CERTAIN COURSE DESCRIBED IN SAID DEED AS NORTH 20° 32' 35" EAST 158.00 FEET.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LINE OF PARCEL 1.

B. AN EASEMENT FOR ROAD PURPOSES TO BE USED IN COMMON WITH OTHERS OVER A STRIP OF LAND 50 FEET IN WIDTH LYING 25 FEET ON EACH SIDE OF A CENTER LINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE CENTER LINE DESCRIBED IN THE DEED TO SANGER W. CRUMPACKER ET AL., RECORDED JANUARY 22, 1944 IN BOOK 20517 PAGE 382, OFFICIAL RECORDS DISTANT THEREON NORTH 20° 32' 35" EAST 124.79 FEET FROM THE SOUTHWESTERLY TERMINUS OF THAT COURSE DESCRIBED IN SAID DEED AS NORTH 20° 32' 35" EAST 158.00 FEET; THENCE SOUTH 26° 32' 35" WEST 124.79 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 206.84 FEET; THENCE ALONG SAID CURVE AND SAID CENTER LINE SOUTHERLY 130.93 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE WESTERLY HAVING A RADIUS OF 178.67 FEET; THENCE SOUTHERLY ALONG SAID CURVE AND CENTER LINE 136.89 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 487.46 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE 221.52 FEET TO THE NORTHWESTERLY TERMINUS OF THE COURSE IN THE BOUNDARY OF THE LAND ABOVE DESCRIBED AS NORTH 44° 07' 06" WEST 158.98 FEET; THENCE ALONG SAID BOUNDARY AS FOLLOWS:

SOUTH 55° 19' 33" WEST 229.74 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE SOUTHEASTERLY WITH A RADIUS OF 183.32 FEET SOUTHWESTERLY ALONG THE ARC OF SAID CURVE 171.24 FEET TANGENT SOUTH 01° 48' 25" WEST 256.55 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE SOUTHEASTERLY WITH A RADIUS OF 235.04 FEET SOUTHERLY ALONG THE ARC OF SAID CURVE 79.24 FEET TANGENT SOUTH 17° 30' 35" EAST 104.43 FEET, SOUTH 27° 05' 15" EAST 386.93 FEET AND SOUTH 20° 53' 35" EAST 25.83 FEET, MORE OR LESS, TO A POINT IN THE NORTHERLY LINE OF THE STRIP OF LAND DESCRIBED IN A DEED FROM MARBLEHEAD LAND COMPANY TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 16845 PAGE 253, OFFICIAL RECORDS.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LINES OF PARCEL 1.

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ATTACHEMENT C

Penal Code of Equatorial Guinea

Article 131

Any public official who, abusing his position, compromises the dignity or the interests of the Spanish Nation in a manner not included in this chapter shall be punished with long-term imprisonment and debarment.

Article 196.

Any public official who expropriates the property of a national or foreigner, outside of the permitted cases and without meeting the legal requirements, shall incur the penalties of suspension and a fine of 5,000 to 25,000 pesetas.

Article 198

Any Authority or public official who, taking advantage of his position, practices any profession directly related to the sphere of his official authority or involves himself directly or indirectly in private associations or companies with the intent to profit, shall incur debarment and a fine of 5,000 to 250,000 pesetas.

Article 200

Any Minister who orders payment of a tax not authorized by law shall be punished with permanent debarment and a fine of 10,000 to 500,000 pesetas.

Article 202

Any public officials who demand, from State, Provincial, or Municipal taxpayers, the payment of taxes not authorized by the respective laws or Councils shall incur the penalties of suspension and a fine of 5,000 to 50,000 pesetas. If such exaction took effect, the maximum of the penalties herein provided shall be imposed. If compulsion or another means of coercion is used, the penalties shall be permanent debarment and the fine herein provided.

Article 385

Any public official who solicits or receives, on his own or through an intermediary, a gift or contribution, or accepts an offer or promise in exchange for carrying out an act which is related to the duties of his position and which constitutes a crime, shall be punished with short-term imprisonment and a fine equal to or up to three times the value of the gift, without prejudice to the penalty for the crime committed in connection with the gift or promise.

Article 386

Any public official who solicits or receives, on his own or through an intermediary, a gift or contribution, or accepts an offer or promise in exchange for carrying out an unjust act which is related to the duties of his position and which does not constitute a crime, and who carries out such act, shall incur the penalty of short-term imprisonment and a fine of equal to or up to three times the value of the gift; if the unjust act is not carried out, the penalties of brief imprisonment and a fine of equal to or up to two times the value of the gift shall be imposed.

Article 387

When the gift is solicited, received, or promised with the intent that the public official refrain from an act which he should carry out in the discharge of his duties, the penalties shall be brief imprisonment and a fine of equal to or up to three times the value of such gift.

Article 390

Any public official who accepts gifts that may be presented to him in the normal course of duties for his office, or in order to secure a just act that should not be compensated, shall be punished with suspension and a fine of 5,000 to 25,000 pesetas.

Article 394

Any public official who steals or consents to the stealing by another person of the public funds or property that may be under his control or at his disposal by virtue of his duties shall be punished:

1<sup>st</sup> With the penalty of brief imprisonment if the theft does not exceed 2,500 pesetas.

