

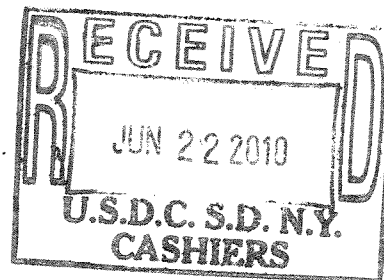
JUDGE JONES

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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**



UNITED STATES OF AMERICA,

Plaintiff,

- against -

\$304,041.01 ON DEPOSIT AT CITIBANK,
N.A.;

APPROXIMATELY \$297,000 ON DEPOSIT
AT MORGAN STANLEY SMITH BARNEY;

ONE 2005 BENTLEY CONTINENTAL,
VIN SCBCR63W15C025200, FLORIDA
VEHICLE REG. No. PDF5C;

ONE 2007 MERCEDES BENZ ML63,
VIN 4JGBB77E27A183561, FLORIDA
VEHICLE REG. No. ADI0X;

APPROXIMATELY \$1.3 MILLION
FORMERLY ON DEPOSIT IN CHICAGO
TITLE INSURANCE CO. CUSTODIAL
ESCROW DEPOSIT ACCOUNT 12330-
22482 AT BANK OF AMERICA, N.A.,
ACCOUNT No. 510000859, ON ACCOUNT
FOR ANNETTE BONGIORNO AND/OR
RUDY BONGIORNO, REF No.
300697902-001, UNIT 607;

VERIFIED COMPLAINT

No. 10 Civ. _____

ECF Case

HSBC OFFICIAL CHECK NO. 100097767 IN)
 THE AMOUNT OF \$505,023.49 DATED)
 JULY 17, 2009, ANNETTE BONGIORNO,)
 PAYEE AND REMITTER;)
)
 and all property traceable thereto,)
)
 Defendants in rem.)
)
)

Plaintiff the United States of America (the "Government"), by its attorney Preet Bharara,
 United States Attorney for the Southern District of New York, for its verified complaint (the
 "Complaint") alleges, upon information and belief, as follows:

INTRODUCTION

1. This action is brought by the Government pursuant to 18 U.S.C. §§ 981(a)(1)(C) and 981(a)(1)(A) seeking forfeiture of certain property traceable to the massive Ponzi scheme orchestrated by Bernard L. Madoff ("Madoff") paid to or on behalf of long-time Madoff employee Annette Bongiorno ("BONGIORNO").

2. By this Complaint, the Government seeks forfeiture of all right, title and interest in the following property:

\$304,041.01 ON DEPOSIT IN CITIBANK, N.A., AS SET FORTH ON EXHIBIT A HERETO (the "Citibank Accounts");

APPROXIMATELY \$297,000 ON DEPOSIT AT MORGAN STANLEY SMITH BARNEY, AS SET FORTH ON EXHIBIT B HERETO (the "Smith Barney Accounts");

ONE 2005 BENTLEY CONTINENTAL, VIN SCBCR63W15C025200, FLORIDA VEHICLE REG. No. PDF5C (the "2005 Bentley");

ONE 2007 MERCEDES BENZ ML63, VIN 4JGBB77E27A183561, FLORIDA VEHICLE REG. No. ADI0X (the "2007 Mercedes");

APPROXIMATELY \$1.3 MILLION FORMERLY ON DEPOSIT IN CHICAGO TITLE INSURANCE CO. CUSTODIAL ESCROW DEPOSIT ACCOUNT 12330-22482 AT BANK OF AMERICA, N.A., ACCOUNT No. 510000859, ON ACCOUNT FOR ANNETTE BONGIORNO AND/OR RUDY BONGIORNO, REF No. 300697902-001, UNIT 607 (the "Chicago Title Escrow Funds");

HSBC OFFICIAL CHECK NO. 100097767 IN THE AMOUNT OF \$505,023.49 DATED JULY 17, 2009, ANNETTE BONGIORNO, PAYEE AND REMITTER (the "HSBC Funds");
and

all property traceable thereto,

(collectively, the "Defendants in rem").

