

2012V01519

MP/gr

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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA,

:

Plaintiff,

:

Hon.

v.

:

Civil Action No.

**VARIOUS PIECES OF ARTWORK
PREVIOUSLY CONTAINED IN 14
CRATES STORED AT CROZIER FINE
ARTS, 560 IRVINE TURNER
BOULEVARD, NEWARK, NEW JERSEY,
AS MORE PARTICULARLY DESCRIBED
IN THE SCHEDULE ATTACHED
HERETO AS EXHIBIT A**

:

**VERIFIED COMPLAINT FOR
FORFEITURE *IN REM***

:

:

:

:

Defendant *in rem*.

Plaintiff, United States of America, by its attorney, Paul J. Fishman,
United States Attorney for the District of New Jersey (by Marion Percell,
Assistant United States Attorney), brings this complaint and alleges as follows
in accordance with Supplemental Rule G(2) of the Federal Rules of Civil
Procedure.

NATURE OF THE ACTION

1. This is a civil *in rem* action brought to enforce the provisions of (a) 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, which subject to forfeiture to the United States all property, real or personal, which constitutes or is derived from proceeds traceable to any offense constituting a specified unlawful activity as defined in 18 U.S.C. § 1956(c)(7) or a conspiracy to commit such offense, including offenses in violation of 18 U.S.C. §§ 371, 1341, 1343, 1349, and 2314; and (b) 18 U.S.C. §§ 981(a)(1)(A), which subjects to forfeiture to the United States all property involved in money laundering in violation of 18 U.S.C. § 1956, all property involved in monetary transactions in property derived from specified unlawful activity in violation of 18 U.S.C. § 1957, and all property traceable to such property.

2. Upon entry of a final order forfeiting the defendant property to the United States of America, the United States Attorney's Office intends to recommend to the Attorney General that the proceeds from the sale of the defendant property be distributed to victims of the fraud, consistent with applicable Department of Justice regulations. See 18 U.S.C. § 981(e), 21 U.S.C. § 853(i)(1) and 28 C.F.R. Part 9.

THE DEFENDANT IN REM

3. The defendant property consists of approximately 2,251 pieces of artwork previously contained in 14 crates stored at Crozier Fine Arts, 560 Irvine Turner Boulevard, Newark, New Jersey, as more particularly described in

the schedule attached hereto as Exhibit A (the “seized artwork” or “defendant property”).

JURISDICTION AND VENUE

4. Plaintiff brings this action *in rem* in its own right to forfeit and condemn the defendant property. This Court has jurisdiction over an action commenced by the United States under 28 U.S.C. § 1345, and over an action for forfeiture under 28 U.S.C. § 1355(a).

5. This Court has *in rem* jurisdiction over the defendant property under 28 U.S.C. § 1355(b)(1)(A) because, as set forth below, acts and omissions giving rise to the forfeiture occurred in the District of New Jersey. Upon the filing of this complaint, the plaintiff requests that the Clerk of the Court issue an arrest warrant *in rem* pursuant to Supplemental Rule G(3)(b)(i), which the plaintiff will execute upon the property pursuant to 28 U.S.C. § 1355(d) and Supplemental Rule G(3)(C).

6. Venue is proper in this district pursuant to because, as set forth below, acts and omissions giving rise to the forfeiture occurred in the District of New Jersey.

BASIS FOR FORFEITURE

7. The defendant property is subject to forfeiture pursuant to (a) 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, because it constitutes or is derived from proceeds traceable to violations of 18 U.S.C. §§ 1341, 1343, and 2314, which are offenses constituting specified unlawful activity as defined in 18 U.S.C. § 1956(c)(7), and a conspiracy to commit such offenses, in violation of

18 U.S.C. §§ 371 and 1349; and (b) 18 U.S.C. §§ 981(a)(1)(A), because it is property involved in money laundering in violation of 18 U.S.C. § 1956, is property involved in monetary transactions in property derived from specified unlawful activity in violation of 18 U.S.C. § 1957, and is property traceable to such property.

FACTS

A. Introduction

8. From in or about November 2007 through at least July 12, 2012, Green Diesel, LLC (“Green Diesel”); Fuel Streamers, Inc. (“Fuel Streamers”); the owner and CEO of Green Diesel and Fuel Streamers, Philip Joseph Rivkin (“Rivkin”); other business entities associated with Rivkin; and others known and unknown fraudulently created and sold credits for renewable fuels that were never produced. In doing so, they violated the false statement provision of the Clean Air Act, 42 U.S.C. § 7413(c)(2)(A); defrauded the United States and the purchasers of the credits in violation of 18 U.S.C. §§ 1341 and 1343; and conspired to commit mail and wire fraud in violation of 18 U.S.C. § 1349.

They also transported in interstate commerce, and attempted to transport in foreign commerce, goods, wares, and merchandise of the value of \$5,000 or more, knowing the same to have been taken by fraud, in violation of 18 U.S.C. §§ 2314 and 2, and conspired to do so in violation of 18 U.S.C. § 371.

Furthermore, they laundered the proceeds of their fraudulent activities by layering the proceeds through multiple bank accounts and by purchasing artwork, some of which was shipped to Newark, New Jersey, as part of an effort

to hide the proceeds of the fraud and remove the proceeds from the United States, and conspired to do so, in violation of 18 U.S.C. §§ 1956 and 1957.

