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14 UNITED STATES OF AMERICA

15 UNITED STATES DISTRICT COURT
16 FOR THE CENTRAL DISTRICT OF CALIFORNIA
17 WESTERN DIVISION

18 UNITED STATES OF AMERICA,
19 Plaintiff,
20 v.
21 \$9,805,621.65 IN PROCEEDS FROM
22 THE LIQUIDATION OF GOLD AND
SILVER FROM THE PERTH MINT,
23 Defendant.

No. CV 18-04812
VERIFIED COMPLAINT FOR
FORFEITURE
18 U.S.C. § 981(a)(1)(A) and (C)
[F.B.I.]

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1 Plaintiff United States of America brings this claim against the defendant
2 \$9,805,621.65 in Proceeds from the Liquidation of Gold and Silver from the Perth Mint
3 (“Defendant Funds”), and alleges as follows:

4 **JURISDICTION AND VENUE**

5 1. The government brings this in rem forfeiture action pursuant to 18 U.S.C.
6 § 981(a)(1)(A) and (C).

7 2. This Court has jurisdiction over the matter under 28 U.S.C. §§ 1345 and
8 1355.

9 3. Venue lies in this district pursuant to 28 U.S.C. § 1395(a).

10 **PERSONS AND ENTITIES**

11 4. The plaintiff in this action is the United States of America.

12 5. The defendant is \$9,805,621.65 in Proceeds from the Liquidation of Gold
13 and Silver from the Perth Mint (“Defendant Funds”) that the Government of Australia
14 transferred to the United States Marshals Service on or about December 22, 2017.

15 6. The Defendant Funds are currently in the custody of the United States
16 Marshals Service in this District, where they will remain subject to this Court’s
17 jurisdiction during the pendency of this action.

18 7. The liquidated gold and silver had been on deposit in an account held by
19 Goldfinger Bullion Reserve Corporation (“GBRC”) at the Perth Mint in Perth, Australia
20 (“Goldfinger Perth Mint Account”). GBRC was a Delaware Corporation incorporated
21 on February 23, 2001. E-Bullion, Inc. (“e-Bullion”) was affiliated with or under
22 common control with GBRC and Goldfinger Coin and Bullion, Inc. (“GCB”) (these
23 latter entities, together with James Fayed (“Fayed”), the individual who controlled them,
24 are referred to collectively herein as “Goldfinger”). Fayed was the president and
25 treasurer of the Goldfinger entities; Pamela Fayed (Fayed’s spouse, who was killed in
26 2008 in an ambush murder for which Fayed was convicted in the Los Angeles Superior
27 Court) was the vice-president and secretary.

28 8. E-Bullion was an online service that offered, among other things, to transfer

1 money for a fee. It operated through a website called www.e-Bullion.com and
2 maintained offices at 1330 Flynn Road, Camarillo, California. The website represented
3 that “The e-Bullion Company is a Panama Corporation wholly owned by Goldfinger
4 Bullion Reserve Corporation.”

5 Procedural History

6 9. On March 12, 2009, a verified complaint for forfeiture was filed in the
7 Central District of California against \$1,802,651.56 in funds seized from e-Bullion and
8 \$5,017,021.50 and various items of personal property seized from GCB, in Case no. CV
9 09-01731 PSG (JWJx). On August 25, 2010, the Court entered a Default Judgment of
10 Forfeiture in favor of the United States as to the defendant \$1,802,651.56 in funds. On
11 July 30, 2012, a Consent Judgment of Forfeiture was entered that resulted in the
12 forfeiture of the entirety of the remaining assets.

13 10. On April 15, 2010, the Honorable Charles F. Eick, U.S. Magistrate Judge,
14 authorized a seizure warrant (10-MJ-0853M) for the seizure of an account containing
15 funds and gold and silver bullion in the Goldfinger Perth Mint Account, held in the name
16 of GBRC. On May 21, 2010, the United States requested the assistance of the Australian
17 authorities pursuant to the Treaty between the Government of the United States of
18 America and the Government of Australia on Mutual Assistance in Criminal Matters,
19 seeking the restraint of the Goldfinger Perth Mint Account.