3. Upon entry of a final order forfeiting the Defendants in rem to the United States, the Government intends to distribute the net sale proceeds to victims of the fraud, consistent with the applicable Department of Justice regulations. *See* 21 U.S.C. § 853(i)(1) and 28 C.F.R. Part 9.

JURISDICTION AND VENUE

4. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1345 and 1355(a).

5. Venue is proper pursuant to 28 U.S.C. § 1355(b)(1)(A) because acts and omissions giving rise to the forfeiture took place in the Southern District of New York.

FACTUAL ALLEGATIONS

6. The Government's claims for forfeiture arise out of the investigation of Bernard L. Madoff Investment Securities LLC, and its predecessor, Bernard L. Madoff Investment Securities (collectively and separately, "BLMIS").

7. At all times relevant to this Complaint, BLMIS had its principal place of business in New York, New York, most recently at 885 Third Avenue, New York, New York.

BLMIS was a broker-dealer that engaged in three principal types of operations: (1) market making, (2) proprietary trading, and (3) investment advisory (“IA”) services.

8. BLMIS was registered with the United States Securities and Exchange Commission (“SEC”) as a broker-dealer and, beginning in or about 2006, was registered with the SEC as an investment advisor.

9. At all times relevant to this Complaint, Madoff was the founder of BLMIS, and served as its sole member and principal. In that capacity, Madoff controlled the business activities of BLMIS. Madoff also owned the majority of the voting shares and served as the Chairman of the Board of Directors of Madoff Securities International Ltd. (“MSIL”), a BLMIS affiliate established in the United Kingdom.

The Fraud

10. From at least as early as the 1980s through on or about December 11, 2008, Madoff and others perpetrated a scheme to defraud the clients of the BLMIS IA business (the “IA Clients”) by accepting billions of dollars from them under false pretenses, and then failing to invest their money as promised. To conceal the fact that the IA business was, in fact, a massive Ponzi scheme, Madoff and others created and disseminated fake account statements and other fraudulent documents to IA Clients purporting to show that their funds had been invested, and lied to regulators and others. In truth, the IA Client funds were misappropriated and converted to the use of Madoff, BLMIS, and others for, among other things, their personal enrichment and to conceal the growing fraud.

11. Madoff used IA Clients’ funds (i) to meet periodic redemption requests; (ii) to purchase and maintain property and services for the personal use and benefit of Madoff, his family members, and associates; and (iii) to fund wire transfers (including to and from MSIL) intended to give the false appearance that he was conducting securities transactions in Europe on

behalf of the IA Clients and to support the market-making and proprietary trading operations of BLMIS.

12. To execute the scheme, Madoff solicited, and caused others to solicit, prospective clients to open trading accounts with BLMIS by promising to use investor funds to purchase shares of common stock, options, and other securities of large, well-known corporations to achieve high rates of return for clients, with limited risk. These representations were false.

13. In connection with the scheme, Madoff accepted billions of dollars of IA Client money, cumulatively, from individual investors, charitable organizations, trusts, pension funds, and hedge funds, among others, and established on their behalf thousands of accounts at BLMIS.

14. Madoff used an account in the name of BLMIS at JP Morgan Chase, New York, New York, for the receipt and disbursement of client funds for the IA business (the "BLMIS IA Client Account"). Substantially all funds transferred to BLMIS by clients of the IA business were deposited, by wire or by check, into the BLMIS IA Client Account, and substantially all redemptions sent to IA Clients were made from this account.

15. From the outset of the scheme, and continuing throughout its operation, Madoff obtained IA Client funds through interstate wire transfers from financial institutions located outside New York State and through mailings delivered by the United States Postal Service.

16. In furtherance of the scheme, Madoff made and caused to be made false representations on tens of thousands of account statements and other documents sent through the United States Postal Service to BLMIS IA Clients throughout the operation of the fraud.

17. As of on or about November 30, 2008, BLMIS had approximately 4,800 IA Client Accounts. On or about December 1, 2008, BLMIS issued account statements for the calendar month of November 2008, reporting that those client accounts held a total balance of approximately \$64.8 billion. In fact, BLMIS had approximately \$200 million to \$300 million in cash in the BLMIS IA Client Account, and IA Clients had informed BLMIS of their intent to redeem sums that far exceeded BLMIS's cash on hand.