9. From in or about November 2007 through at least July 12, 2012, Green Diesel, Fuel Streamers, Rivkin, other business entities associated with Rivkin, and others known and unknown at this time, having devised a scheme or artifice to defraud, and to obtain money or property by means of false and fraudulent pretenses, representations, and promises, placed in a post office or authorized depository for mail matter certain matters or things to be sent or delivered by the Postal Service and deposited and caused to be deposited certain matters or things to be sent or delivered by a private or commercial interstate carrier for the purpose of executing such scheme or artifice, in violation of 18 U.S.C. § 1341; transmitted and caused to be transmitted by means of wire communication in interstate commerce certain writings and signals for the purpose of executing such scheme or artifice, in violation of 18 U.S.C. § 1343; and conspired to commit mail and wire fraud in violation of 18 U.S.C. § 1349.

10. From in or about November 2007 to at least July 12, 2012, Green Diesel, Fuel Streamers, Rivkin, other business entities associated with Rivkin, and others known and unknown, obtained money through the fraud scheme and used it to purchase real and personal property, including the defendant property.

11. As set forth in greater detail below, Green Diesel, Fuel Streamers, Rivkin, other business entities associated with Rivkin, and others known and

unknown caused the defendant property, knowing it to have been taken by fraud, to be transported from Texas to New Jersey on or about January 30, 2012, and from New Jersey to New York on or about June 26, 2012.

B. The Statutory and Regulatory Framework

12. Federal statutes require gasoline and diesel refiners and importers (known as “obligated parties”) to introduce renewable (non-fossil) fuel into the national fuel mix. To ensure that this happens, the Environmental Protection Agency (“EPA”) created a system of credits known as “Renewable Identification Numbers” or “RINs,” to track and boost renewable fuel production. Under this system, obligated parties must annually retire a designated number of RINs. Obligated parties obtain the necessary RINs (1) by producing renewable fuel themselves, which can generate RINs; (2) by importing renewable fuel produced by approved foreign producers, which can generate RINs; (3) by purchasing renewable fuel, with associated RINs, from approved domestic producers; or (4) by purchasing RINs without the underlying renewable fuel. The annual RIN retirement obligation has caused a market to develop for RINs. Thousands of RIN transactions are electronically recorded with EPA every week, and hundreds of millions of dollars’ worth of RINs are exchanged every year.

13. The Energy Policy Act of 2005 established the nation’s first renewable fuel standard mandate (“RFS1”), which mandated that obligated parties introduce a minimum of 4.0 billion gallons of renewable fuel into the national fuel mix in 2006, and which increased the mandate to 7.5 billion gallons by 2012. Two years later, the Energy Independence and Security Act of

2007 established a new, expanded renewable fuels mandate (“RFS2”). RFS2 required the use of 9.0 billion gallons of renewable fuels in 2008, rising annually to 36 billion gallons in 2022.

14. Under RFS2, renewable fuels are fuels produced from renewable biomass that also meet other regulatory requirements. *See* 40 C.F.R. § 80.1401 & 40 C.F.R. § 1426, Table 1. Such fuels include corn-based ethanol and biodiesel derived from certain plant oils and animal fats.

15. The EPA is responsible for implementing regulations to ensure that the fuel supply sold in the United States during a given year contains the mandated volume of renewable fuels. Under RFS2, obligated parties have a Renewable Volume Obligation (“RVO”) that represents the amount of renewable fuel that they are required to introduce into the non-renewable (fossil) fuel supply each year. The RVO for an obligated party is based on its annual production and importation of gasoline and diesel fuel. Obligated parties risk civil penalties if they fail to comply with their RVOs.

16. The tradable credits for renewable fuels known as RINs facilitate compliance with RFS1 and RFS2. Each RIN is defined to be “a unique number generated to represent a volume of renewable fuel.” 40 C.F.R. § 80.1401. The RIN, which is used by gasoline and diesel fuel producers and importers to demonstrate that they have met their RVOs, is the basic currency of the RFS program.

17. RINs are “generated” by the producer or importer of renewable fuel. They are used to track volumes of renewable fuels and compliance with the

RVO. Under RFS2, the producer or importer logs onto an EPA database to generate RINs, resulting in a unique entry in that database associated with a particular volume of fuel. Initially, RINs are “assigned” to fuel and must be traded with that fuel, but regulations allow them to be separated from the fuel under certain circumstances. For example, if the renewable fuel is legally blended into fossil-based motor vehicle fuel, the RIN need no longer be transferred with the fuel that led to its generation. Instead, the “separated” RIN can be traded, held for future compliance, or retired to satisfy an obligated party’s RVO. When RINs are used to show compliance with the RVO, they are said to be “retired.”

18. A market has developed for RINs, which allows gasoline and diesel fuel producers and importers to fulfill their RVOs by purchasing RINs, sometimes for as much as \$1.80 per RIN. These transactions usually involve thousands of RINs in a single batch.