20 11. On October 7, 2010, the Australian Commonwealth Director of Public
21 Prosecutions (“CDPP”) filed an action in the Supreme Court of Western Australia
22 entitled *In the Matter of the Commissioner of the Australian Federal Police and*
23 *Goldfinger Bullion Reserve Corporation, et al.* (Supreme Court of Western Australia,
24 CIV 2545 of 2010) pursuant to §§ 25 and 59(1) of the Australian Proceeds of Crime Act
25 2002 (the “Act”), seeking relief under §§ 19(1) and 49(1) of the Act, respectively.
26 Specifically, the CDPP sought to restrain and forfeit the Goldfinger Perth Mint Account,
27 entitled *Goldfinger Bullion Reserve Corporation Account SEC579*, which contained
28 gold and silver bullion and a sum of U.S. dollars. After the account was restrained, on or

1 about March 30, 2012, the Commissioner of the Australian Federal Police was
2 substituted in the Australian litigation as applicant, in lieu of the CDPP, pursuant to
3 §.315B of the Act. The Respondents in the Australian Litigation were GCB, GBRC,
4 Fayed, and the Estate of Pamela Fayed (collectively referred to as the “Respondents”).
5 The United States was not a party to the Australian litigation. On July 23, 2012,
6 pursuant to a settlement agreement between the Respondents and the Australian
7 government, an order was entered in the Australian litigation by which USD \$5.1 million
8 was released to Respondents, and the remainder forfeited to the government of Australia.

9 12. The assets forfeited in the Australian litigation, like those forfeited in the
10 U.S. litigation, are traceable to deposits made by customers of e-Bullion.com, which was
11 used by Goldfinger and others to facilitate numerous illegal schemes and operated as an
12 illegal money transmitting business, as more particularly described below.

13 13. Following the entry of the judgment in the Australian litigation, the United
14 States made a formal request to Australia that the assets there be repatriated to the United
15 States so that the funds could be applied to the victim remission process to compensate
16 victims of the underlying fraud scheme described in the U.S. litigation. On or about
17 December 22, 2017, the Australian government transferred the Defendant Funds to the
18 United States Marshal Service.¹ Although the Defendant Funds have already been
19 forfeited in the Australian litigation, and there are no known potential claimants to the
20 Defendant Funds, the United States is required to file this civil forfeiture action because
21 the United States cannot distribute the Defendant Funds to any victims through the
22

23
24 ¹ The delay between the underlying illegal acts in which the property was
25 involved and the commencement of this action is of no consequence. The Defendant
26 Funds are the property of the Australian government as a result of the judgment in the
27 Australian litigation. The Respondents voluntarily surrendered any interest they may
28 have had in the defendant assets in that litigation. This action serves the purpose of
quieting title to the funds so that the government can exercise its statutory authority to
distribute the assets to the victims of the underlying scheme. The only potential claimant
to the assets is the Government of Australia, which voluntarily paid the money to the
United States for the very purpose articulated above.

1 remission process in the absence of a judgment of forfeiture declaring the Defendant
2 Funds to be the property of the United States.

3 **FACTS SUPPORTING FORFEITURE**

4 *The Illegal Money Transmitting Business*

5 14. Title 18, United States Code, Section 1960 makes it a crime to knowingly
6 conduct, control, manage, supervise, direct or own all or part of an unlicensed money
7 transmitting business. An unlicensed money transmitting business is defined as one
8 which affects interstate or foreign commerce in any manner or degree and (a) is operated
9 without an appropriate license in a state, such as California, where such operation is
10 punishable under state law; (b) is not in compliance with the money transmitting
11 business registration requirements under 31 U.S.C. § 5330, or the regulations
12 promulgated thereunder; or (c) otherwise involves the transportation or transmission of
13 funds that are known by the transmitter to have been derived from a criminal offense or
14 are intended to be used to promote or support unlawful activity.

15 15. Money transmitting is defined as transferring funds on behalf of the public
16 by any and all means, including transfers within the U.S. or internationally by wire,
17 check, facsimile or courier.

18 16. The e-Bullion website described its “e-currency” as “an electronic currency
19 that is tied directly to a particular national currency (e.g., U.S. Dollars).”

20 17. GCB handled the funds for e-Bullion through its bank accounts, including
21 some of the accounts from which portions of the Defendant Funds in the U.S. litigation
22 were seized. According to the website for GCB (www.goldfingercoin.com), “Goldfinger
23 Coin & Bullion Sales provides a service to allow electronic purchases of Bullion
24 (precious metals) for funding your e-currency account.”

25 18. GCB, GBRC, Fayed and others working in concert with them, held and
26 controlled numerous domestic bank accounts, and engaged in multiple monetary and
27 financial transactions on behalf of members of the public affecting interstate commerce,
28 in violation of § 1960. In addition, they knowingly facilitated and participated in the

1 interstate and international receipt and transfer of millions of dollars in funds from
2 schemes that they knew to be fraudulent, with the intent to promote illegal activity and
3 conceal the nature, source, location, control and ownership of proceeds of unlawful
4 activity, in violation of 18 U.S.C. §§ 1956 and 1957.