18. Madoff created and caused to be created a broad infrastructure at BLMIS to generate the impression and support the appearance that BLMIS was operating a legitimate investment advisory business in which client funds were actively traded as he had promised, and to conceal the fact that no such business was actually being conducted.

19. To execute the scheme, Madoff hired employees to serve as a back office for the IA operation (the "Back Office Staff").

20. The Back Office Staff handled the receipt of funds sent to BLMIS by the IA Clients for investment; transferred IA Clients' funds between and among various BLMIS bank accounts; and handled requests for redemptions sent to BLMIS by IA Clients. Among other things, the Back Office Staff communicated with the IA Clients, and answered their questions about their purported investments.

21. On a regular basis, the Back Office Staff oversaw the fabrication and mailing to IA Clients of thousands of pages of account statements, trade confirmations, and other documents, which purported to reflect securities transactions that had not actually been executed, securities positions that did not in fact exist, and fictitious returns. The information about the securities transactions reflected on those documents did not reflect actual transactions, but rather was generated by the Back Office Staff using historical price data.

22. The Back Office Staff included Frank DiPascali, Jr. ("DiPascali"), BONGIORNO, and others. DiPascali and BONGIORNO each worked at BLMIS for over thirty years.

23. BONGIORNO worked at BLMIS from on or about July 1, 1968, through in or about December 2008.

24. During the time period of her employment at BLMIS, BONGIORNO had a variety of responsibilities, principally as one of the supervisors of the Back Office Staff.

25. From at least the early 1990s, through and including on or about December 11, 2008, BONGIORNO knowingly perpetuated the fraud by, among other things, communicating with IA Clients and answering their questions about their purported investments; overseeing the fabrication of account statements, trade confirmations, and other documents using historical price data; and distributing such documents and information to IA Clients. In fact, as BONGIORNO knew, no such securities transactions were being conducted, and the purported returns on investments made by IA Clients were, in fact, paid with other clients' money.

The Guilty Pleas

26. On March 12, 2009, in connection with the massive Ponzi scheme operated through BLMIS, Madoff pleaded guilty to Information 09 Cr. 213 (DC), which charged him with securities fraud, investment advisor fraud, mail fraud, wire fraud, two counts of international money laundering, money laundering, false statements, perjury, false filings with the SEC, and theft from an employee benefit plan. Among other things, Madoff admitted that despite his promise to clients and prospective clients that he would invest their money in shares of common stock, options, and other securities of well known corporations, he in fact almost never invested those clients' funds in the securities as he had promised. Madoff further admitted

that he attempted to conceal his fraud by, among other things, issuing false account statements and otherwise deceiving the IA Clients, lying to regulators, and wiring money between BLMIS (in the United States) and MSIL (in the United Kingdom) to create the impression that BLMIS was actually trading securities.

27. On June 29, 2009, the Honorable Denny Chin sentenced Madoff to 150 years' imprisonment, criminal forfeiture money judgments totaling \$170,799,000,000, and forfeiture of specific property.

28. On August 11, 2009, in connection with the massive Ponzi scheme operated through BLMIS, DiPascali pleaded guilty to Information 09 Cr. 764 (RJS), which charged him with conspiracy, securities fraud, investment advisor fraud, falsifying records of a broker-dealer, falsifying records of an investment advisor, mail fraud, wire fraud, international money laundering, perjury, and attempting to evade federal income taxes.

29. On or about March 24, 2010, Daniel Bonventre, an employee of BLMIS for approximately 40 years and the former Director of Operations, and Jerome O'Hara and George Perez, computer programmers at BLMIS, were charged in Superseding Information S1 10 Cr. 228 (LTS), with conspiracy, falsifying records of a broker-dealer, falsifying records of an investment adviser, securities fraud, false filings with the SEC, and subscribing to false individual income tax returns. The Government's investigation is ongoing.