19. EPA’s RFS2 regulations require that all RINs generated after July 1, 2010 be transferred only through the EPA Moderated Transaction System (“EMTS”), an internet-accessible transaction platform used by regulated parties to generate, separate, sell, and retire RINs. All EMTS activity is conducted through a Central Data Exchange (CDX) account. Users, once they have created an individual user identity and logged in, can electronically register a volume of renewable fuel that has been produced and declare the number of RINs that are generated for and assigned to that volume. To complete the registration, the renewable fuel producer must declare, among other things, the

facility where the renewable fuel was produced, the feedstock used to produce the fuel, and the process used to generate the fuel. Once the RINs are generated, producers can transfer those RINs to buyers (assigned to the underlying fuel or, after fulfilling certain requirements, separately from that fuel) through a different kind of EMTS transaction.

20. After a seller and a buyer reach an agreement to trade RINs, the seller posts the sale of the RINs on EMTS at a certain price. The buyer logs into EMTS, verifies that the information matches the deal the buyer made with the seller, and then accepts the transaction. Upon acceptance, the RINs are transferred from the seller's RIN account to the buyer's RIN account. EPA does not guarantee the validity of RINs, nor is money for RINs transferred through any EPA system. Nevertheless, under RFS2, no RIN transfer occurs without the transaction being recorded in EPA's internet-based database.

21. "D" codes are used to identify particular types of renewable fuel and the RINs associated with volumes of that fuel. For example, "D4" RINs are associated with biomass-based diesel made using acceptable D4 feedstock and acceptable D4 production processes. Based on its energy content and the quality of its renewable feedstock, D4 biodiesel can be used to generate 1.5 RINs per gallon.

22. Since each RIN represents a specific and unique volume of renewable fuel, it is illegal to generate RINs on volumes of fuel for which RINs have already been generated. It is also illegal to generate RINs that are not associated with a specific volume of renewable fuel.

C. The Scheme to Defraud

23. According to Allen Lee, who was then the president of a company engaged in the business of investing in renewable energy companies, Lee learned from Rivkin, whom Lee met at a dinner party in Houston, Texas, that Rivkin wanted to invest in and build a biodiesel facility along the Gulf Coast of the United States. Lee was interested in pursuing a joint project with Rivkin. Shortly thereafter, Rivkin called Lee and asked if he could visit Lee in New Jersey. Lee's company agreed to invest in Green Diesel, of which Lee would be the president and CEO and Rivkin would be the majority owner and controlling shareholder.

24. Green Diesel was formed on or about October 27, 2005 under the laws of the State of Delaware. On or about March 27, 2006, Green Diesel filed an application for registration with the Texas Secretary of State as a Foreign Limited Liability Company listing its principal address as 396 Springfield Avenue, 2nd Floor, Summit, New Jersey 07901. Green Diesel's registration with the Texas Secretary of State carried that Summit, New Jersey address until May 4, 2012, when the registration was changed to a Houston, Texas address.

25. On or about October 6, 2006, Lee, identifying himself as Green Diesel's president, registered Green Diesel with EPA as a single facility diesel refinery. On or about October 6, 2006, Lee received a letter from EPA notifying him that the Green Diesel facility had been registered with EPA. Lee was given a renewable fuel standard (RFS) account that gave him the authority to

generate and sell RINs for qualified biodiesel produced at the Green Diesel facility.

26. According to a former Green Diesel employee, a construction company was hired in 2007 to build the Green Diesel biodiesel facility in Houston, Texas. However, the Green Diesel facility was never operated as a biodiesel facility, and, in the middle of 2010, it was turned into a dehydration unit.

27. Green Diesel began selling RINs during the RFS1 period, when EPA's records were not computerized, and detailed information is therefore not readily available. A record has been located, however, indicating that Green Diesel reported that it made at least one sale of RINs in 2007, specifically on November 16, 2007. Records of Green Diesel sales of RINs beginning on April 15, 2009, have also been located. The latter date is consistent with Exxon's report that it first purchased Green Diesel RINs on April 20, 2009.

28. The RFS2 period began on July 1, 2010. In total, EPA records indicate that during the period from July 1, 2010 to July 15, 2011, Green Diesel generated in excess of 60 million D4 RINs, although the Green Diesel facility was not producing any biomass-based diesel fuel.

29. A civil inspection conducted by EPA officials of the Green Diesel facility in Houston, Texas in August 2011 revealed that during the period from July 2009 through July 2011 Green Diesel had neither produced any fuel nor purchased any products required to produce fuel.

30. On or about April 30, 2012, the EPA issued a Notice of Violation to Green Diesel alleging that from July 16, 2010 to July 15, 2011 Green Diesel improperly generated approximately 60,034,033 D4 RINs, and all of those RINs were invalid (hereinafter “invalid RINs”) because no biodiesel had, in fact, been produced.

31. Beginning in or about April 2009, Green Diesel used a commercial service known as RINSTAR to facilitate its generation of RINs. For the period from July 24, 2010, to October 25, 2010, EMTS data show that more than 11 million RINs were generated for Green Diesel under RINSTAR affiliated-user identifications. Green Diesel did not produce any biodiesel during that period, however, so these RINs were all invalid.

32. EPA-CID Special Agents interviewed a former trading manager for Green Diesel who, in the course of his duties, identified buy-and-sell opportunities for biodiesel that included RINs, and spoke with brokers on a regular basis. The former trading manager stated that he/she would never buy or sell anything without the approval of Rivkin, because Rivkin did not allow him/her to manage trades without Rivkin’s involvement and approval.