2<sup>nd</sup> With the penalty of short-term imprisonment if the theft exceeds 2,500 pesetas and is not greater than 50,000 pesetas.

3<sup>rd</sup> With the penalty of long-term imprisonment if the theft exceeds 50,000 pesetas and is not greater than 250,000 pesetas.

4<sup>th</sup> With the penalty of long-term imprisonment if the theft exceeds 250,000 pesetas.

The Court shall impose the penalty it deems appropriate of those provided in the preceding numbers if, in its judgment, theft occurred, and the amount thereof is not proven. In all cases, the penalty of permanent debarment shall be imposed additionally.

Article 400

Any public official who, in the normal course of duties for his position, on a committee related to supplies, contracts, adjustments, or liquidations of public property or assets, acts in concert with the interested parties or speculators, or uses any other artifice to defraud the State, Provinces, or Municipality, shall incur the penalties of short-term imprisonment and debarment.

Article 401

Any public official who, directly or indirectly, holds an interest in any type of contract or operation in which he must be involved by reason of his position shall be punished with the penalties of debarment and a fine equal to or up to three times the interest he held in the arrangement. This provision is applicable to experts, arbiters, and private accountants, in respect of the property or things in the appraisal, partition, or awarding of which they took part, and to guardians or executors in respect of the property or things belonging to their wards or decedents' estates.

Article 404

Any Judges, officials from the Office of the Attorney General, military Commanders, or government or economic Leaders, except Mayors, who during the discharge of their duties take part directly or indirectly in speculative, trading, or for-profit transactions, within the limits of their jurisdiction or command, involving objects that are not the product of their own property, shall be punished with suspension and a fine of 5,000 to 25,000 pesetas. This provision does not apply to those who invest their funds in shares of a Bank or of any enterprise or company, as long as they do not hold a position or have direct, administrative, or economic involvement therein.

Article 493

Anyone who threatens to cause felonious physical or moral harm or property damage to another individual or his family shall be punished:

1<sup>st</sup> By a misdemeanor prison term if the threat was made by demanding payment of a sum or imposing any other condition, even if not illegal, and the guilty party was able to achieve his end; and by a period of brief imprisonment if the end was not achieved. The maximum punishment shall be imposed if the threats were made in writing or in the name of real or fictitious entities.

2<sup>nd</sup> By a period of brief imprisonment and a fine of 5,000 to 25,000 pesetas if the threat was not conditional.

Article 496

Anyone who, without being legally authorized to do so, and through violent means, prevents another from doing anything that the Law does not prohibit, or forces him to do something he does not want to do, whether fairly or unfairly, shall be punished by brief imprisonment and a fine of 5,000 to 50,000 pesetas.

Article 503

Anyone who, through violence or intimidation, and in order to defraud another individual, forces him to sign, grant or quit claim a public instrument or another document shall be punished, as guilty of theft, by the penalty indicated in this chapter.

Article 528

Any person who defrauds another in regard to the substance, quantity, or quality of the things he delivers to such person pursuant to an obligation shall be punished:

1<sup>st</sup> With the penalty of long-term imprisonment if the fraud exceeds 100,000 pesetas.

2<sup>nd</sup> With the penalty of short-term imprisonment if it exceeds 25,000 pesetas and is not greater than 100,000 pesetas.

3<sup>rd</sup> With the penalty of brief imprisonment if the fraud exceeds 2,500 pesetas and is not greater than 25,000 pesetas.

4<sup>th</sup> With the penalty of brief imprisonment if the fraud does not exceed 2,500 pesetas and the defendant previously was convicted of the offense of robbery, larceny, fraud, misappropriation, check floating, or concealment, or tried two times for misdemeanor offenses of larceny, fraud, or misappropriation. *Worded in accordance with Law 3/1967, of 8 April.*

Article 533

Any person who defrauds or adversely affects another using any deception not provided for in the preceding articles of this section shall be punished with a fine equal to or up to two times the harm he may have caused, but which shall be not less than 5,000 pesetas, and in the case of subsequent violations, with the same fine and brief imprisonment.

1                                           PROOF OF SERVICE BY MAILING

2 I am over the age of 18 and not a party to the within action. I  
3 am employed by the Office of the United States Attorney, Central  
4 District of California. My business address is 312 North Spring  
5 Street, 14<sup>th</sup> Floor, Los Angeles, California 90012.

6           On June 11, 2012, I served a SECOND AMENDED VERIFIED  
7 COMPLAINT FOR FORFEITURE *IN REM* on each person or entity named  
8 below by enclosing a copy in an envelope addressed as shown  
9 below and placing the envelope for collection and mailing on the  
10 date and at the place shown below following our ordinary office  
11 practices.

12 **TO: See Attached Service List**

13 X I am readily familiar with the practice of this office for  
14 collection and processing correspondence for mailing. On the  
15 same day that correspondence is placed for collection and  
16 mailing, it is deposited in the ordinary course of business with  
17 the United States Postal Service in a sealed envelope with  
18 postage fully prepaid.

19           I declare under penalty of perjury under the laws of the  
20 United States of America that the foregoing is true and correct.

21           I declare that I am employed in the office of a member of  
22 the bar of this court at whose direction the service was made.

23           Executed on: June 11, 2012 at Los Angeles, California.  
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TINA KELESHYAN

SERVICE LIST

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