THE DEFENDANTS IN REM

30. The Defendants in rem constitute property traceable to funds obtained from defrauded investors of the BLMIS IA operation, and property traceable to such property.

31. During her lengthy employment at BLMIS, BONGIORNO received a substantial salary, and, in some years, bonuses. In 2008, her salary (and bonus, if applicable) totaled approximately \$313,548; in 2007, approximately \$623,580; in 2006, approximately

\$200,200; in 2005, approximately \$200,200; in 2004, approximately \$204,050; in 2003, approximately \$255,640; in 2002, approximately \$277,200; in 2001, approximately \$323,400; and in 2000, approximately \$188,650. BONGIORNO received these sums notwithstanding the fact that, beginning at least as early as 1995, BONGIORNO was spending much of her time in Florida and worked only a fraction of her former schedule.

32. In addition to the substantial salary and bonus payments BONGIORNO received from BLMIS, BONGIORNO owned or controlled a number of IA accounts in her own name or the name of her husband, Rudy Bongiorno (collectively, the “Bongiorno IA Accounts”). From in or about 1985 through on or about December 11, 2008, BONGIORNO invested approximately \$904,000 in the Bongiorno IA Accounts but withdrew approximately \$14,400,000 – nearly \$13,500,000 more than she purportedly invested and an increase of nearly 1,500%. Indeed, the November 2008 statement for the Bongiorno IA Accounts showed a purported positive net equity balance of more than \$53,200,000.

33. One of the Bongiorno IA Accounts that was active on or about December 11, 2008, IA Account No. 1B0050, had a purported balance of approximately \$24,000,000. Additionally, the net cash drawn on the account exceeded the net cash credits to the account by approximately \$3,300,000.

The Citibank Accounts

34. BONGIORNO held linked accounts at Citibank in her own name, her husband’s name, or both of them jointly (collectively, the “Citibank Accounts,” as set forth on Exhibit A). The Citibank Accounts were funded almost entirely with transfers from BLMIS and property traceable to money BONGIORNO received from BLMIS.

35. BONGIORNO’s salary and bonus payments from BLMIS were sent to Citibank for direct deposit.

36. Between in or about January 2002 and in or about December 2008, the Citibank Accounts received wire transfers from the BLMIS IA Client Account totaling approximately \$5,192,000, representing purported returns on fictitious securities positions. These wire transfers were debited to BONGIORNO IA account numbers 1B0048, 1B0049, and 1B0050. Between on or about April 9 and on or about November 26, 2008, alone, there were five wire transfers totaling \$3,600,000 from the BLMIS IA Client Account to BONGIORNO's Citibank Accounts – \$650,000 on April 9; \$1,000,000 on July 8; \$650,000 on September 3; \$1,200,000 on October 16; and \$100,000 on November 26.

The Smith Barney Accounts

37. BONGIORNO and her husband also had accounts at Smith Barney that were linked to and funded with transfers from the Citibank Accounts (collectively, the “Smith Barney Accounts,” as set forth on Exhibit B).

38. In or about June 2009, Smith Barney was substantially acquired by Morgan Stanley, forming Morgan Stanley Smith Barney, where the Smith Barney Accounts now reside. In addition, BONGIORNO or her husband caused certain of the Smith Barney Accounts to be moved in or about December 2009 and in or about March 2010 to E*Trade Financial Corp.

The 2005 Bentley

39. On or about November 19, 2004, BONGIORNO purchased the 2005 Bentley Continental from the Bentley Long Island dealership. BONGIORNO paid \$17,000 of the \$20,000 deposit with a check drawn on one of the Citibank Accounts.

40. On or about November 19, 2004, BONGIORNO paid the \$162,604.78 balance due with Citibank official check no. 298949952 payable to “Bentley Long Island.” The remitter on the check was listed as “Annette & Rudy Bongiorno,” and the funds were drawn from one of the Citibank Accounts.

The 2007 Mercedes

41. On or about October 20, 2006, BONGIORNO purchased the 2007 Mercedes from Rallye Motors.

42. As partial payment, BONGIORNO traded in her 2005 Mercedes Benz ML500 and received a used car trade-in credit in the amount of \$25,500, leaving a balance due of approximately \$64,531.44.