33. After RINSTAR was no longer working for Green Diesel, the company generated more invalid D4 RINs. According to EMTS, from October 30, 2010 through July 29, 2011, a person with the user identification “PRIVKIN2” generated more than 48 million RINs. According to CDX and EMTS registration information, “PRIVKIN2” is the user identification assigned to Philip Rivkin, Director of Green Diesel and Fuel Streamers, Inc. As noted

above, however, Green Diesel was not producing any biodiesel during that period.

34. Based upon reports from oil companies and brokers, purchases of invalid RINs from Green Diesel resulted in losses exceeding \$78 million. The chart below identifies the losses reported by several of the larger purchasers of invalid RINs from Green Diesel during the period from May 27, 2010 through December 29, 2011:

Shell Oil	\$14,421,556.00
Marathon	\$12,450,000.00
BP	\$13,609,685.76
CITGO	\$4,645,000.00
Tesoro	\$2,541,250.00
ConocoPhillips	\$18,023,641.00
Exxon	\$1,160,000.00
TOTAL	\$66,851,132.76

35. According to EPA, Green Diesel last sold RINs in or about October 2011. However, Green Diesel RINs continued to be traded, causing harm to victims, until at least in or about March 2012.

D. Tracing the Proceeds of the Fraud to Purchases of Artwork

36. Bank and purchase records indicate that, during the period from August 2009 to July 12, 2012, while the fraudulent activity was ongoing, Rivkin used Green Diesel's bank account and other bank accounts containing fraud proceeds to purchase at least \$18 million in artwork, chiefly photographs, from art dealers and art galleries.

37. The following four bank accounts, each of which were associated with Green Diesel and Rivkin, were used to purchase artwork:

a. Wells Fargo Choice IV Commercial Checking account xxxx7890 in the name of Green Diesel LLC, 3050 Post Oak Boulevard, Suite 500, Houston, Texas (the “Green Diesel Account”);

b. Wells Fargo Choice IV Commercial Checking account xxxx7900 in the name of Fuel Streamers Inc., 3050 Post Oak Boulevard, Suite 500, Houston, Texas (the “Fuel Streamers Account”);

c. Wells Fargo account xxxx5904 in the name of Philip J. Rivkin, 11402 Noblewood Crest Lane, Houston, Texas (the “Rivkin 5904 Account”); and

d. Wells Fargo account xxxx4788 in the name of Philip J. Rivkin, 11402 Noblewood Crest Lane, Houston, Texas (the “Rivkin 4788 Account”).

38. As set forth in more detail below, the Green Diesel Account was primarily funded with payments for invalid RINs. The other three accounts were funded, in part, by transfers from the Green Diesel Account. The transfers from the Green Diesel Account far exceeded the amounts used to purchase artwork from those three accounts.

39. Victims’ payments were largely made to the Green Diesel Account. In addition, millions of dollars were moved through the Green Diesel Account to and from approximately 20 other bank accounts controlled by Rivkin, including both company and personal accounts. Moving money among multiple

accounts in this way, which is sometimes called “churning,” often indicates an effort to “layer” funds as part of the process of laundering the proceeds of unlawful activities.

40. Approximately \$219,102,354.00 moved through the Green Diesel Account during the period from October 29, 2009 through June 19, 2012. Of those funds, over \$53 million, as detailed below, were proceeds of the fraud paid directly to Green Diesel. Most of the rest of the funds that moved through the Green Diesel Account during that period were being churned among various related accounts, in an apparent attempt to obfuscate the source of the funds in the accounts. The purpose of only approximately \$35,700,882 is unknown, and those funds may also have been the proceeds of fraud.

41. As noted above, victim companies have reported over \$78,000,000 in losses. Some payments made by victims were made through third parties, such as brokers, and are therefore difficult to identify in the bank records. It has been possible, however, to identify many of the payments made by victims into the Green Diesel Account.

42. As noted above, Green Diesel made at least one sale of invalid RINs in 2007, but the remainder of the records currently available concern sales that occurred during the period from April 2009 through October 2011. All of the 2,251 pieces of artwork seized in July 2012 were purchased after April 2009, and just eight of the 2,251 pieces were purchased before May 2010.

43. As noted above, most of the victims’ payments were made to the Green Diesel Account. Some artwork was purchased directly from that

account, but funds were also transferred from that account into the other three accounts, the Fuel Streamers Account, the Rivkin 5904 Account, and the Rivkin 4788 Account, and artwork was purchased from those accounts as well.

44. The chart below summarizes the information that has been collected to date concerning the deposits of income from the fraud into the Green Diesel Account and the payments for artwork made from that account.

Date	Transaction Partner	Fraudulent RIN Income	Payments for Art
4/22/2010	ConocoPhillips	\$178,500.00	
5/26/2010	ConocoPhillips	\$830,000.00	
5/28/2010	Shell Oil	\$385,000.00	
6/1/2010	Shell Oil	\$470,000.00	
7/29/2010	Citgo	\$565,000.00	
7/30/2010	<i>Swann Galleries</i>		\$70,200.00
8/2/2010	Shell Oil	\$654,500.00	
8/27/2010	BP	\$515,000.00	
	Total Petrochemicals &		
9/16/2010	Refining USA	\$3,740.00	
10/14/2010	Shell Oil	\$487,500.00	
10/19/2010	<i>Swann Galleries</i>		\$33,480.00
10/25/2010	ConocoPhillips	\$24,463.70	
11/2/2010	BP	\$2,320,000.00	
11/4/2010	Citgo	\$67,000.00	
11/9/2010	<i>Phillips De Pury Company</i>		\$60,000.00
11/9/2010	<i>Swann Galleries</i>		\$33,480.00
11/16/2010	<i>Sothebys</i>		\$424,750.00
11/16/2010	ConocoPhillips	\$1,194,000.00	
	<i>Heritage Auction</i>		
11/16/2010	<i>Galleries</i>		\$277,837.50
12/1/2010	ConocoPhillips	\$1,274,400.00	
12/6/2010	Lansing Trade Group, LLC	\$817,500.00	
	Total Petrochemicals &		
12/8/2010	Refining USA	\$752,000.00	
12/9/2010	<i>Swann Galleries</i>		\$53,040.00
12/20/2010	ConocoPhillips	\$1,578,000.00	
12/21/2010	<i>Sothebys</i>		\$461,087.34