5 19. Goldfinger provided money transmitting and what were purported to be
6 investment services and products to the public. All of the services offered by Goldfinger
7 involved money transmission. Some were purportedly solely for investment in precious
8 metals, while others were purportedly solely for “investment” in non-precious metal
9 products. The monies transferred both domestically and internationally, by the public to
10 Goldfinger, were commingled by Fayed and others acting in concert with them without
11 regard to the intended purpose of the transferors. Moreover, Fayed and others
12 knowingly accepted proceeds of fraud schemes, through Goldfinger, and commingled
13 funds from innocent investors with fraud proceeds through, among other things, multiple
14 transfers among domestic bank accounts.

15 20. As part of the overall fraud scheme in which they were engaged, Fayed and
16 GCB knowingly transferred monies on behalf of external high yield investment program
17 (HYIP) fraud schemes and Ponzi schemes from at least as early as October 2002 up until
18 the time when federal seizure warrants were executed on GCB bank accounts in August
19 2008. During this period, Fayed knowingly used e-Bullion, the Goldfinger entities and
20 the bank accounts of those entities to facilitate and promote the fraud through, among
21 other things, receipt of investor monies, transfer of those monies among Goldfinger
22 accounts, and the international transfer of those monies.

23 21. On the website for e-Bullion.com, the following representations were set
24 out:

25 e-Bullion is instant, real-time currency for international commerce. In just
26 minutes, you can send and receive irrevocable payments from anyone, anywhere
27 on the globe! e-Bullion is the true global currency for a global world economy. It
28 has unlimited potential and is as fluid and flexible as your imagination.

1 The e-Bullion.com website further represented:

2 True “global currency” is here at last. Now you can put the world at your
3 fingertips with your new e-Bullion Debit Card! It takes just a few minutes to
4 complete the simple online application. Click here to apply for your card now.
(Requires e-Bullion Account sign in).

5
6 Your new e-Bullion debit card will allow you to leverage ATM & Point of Sale
7 (POS) money systems anywhere in the world! Your card will work with Plus,
Star, Pulse, Interlink, NYCE and Mac.

8 “ANONYMOUS & NUMBERED” A numbered only debit card increases your
9 security. (Branded Visa cards will be available in the near future.)

10 22. In April 2006, the State of California Department of Financial Institutions
11 confirmed that neither GCB, GBRC, e-Bullion, James Fayed nor Pamela Fayed had ever
12 been licensed to transmit money, nor were any of them approved as agents of a licensed
13 money transmitting business in California.

14 23. In May 2008, the IRS certified that neither GCB, GBRC, e-Bullion, James
15 Fayed nor Pamela Fayed had ever been registered or authorized to function as a money
16 transmitting business.

17 24. Nevertheless, beginning at a time unknown and continuing through August
18 2008, Fayed and the Goldfinger entities knowingly conducted, controlled, managed,
19 supervised, directed and owned an unlicensed money transmitting business affecting
20 interstate and foreign commerce: (a) having failed to obtain an appropriate money
21 transmitting license under California Finance Code § 1800.3(a) and 1823; (b) having
22 failed to comply with the money transmitting business registration requirements under
23 31 U.S.C. § 5330, and the regulations prescribed thereunder; and (c) knowingly
24 transporting or transmitting funds derived from a criminal offense or which were
25 intended to be used to promote or support unlawful activity.

26 25. Through internet advertisement, GCB claimed to back its trades by gold or
27 other precious metals. Fayed claimed that GCB was a precious metals’ broker and that
28

1 GCB utilized GBRC for transport and storage of its gold inventory. The GCB website
2 specifically claimed to maintain gold and precious metal reserves in Australia.

3 26. The U.S. Department of the Treasury Financial Crimes Enforcement
4 Network (“FINCEN”) established a deadline of January 1, 2006 for dealers in precious
5 metals to implement an anti-money laundering program. This program was similar to
6 the program required by other financial institutions such as banks and money services
7 businesses. One of the requirements of this anti-money laundering program was that the
8 precious metals dealers were obligated to file forms 8300 which reported the receipt of
9 cash or certain non-cash instruments totaling more than \$10,000.00 in a single
10 transaction. Neither GCB nor GBRC filed any such forms with FINCEN.

11 *Tracing of Illegal Proceeds to the Defendant Funds*

12 27. Goldfinger utilized two main banks, Bank of America (“BofA”) and Wells
13 Fargo Bank. The majority of the money that Goldfinger deposited at BofA was swept
14 daily into BofA Account ending in last four digits 7358 (“BofA Account x7358), where
15 all monies were comingled. From that account, Goldfinger further transferred monies to
16 other BofA accounts for business and other expenses.