43. On or about October 20, 2006, BONGIORNO paid substantially all of the balance due for the 2007 Mercedes with Citibank official check no. 330111051 in the amount of \$64,421.69 payable to "Rallye Motors." The remitter on the check was listed as "Annette Bongiorno," and the funds were drawn from one of the Citibank Accounts.

The Chicago Title Escrow Funds

44. On or about April 9, 2008, BONGIORNO and her husband executed a contract (the "Purchase Agreement") for the construction and purchase of Unit 607 at the Ocean Residences at Boca Beach Club, A Condominium (the "Boca Beach Condo"). The seller and developer of the Boca Beach Condo, and the contract counterparty on the Purchase Agreement, was BRE/Point Parcel LLC (the "Developer").

45. Under the terms of the Purchase Agreement, BONGIORNO and her husband agreed to pay \$6.5 million for the Boca Beach Condo, plus certain fees to the Developer.

46. The Purchase Agreement further required that BONGIORNO and her husband pay certain deposits against the purchase price. According to the Purchase Agreement, all such deposits were to be delivered to and held in escrow by the Developer's escrow agent, Chicago Title Insurance Company.

47. BONGIORNO and her husband paid two 10% deposits under the Purchase Agreement, totaling \$1.3 million. Those deposits were comprised of funds directly traceable to the BLMIS IA Client Account.

48. In particular, the Purchase Agreement required BONGIORNO and her husband to pay a 10% deposit upon executing the Purchase Agreement. Accordingly, on or about April 9, 2008, \$650,000 was debited to IA Account No. 1B0050 in the name of "RUDY BONGIORNO AND ANNETTE BONGIORNO J/T WROS," and that same amount was wire transferred from the BLMIS IA Client Account to Citibank Account No. 94660869, a joint checking account held in the names of BONGIORNO and her husband. That wire transfer posted on or about April 9, 2008.

49. BONGIORNO then issued Check No. 1332, dated on or about April 9, 2008, in the amount of \$650,000 from Citibank Account No. 94660869. The check was payable to "Chicago Title Insurance Co. Custodial Escrow," and bore on its face the reference number 300697902-001 under which was written "4/15/08 [illegible notation]." A copy of the same check obtained from Citibank bears the stamped endorsements, on the back of the check, "Pay to the order of Bank of America, N.A., 510000859, . . . Chicago Title Insurance Company, South Florida Business Center . . . Custodial Escrow Deposit Account 12330-22482." BONGIORNO's signature appears on the check.

50. The Purchase Agreement required BONGIORNO and her husband to pay a second 10% deposit 90 days after executing the Purchase Agreement. Accordingly, on or about September 3, 2009, another \$650,000 was debited to IA Client Account No. 1B0050, and that amount was wire transferred from the BLMIS IA Client Account to Citibank Account No. 94660869. That wire transfer posted on or about September 3, 2008.

51. BONGIORNO then issued Check No. 1367 dated September 8, 2008, to “Chicago Title Insurance Co. Custodial Escrow Account A/C” in the same amount (*i.e.*, \$650,000) and from the same Citibank Account. The check bore on its face the same reference number as the April 4, 2008 deposit check, under which was written “9/12/08 [illegible notation] Unit – 607.” The “Memo” line on the bottom of the check bears the notation “2nd 10% Deposit.” The back of the check bears the same endorsement as the check dated April 9, 2008. BONGIORNO’s signature appears on the check.

52. Taken together, therefore, the two \$650,000 deposits from BONGIORNO to the Chicago Title Insurance Escrow Account are directly traceable to the BLMIS IA Client Account.

53. On or about October 26, 2009, the Government obtained a warrant of seizure authorizing the Government to seize all funds on deposit at the Bank of America account that held the escrowed deposits that comprise the Chicago Title Escrow Funds. That warrant was executed the following day, on or about October 27, 2009. But at that time, only one \$650,000 deposit, plus interest (for a total of \$655,531.43) remained in the Bank of America account. That \$655,531.43 is being held by the United States Marshals Service in its Seized Assets Deposit Account.