12/27/2010	Swann Galleries		\$53,040.00
12/30/2010	Lansing Trade Group, LLC	\$531,375.00	
1/13/2011	Sothebys		\$3,446.75
1/24/2011	ConocoPhillips	\$1,489,200.00	
2/7/2011	Tesoro	\$510,000.00	
1/31/2011	ConocoPhillips	\$1,208,600.00	
2/2/2011	VICNRG,LLC	\$1,122,300.00	
2/2/2011	VICNRG,LLC	\$617,700.00	
2/2/2011	VICNRG,LLC	\$1,740,000.00	
2/8/2011	Camera Lucida		\$1,267,000.00
2/15/2011	VICNRG,LLC	\$258,750.00	
2/16/2011	Lansing Trade Group, LLC	\$2,380,000.00	
2/18/2011	Irving Oil	\$1,190,000.00	
2/22/2011	ConocoPhillips	\$1,780,000.00	
3/3/2011	Babcock Galleries		\$700,000.00
3/7/2011	ConocoPhillips	\$1,780,000.00	
3/21/2011	ConocoPhillips	\$117,929.22	
3/25/2011	Marathon	\$553,750.00	
3/22/2011	Sothebys		\$23,750.00
3/31/2011	Camera Lucida		\$1,400,000.00
3/31/2011	Camera Lucida		\$230,000.00
3/31/2011	Camera Lucida		\$150,000.00
4/6/2011	Marathon	\$400,000.00	
4/7/2011	Sothebys		\$65,625.00
4/11/2011	Marathon	\$997,500.00	
4/12/2011	Zabriskie Gallery		\$260,000.00
4/15/2011	Sothebys		\$25,100.87
4/21/2011	Citgo	\$2,220,000.00	
5/3/2011	Shell Oil	\$2,212,056.00	
5/3/2011	ConocoPhillips	\$1,920,000.00	
5/5/2011	Sothebys		\$67,006.18
5/16/2011	Phillips De Pury Company		\$26,375.00
6/3/2011	Irving Oil	\$121,135.55	
6/6/2011	ConocoPhillips	\$1,920,000.00	
6/17/2011	Marathon	\$1,405,000.00	
6/20/2011	Marathon	\$1,410,000.00	
6/24/2011	Marathon	\$1,092,000.00	
6/24/2011	ConocoPhillips	\$1,920,000.00	
6/30/2011	BP	\$2,460,000.00	
7/18/2011	ConocoPhillips	\$1,920,000.00	

7/21/2011	Citgo	\$1,860,000.00	
7/22/2011	Marathon	\$268,000.00	
7/25/2011	BP	\$72,263.70	
7/29/2011	BP	\$2,460,000.00	
9/14/2011	Valero	\$240,000.00	
12/5/2011	Shell Oil	\$257,500.00	
12/9/2011	BP	\$134,489.32	
12/29/2011	Marathon	\$637,500.00	
	TOTALS	\$53,323,652.49	\$5,685,218.64

45. As set forth in the preceding paragraph, Rivkin spent at least \$5,685,218.64 on artwork from the Green Diesel Account. In addition, Rivkin transferred funds from the Green Diesel Account to the Fuel Streamers Account and his two Wells Fargo personal accounts and then used those three accounts to purchase artwork:

a. From on or about November 18, 2009 through on or about August 6, 2012, Rivkin wired approximately \$48,213,147.83 from the Green Diesel Account to the Fuel Streamers Account. From on or about August 20, 2010 through on or about May 22, 2012, Rivkin used the Fuel Streamers Account to spend approximately \$520,872.03 on artwork.

b. From on or about October 29, 2009 through on or about June 19, 2012, Rivkin wired approximately \$54,143,416.00 from the Green Diesel Account to the Rivkin 5904 Account. From on or about January 19, 2010 through on or about June 27, 2012, Rivkin used the Rivkin 5904 Account to spend approximately \$12,127,328.00 on artwork.

c. From on or about August 18, 2009 through on or about May 31, 2011, Rivkin wired approximately \$647,927.22 from the Rivkin 5904 Account to the Rivkin 4788 Account. From on or about June 9, 2010 through on or about May 17, 2011, Rivkin used the Rivkin 4788 Account to spend approximately \$259,128.93 on artwork.