17 28. From BofA Account x7358, Fayed made payments directly via wire transfer
18 to Goldcorp Australia, in order to purchase the gold and silver at the Perth Mint in the
19 name of GBRC that was subsequently liquidated. From BofA Account x7358, Fayed
20 also made payments to the Palm Desert National Bank to purchase value loaded cards
21 for clients of GCB. From BofA Account x7358, Fayed also made monthly distributions
22 to customers, which included investors of Ponzi schemes as well as large wire transfers
23 to Ponzi operators.

24 29. The majority of the money that Goldfinger deposited into Wells Fargo Bank
25 consisted of investor funds. The Wells Fargo Bank account was primarily utilized to pay
26 business expenses or its funds were further transferred back to BofA where, like all
27 funds it was swept back into BofA Account x7358 and comingled with other investor
28 funds.

1 30. On August 11, 2008, the Honorable Charles F. Eick, United States
2 Magistrate Judge, issued a seizure warrant for all funds on deposit in BofA Account
3 x7358. The funds seized pursuant to that warrant were ultimately forfeited in the U.S.
4 litigation.

5 31. The funds transferred from BofA Account x7358 represent proceeds of wire
6 fraud and were involved in money laundering, and were used to fund the Goldfinger
7 Perth Mint Account. The transfer of the money into the Goldfinger Perth Mint Account
8 was intended to conceal the nature, source, location, control, and ownership of the
9 proceeds of specified unlawful activity.

10 32. The precious metals and currency on deposit in the Goldfinger Perth Mint
11 Account were liquidated after the conclusion of the Australian litigation and are the
12 source of the Defendant Funds.

13 FIRST CLAIM FOR RELIEF

14 (18 U.S.C. § 981(a)(1)(A))

15 33. Based upon the facts set out herein, plaintiff alleges that the Defendant
16 Funds are subject to forfeiture to the United States pursuant to 18 U.S.C. §§ 981(a)(1)(A)
17 on the ground that the Defendant Funds were involved in, represent or are traceable to
18 proceeds of multiple violations of 18 U.S.C. § 1960 (operation of an unlicensed money
19 transmitting business).

20 SECOND CLAIM FOR RELIEF

21 (18 U.S.C. § 981(a)(1)(C))

22 34. Based upon the facts set out herein, plaintiff alleges that the Defendant
23 Funds are subject to forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1)(C)
24 on the ground that the Defendant Funds are traceable to proceeds of multiple violations
25 of 18 U.S.C. § 1343 (wire fraud).

26 THIRD CLAIM FOR RELIEF

27 (18 U.S.C. § 981(a)(1)(C))

28 35. Based upon the facts set out herein, plaintiff alleges that the Defendant

1 Funds are subject to forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1)(C)
2 on the ground that the Defendant Funds are traceable to property involved in multiple
3 transactions in violation of 18 U.S.C. § 1956(a)(1)(A) (promotion money laundering),
4 (a)(1)(B) (concealment money laundering), (a)(2) (international transfer of funds to
5 promote specified unlawful activity), and 18 U.S.C. § 1957.

6 WHEREFORE, plaintiff United States of America prays:

7 (a) that due process issue to enforce the forfeiture of the Defendant Funds;

8 (b) that due notice be given to all interested parties to appear and show cause
9 why forfeiture should not be decreed;

10 (c) that this Court decree forfeiture of the Defendant Funds to the United States
11 of America for disposition according to law; and

12 (d) for such other and further relief as this Court may deem just and proper,
13 together with the costs and disbursements of this action.

14 Dated: May 31, 2018

NICOLA T. HANNA
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LAWRENCE S. MIDDLETON
Assistant United States Attorney
Chief, Criminal Division
STEVEN R. WELK
Assistant United States Attorney
Chief, Asset Forfeiture Section

20 /s/

21

KATHARINE SCHONBACHLER
Assistant United States Attorney

22 Attorneys for Plaintiff
23 United States of America
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VERIFICATION

I, Heather Campbell, hereby declare that:

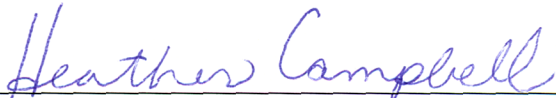
1. I am a Special Agent with the Federal Bureau of Investigation and the case agent for the forfeiture matter entitled United States of America v. \$9,805,621.65 in Proceeds from the Liquidation of Gold and Silver from the Perth Mint.

2. I have read the above Verified Complaint for Forfeiture and know its contents. It is based upon information and reports provided to me by other law enforcement agents.

3. Everything contained in the Complaint is true and correct, to the best of my knowledge and belief.

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

Executed May 30, 2018 in Long Beach, California.


Heather Campbell, FBI Special Agent