54. The other \$650,000 deposit was transferred to the Developer at the Developer’s request on or about October 15, 2008, and to the Government’s knowledge was last held on deposit in a Wells Fargo bank account in the name of BRE/Point Parcel LLC.

55. The final deposit required under the Purchase Agreement was due within five days after BONGIORNO and her husband received notice from the Developer that certain

work on the Boca Beach Condo was complete. According to the Developer, it sent that notice on or about December 16, 2008, but BONGIORNO and her husband failed to pay.

56. On or about June 18, 2009, the Developer sent written notice to BONGIORNO and her husband that it was electing to terminate the Purchase Agreement due to their alleged failure to pay the final deposit. BONGIORNO and her husband, meanwhile, have informed the Developer that they believe that the Purchase Agreement is invalid.

The HSBC Funds

57. On or about November 20, 2008, BONGIORNO issued check number 1384 in the amount of \$500,000 from Citibank Account No. 94660869, a joint checking account held in the names of BONGIORNO and her husband. The check was payable to herself and bore the notation "HSBC Saving." BONGIORNO endorsed the back of the check.

58. On or about November 20, 2008, BONGIORNO deposited the Citibank check into HSBC Premier Investor Account No. 198-45086-9, which BONGIORNO had opened that day in the names of her and her husband. There was no activity in the account except for accrued interest.

59. By letter dated July 2, 2009, HSBC notified BONGIORNO that the bank would be closing the account in two weeks and that on July 17, 2009, the bank would forward to BONGIORNO an official check representing the closing balance. Accordingly, on or about July 17, 2009, HSBC issued Official Check No. 100097767 in the amount of \$505,023.49, representing the balance in the account, which represents defendant in rem the HSBC Funds.

60. On or about September 24, 2009, the Government obtained a warrant of seizure authorizing the Government to seize the HSBC Funds. The HSBC Funds are currently being held by the United States Marshals Service in its Seized Assets Deposit Account.

FIRST CLAIM FOR FORFEITURE
(18 U.S.C. § 981(a)(1)(C))

61. The Government incorporates by reference paragraphs 1 through 60 above as if fully set forth herein.

62. Pursuant to 18 U.S.C. § 981(a)(1)(C), “[a]ny property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting ‘specified unlawful activity’ . . . , or a conspiracy to commit such offense,” is subject to forfeiture to the Government.

63. “Specified unlawful activity” is defined in 18 U.S.C. § 1956(c)(7) to include, among other things, any offense listed under 18 U.S.C. § 1961(1). Section 1961(1) lists offenses that constitute “racketeering activity” for purposes of the RICO statute, and includes violations of 18 U.S.C. §§ 1341 (mail fraud), 1343 (wire fraud), and “fraud in the sale of securities.”

64. Pursuant to 18 U.S.C. § 981(a)(2)(A), for purposes of the civil forfeiture statutes, “proceeds” refers to “property of any kind obtained directly or indirectly, as a result of the commission of the offense giving rise to forfeiture, and any property traceable thereto, and is not limited to the net gain or profit realized from the offense.”

SECOND CLAIM FOR FORFEITURE
(18 U.S.C. § 981(a)(1)(A))

65. The Government incorporates by reference paragraphs 1 through 60 above as if fully set forth herein.

66. Pursuant to 18 U.S.C. § 981(a)(1)(A), “[a]ny property, real or personal, involved in a transaction in violation of section 1956 [or] 1957 . . . of [title 18, relating to money laundering offenses], or any property traceable to such property,” is subject to forfeiture to the Government.

67. 18 U.S.C. § 1956(a)(1) imposes a criminal penalty on any person who:

knowing that the property involved in a financial transaction involves the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity –

(A) (i) with the intent to promote the carrying on of specified unlawful activity; or

(ii) with intent to engage in conduct constituting a violation of section 7201 or 7206 of the Internal Revenue Code of 1986; or

(B) knowing that the transaction is designed in whole or in part –

(i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity; or

(ii) to avoid a transaction reporting requirement under State or Federal law[.]