46. In and after March 2012, an EPA/CID Special Agent and a United States Secret Service Special Agent (collectively “agents”) interviewed an assistant to Philip Rivkin (“Rivkin’s assistant”). Rivkin’s assistant stated that he/she began working at Fuel Streamers in approximately August 2011 and that Rivkin maintained complete control of all of the company’s financial records, including personally signing all issued checks. The assistant described the business operation as one in which “money would come in and he (Rivkin) would move it out,” but, despite the flow of income into the company, company expenses were not being paid. Rivkin’s assistant further stated that the office received numerous demand letters, unpaid tax notices, and lien notifications. Rivkin’s assistant stated that after the EPA investigation began, Rivkin moved the company traders to another location.

47. Rivkin’s assistant stated he/she traveled with Rivkin in September 2011 to Geneva, Switzerland, as Rivkin was looking into moving his operations to Europe. In November 2011, the assistant traveled with Rivkin and his family to Barcelona, Spain. Rivkin remained in Spain, and upon the assistant’s return to Houston, he/she noticed that Rivkin’s Fuel Streamers office space had been cleaned and documents had been shredded.

48. Rivkin's assistant stated that Rivkin began buying artwork, specifically vintage photographs, after the "EPA money" started coming in. Rivkin's assistant also told agents that he/she had assisted Rivkin, at his direction, to move assets from Houston, Texas, to Spain. In particular, Rivkin caused a substantial amount of artwork to be moved from Houston, Texas to Newark, New Jersey for eventual shipment to Spain.

49. Rivkin had earlier caused at least the following other assets to be transported to Spain:

a. On or about December 30, 2010, Philip Rivkin purchased a Canadair Challenger 601 aircraft, model CL-600-2A12, serial number 3029, registration number N629TS, in the name of Noblewood Aviation, LLC, 3050 Post Oak Boulevard, Suite 500, Houston, Texas, in the amount of \$3,400,000.00. In November 2011, that aircraft was flown to Spain.

b. In or about November 2011, Rivkin purchased a 2009 Lamborghini Murcielago Coupe, VIN: ZHWBV37569LA030500, in the amount of \$269,665.50, titled in the name of Fuel Streamers Trading BV. The vehicle was shipped to C. Miret, 1 Sans 7, Barcelona, Spain, directly from the dealership.

E. The Seized Artwork

50. Rivkin learned that Green Diesel was under investigation in or about August 2011, when the EPA conducted a civil inspection of the Green Diesel facility. In October, November, and December 2011, at Rivkin's request, Craters and Freighters, a company specializing in packaging, crating, and

shipping, picked up approximately 396 packages of artwork from Fuel Streamers. All of the artwork was already crated and the contents were unknown to Craters and Freighters. The artwork was picked up at four locations, as follows:

- a. On or about October 28, 2011, 237 packages were picked up at Four Seasons Storage, 12555 Richmond Avenue, Houston Texas, storage unit 1165 or 1168. Rivkin's assistant, as a representative of Fuel Streamers, signed the service order.
- b. On or about October 31, 2011, 137 packages were picked up at the residence of Philip Rivkin, 1000 Uptown Park Boulevard #73, Houston, Texas. Rivkin's assistant signed the service order.
- c. On or about November 30, 2011, 17 packages were picked up at Fuel Streamers, 3050 N. Post Oak Road, Suite 500, Houston, Texas. Again, Rivkin's assistant signed the service order.
- d. On or about December 1, 2011, 5 packages were picked up at Fuel Streamers, 3050 N. Post Oak Road, Suite 500, Houston, Texas. Again, Rivkin's assistant signed the service order.

51. A representative of Craters and Freighters requested an inventory of the artwork, consisting of title, artist, medium, and approximate date, for insurance purposes. Rivkin's assistant did not provide the requested information. The artwork was therefore shipped without a specific inventory and was uninsured.

52. On or about January 30, 2012, at Rivkin's request, Craters and Freighters shipped the packages of artwork to the Crozier Fine Arts ("Crozier") warehouse located at 560 Irvine Turner Boulevard, #5, Newark, New Jersey 07108. A Craters and Freighters representative told the investigative agents that the volume of artwork required an 18-wheeler trailer.

53. On or about July 5, 2012, a Crozier representative told the agents that the company spent five days inventorying the shipment, because it was to be shipped overseas. That process involved unpacking the 396 packages shipped by Craters and Freighters. Crozier counted 1,181 pieces of artwork in the packages. The pieces of artwork were repackaged in 14 crates by Crozier.

54. On or about July 6, 2012, a Crozier representative told the agents that Rivkin contracted with Crozier to ship the artwork to Spain via the Netherlands. Rivkin had contacted Crozier and requested the shipment be expedited. The artwork was to be shipped on July 12, 2012 to Amsterdam and then on to Spain.

55. On July 11, 2012, a seizure warrant was issued by the Honorable Mark Falk, United States Magistrate Judge for the District of New Jersey, for 14 crates containing 1,181 pieces of artwork currently stored at Crozier Fine Arts, 560 Irvine Turner Boulevard, Newark, New Jersey 07018, specifically described in an attached inventory.

56. By the time the seizure warrant was executed on July 12, 2012, the artwork had been moved by Crozier Fine Arts to a facility in New York. The United States Secret Service executed the above-referenced seizure warrant there, pursuant to 18 U.S.C. § 981(b)(3), resulting in the seizure of the defendant property.

57. An appraisal of the defendant property has been conducted by New York Fine Art Appraisers ("NYFAA"). NYFAA identified 2,251 separate items in the 14 crates, which are described in the schedule attached hereto as Exhibit

A, incorporated herein. Using purchase records and many other sources of information, NYFAA has concluded that the total fair market value of the defendant property is approximately \$15,773,128.00.

58. A substantial amount of work has been performed in an effort to match the individual items of seized artwork with purchases made by Rivkin. In many cases Rivkin purchased artwork in groups, with a single price attached to the group, which makes matching purchases with individual pieces of artwork difficult. However, investigative agents have been able to match 1,590 pieces of seized artwork to purchases made from the four bank accounts listed above and Rivkin's Green Diesel American Express account. Of those 1,590 pieces, 345 were purchased from the Green Diesel Account, 1,154 were purchased from the Rivkin 5904 Account, 23 were purchased from the Fuel Streamers Account, 23 were purchased from the Rivkin 4788 Account, and 45 were purchased using Green Diesel's American Express account. Bank records indicate that at least 90% of the payments made to American Express for charges on the Green Diesel American Express account were made from three bank accounts, the Green Diesel Account, the Rivkin 5904 Account, and the Fuel Streamers Account.

59. A few examples of the seized artwork are described below, including payment information obtained from bank records, sales records, and purchase records.

a. Gelatin silver print titled "Distortion no. 6, Paris" by artist Andre Kertesz. The photograph was purchased by Rivkin from Philips De Prury & Company as part of a group of photographs. Rivkin

paid \$42,500 for the piece and wired \$60,000 as payment for the group of photographs from the Green Diesel Account on November 9, 2010.

b. Gelatin silver print titled “Dunes, Oceano” by artist Edward Weston. The photograph was purchased by Rivkin from Sotheby’s as part of a group of photographs. Rivkin paid \$134,500 for the piece and wired \$424,750 as payment for the group of photographs from the Green Diesel Account on November 11, 2010.

c. Gelatin silver print titled “Death Valley” by artist Edward Weston. The photograph was purchased by Rivkin from Sotheby’s as part of a group of photographs. Rivkin paid \$16,250 for the piece and wired \$424,750 as payment for the group of photographs from the Green Diesel Account on November 16, 2010.

d. Albumen print titled “Notre Dame” by artist Eugene Atget. The photograph was purchased by Rivkin from Camera Lucida, LLC as part of a group of photographs. Rivkin paid \$130,000 for the piece and wired \$1,267,000 as payment for the group of photographs from the Green Diesel Account on February 8, 2011.

e. 1907 platinum print titled “Nude Study, Miss Mabel Cramer” by artist Clarence Hudson White. The photograph was purchased by Rivkin from Camera Lucida, LLC as part of a group of photographs. Rivkin paid \$35,000 for the piece and wired \$1,267,000 as payment for the group of photographs from the Green Diesel Account on February 8, 2011.

f. 1930 silver print titled “Equivalent” by artist Alfred Stieglitz. The photograph was purchased by Rivkin from Lee Gallery for \$33,000. Rivkin wired \$33,000 as payment for the photograph from the Rivkin 5904 Account on February 28, 2011.

g. Gelatin silver print titled “Poplars, Lake George” by artist Alfred Stieglitz. The photograph was purchased by Rivkin from Joel Soroko Gallery for \$51,000. Rivkin wired \$51,000 as payment for the photograph from the Rivkin 5904 Account on March 7, 2011.

h. Vintage warm-toned matte-surface gelatin silver print titled Vortograph 1917 by artist Alvin Langdon Coburn. The photograph was purchased by Rivkin from Camera Lucida, LLC as part of a group of photographs. Rivkin paid \$175,000 for the piece and wired \$1,400,000 as payment for the group of photographs from the Green Diesel Account on March 10, 2011.

i. Vintage gelatin silver contact print titled “From the Shelton, West” by artist Alfred Stieglitz. The photograph was purchased by Rivkin from Camera Lucida for \$150,000. Rivkin wired \$150,000 as payment for the photograph from the Green Diesel Account on March 31, 2011.

j. Vintage matte gelatin silver print titled “Knees (fragment)” by artist Edward Weston. The photograph was purchased by Rivkin from Camera Lucida, LLC as part of a group of photographs. Rivkin paid \$165,000 for the piece and wired \$1,400,000 as payment for the group of photographs from the Green Diesel Account on March 31, 2011.

k. 1894 platinum print titled “The Letterbox” by artist Alfred Stieglitz. The photograph was purchased by Rivkin from Lee Gallery for \$35,700. Rivkin wired the \$35,700 payment for the photograph from the Rivkin 5904 Account on April 5, 2011.

l. Vintage gelatin silver print titled “Greta Garbo for Vanity Fair Hollywood” by artist Edward Steichen. The photograph was purchased by Rivkin from Paul Hertzman, Inc. Vintage Photographs for \$75,000. Rivkin wired \$75,000 as payment for the photograph from the Rivkin 5904 Account on April 11, 2011.

m. Waxed palladium print titled “Georgia O’Keeffe” by artist Alfred Stieglitz. The photograph was purchased by Rivkin from Camera Lucida, LLC for \$675,000. Rivkin wired \$675,000 as payment for the photograph from the Rivkin 5904 Account on April 12, 2011.

n. Gelatin silver print titled “Equivalent, 1925” by artist Alfred Stieglitz. The photograph was purchased by Rivkin from Bruce Silverstein Gallery, LLC as part of a group of photographs. Rivkin paid \$55,000 for the piece and wired \$150,000 as payment for the group of photographs from the Rivkin 5904 Account on April 12, 2011.