68. Section 1956(a)(2) further imposes a criminal penalty on any person who:

transports, transmits, or transfers, or attempts to transport, transmit, or transfer a monetary instrument or funds from a place in the United States to or through a place outside the United States or to a place in the United States from or through a place outside the United States –

(A) with the intent to promote the carrying on of specified unlawful activity; or

(B) knowing that the monetary instrument or funds involved in the transportation, transmission, or transfer represent the proceeds of some form of unlawful activity and knowing that such transportation, transmission, or transfer is designed in whole or in part –

(i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity; or

(ii) to avoid a transaction reporting requirement under State or Federal law[.]

69. 18 U.S.C. § 1957 imposes a criminal penalty on any person who “knowingly engages or attempts to engage in a monetary transaction [in the United States] in criminally derived property of a value greater than \$10,000 and is derived from specified unlawful activity.” A “monetary transaction” includes the “deposit, withdrawal, transfer, or exchange, in or affecting interstate or foreign commerce, of funds or a monetary instrument . . . by, through, or to a financial institution.” 18 U.S.C. § 1957(f)(1).

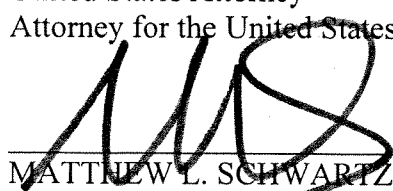
70. For purposes of Sections 1956 and 1957, “specified unlawful activity” has the same meaning as set forth in paragraph 63, above, and includes, among other things, mail fraud, wire fraud, and securities fraud.

REQUEST FOR RELIEF

WHEREFORE plaintiff, the United States of America, requests that judgment be entered in its favor and against the Defendants in rem, and that process issue to enforce the forfeiture of the Defendants in rem, and that all persons having an interest in the Defendants in rem be cited to appear and show cause why the forfeiture should not be decreed, and that this Court decree forfeiture of the Defendants in rem to the United States of America for disposition according to law, and that this Court grant the Government such further relief as this Court may deem just and proper, together with the costs and disbursements in this action.

Dated: New York, New York
June 22, 2010

PREET BHARARA
United States Attorney
Attorney for the United States of America



MATTHEW L. SCHWARTZ
BARBARA A. WARD
Assistant United States Attorneys

EXHIBIT A
(The "Citibank Accounts")

Account No.	Account Balance	Account Holder
Citibank, N.A. 94660869	\$100,498.57	Rudy and Annette Bongiorno
Citibank, N.A. 9948199297	\$203,542.22	Rudy and Annette Bongiorno

EXHIBIT B
(The "Smith Barney Accounts")

Account No.	Account Balance	Account Holder
Smith Barney 50C24673	~ \$263,000	Rudy Bongiorno
Smith Barney 50C10085	Unknown (moved to E*Trade 12/2009)	Rudy Bongiorno
Smith Barney 50C10248	Unknown (moved to E*Trade 3/2010)	Rudy Bongiorno
Smith Barney 10M02603	~\$34,000	Annette Bongiorno

VERIFICATION

STATE OF NEW YORK)
COUNTY OF NEW YORK :
SOUTHERN DISTRICT OF NEW YORK)

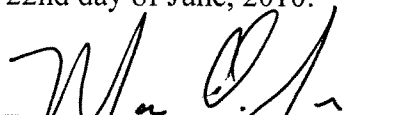
STEVEN N. GARFINKEL, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation, and as such has responsibility for the within action; that he has read the foregoing Complaint and knows the contents thereof, and that the same is true to the best of his knowledge, information, and belief.

The sources of deponent's information on the ground of his belief are official records and files of the United States, information obtained directly by the deponent, and information obtained by other law enforcement officials and representatives during an investigation of alleged violations of Titles 15 and 18, United States Code.



STEVEN N. GARFINKEL
Special Agent
Federal Bureau of Investigation

Sworn to before me this
22nd day of June, 2010:


NOTARY PUBLIC

MARCO DASILVA
Notary Public, State of New York
No. 01DA6145603
Qualified in Nassau County
My Commission Expires May 8, 2014