60. As noted above, it has not been possible to trace every piece of the seized artwork to a specific purchase from a specific account. In some cases the descriptions of the artwork contained in purchase records, especially where artwork was purchased as part of a larger group, were not specific enough to be certain that it referred to a particular piece of seized artwork. Where the

purchase was made overseas, in some cases Rivkin's purchase information has proven sufficient, but in other cases the seller's information, which cannot be obtained by subpoena, would be necessary to connect a particular piece to a particular purchase. Furthermore, the investigative agents have erred on the side of caution, applying strict standards for tracing artwork to particular purchases. For example, records may indicate that a piece of art was purchased on a certain date for a certain amount from an overseas gallery, and bank records may show a corresponding payment to that gallery from the Green Diesel Account on the appropriate date, but because of the uncertainties introduced by the conversion rate (and the absence of documents from the selling gallery itself) the agents have not assumed that that payment was in fact for that particular piece of art.

61. According to Rivkin's assistant, Rivkin was the purchaser of all of the seized artwork, and the investigative agents have found no indications to the contrary. Every single purchase that has been traced—1,590 of the 2,251 pieces seized—has proven to have been acquired from the four bank accounts identified above, each of which, at a minimum, contained sufficient tainted funds to have made the purchase in question. Furthermore, investigative agents have obtained nationwide bank account information for Rivkin and his associates, and Rivkin had access to no untainted bank accounts from which the defendant property could have been acquired.

62. For all of these reasons, there is probable cause to believe that all of the pieces of seized artwork were purchased with fraud proceeds.

CLAIMS FOR FORFEITURE

COUNT I

63. The allegations contained in paragraphs 1 through 62 of this Complaint are incorporated herein and made part hereof.

64. By reason of the above, the defendant property, consisting of approximately 2,251 pieces of artwork previously contained in 14 crates previously stored at Crozier Fine Arts, 560 Irvine Turner Boulevard, Newark, New Jersey 07018, is subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, because it constitutes or is derived from proceeds traceable to violations of 18 U.S.C. §§ 1341, 1343, and 2314, which are offenses constituting specified unlawful activity as defined in 18 U.S.C. § 1956(c)(7), or a conspiracy to commit such an offense, in violation of 18 U.S.C. §§ 371 and 1349.

WHEREFORE, the plaintiff requests that the Court issue a warrant for the arrest and seizure of the defendant property; that notice of this action be given to all persons who reasonably appear to be potential claimants of interest in the property; that the defendant property be forfeited and condemned to the United States of America; that the plaintiff be awarded its costs and disbursements in this action; and that the Court award such other and further relief as it deems proper and just.

COUNT II

The allegations contained in paragraphs 1 through 62 of this Complaint are incorporated herein and made part hereof.

65. By reason of the above, the defendant property, consisting of approximately 2,251 pieces of artwork previously contained in 14 crates previously stored at Crozier Fine Arts, 560 Irvine Turner Boulevard, Newark, New Jersey 07018, is subject to forfeiture pursuant to 18 U.S.C. §§ 981(a)(1)(A), because it is property involved in money laundering in violation of 18 U.S.C. § 1956, is property involved in monetary transactions in property derived from specified unlawful activity in violation of 18 U.S.C. § 1957, and is property traceable to such property.

66. WHEREFORE, the plaintiff requests that the Court issue a warrant for the arrest and seizure of the defendant property; that notice of this action be given to all persons who reasonably appear to be potential claimants of interest in the property; that the defendant property be forfeited and condemned to the United States of America; that the plaintiff be awarded its costs and disbursements in this action; and that the Court award such other and further relief as it deems proper and just.

PAUL J. FISHMAN
United States Attorney

s/ Marion Percell

By: MARION PERCELL
Assistant United States Attorney
Chief, Asset Forfeiture & Money
Laundering Unit

VERIFICATION

STATE OF NEW JERSEY :

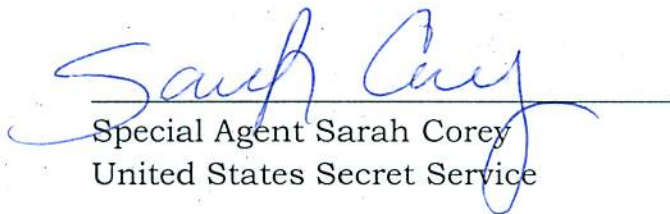
SS:

COUNTY OF ESSEX :

I, Sarah Corey, hereby verify and declare under penalty of perjury that I am a Special Agent of the United States Secret Service, that I have read the foregoing Verified Complaint for Forfeiture *In Rem* and know the contents thereof, and that the matters contained in the Verified Complaint are true to my own knowledge, except those matters herein stated to be alleged on information and belief and as to those matters I believe them to be true.

The sources of my knowledge and information and the grounds of my belief are the official files and records of the United States, information supplied to me by other law enforcement officers, and the results of my investigation of this case.

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


Special Agent Sarah Corey
United States Secret Service

Sworn to and subscribed
before me this 22nd day
of February, 2013.


MARION PERCELL
Attorney-at-Law of the State of New Jersey