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F.#2014R00501

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,

- against -

MARTIN SHKRELI,

Defendant.

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DECLARATION

15 CR 637 (S-1)(KAM)

EASTERN DISTRICT OF NEW YORK, SS:

SEAN SWEENEY, being duly sworn, deposes and states as follows:

1. I am a Special Agent with the Federal Bureau of Investigation ("FBI"),
New York.

2. I have been a Special Agent with the FBI for approximately 2 years.
Since joining the FBI, I have participated in numerous investigations into criminal activity,
including the investigation of securities and commodities fraud, mail fraud, wire fraud, and
money laundering schemes, and other related offenses.

3. During the course of my tenure with the FBI, I participated in the
investigation and prosecution of the defendant Martin Shkreli (herein after "the defendant").

4. This declaration is made in support of an application for forfeiture of
certain properties as substitute assets in accordance with the provisions of 21 U.S.C. § 853(p).

5. The facts and information in this declaration are based upon my personal
knowledge, and information provided to me by others who participated in the investigation and
prosecution of the defendant.

6. After an approximately six-week trial, on August 4, 2017, a jury found the defendant guilty of two counts of securities fraud and one count of conspiracy to commit securities fraud as charged in Counts Three, Six and Eight in the Superseding Indictment. See 18 U.S.C. §§ 2, 371 and 15 U.S.C. §§ 78j(b) and 78ff.

7. Based upon evidence presented by the government at trial, the government seeks a forfeiture money judgment in the total amount of \$7,360,450.00 (the “Forfeiture Money Judgment”), representing the amount of criminal proceeds obtained and/or acquired by the defendant as a result of the offenses of conviction.

8. I, together with other agents involved in the investigation, have made a diligent effort to locate traceable proceeds to the offenses subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C), 28 U.S.C. § 2461 (c), and 21 U.S.C. § 853(p). Among other things, agents reviewed bank records of the defendant in an effort to locate directly traceable and specific proceeds traceable to the offenses of conviction. However, the offenses of conviction ended more than three years ago, in or around September 2014, and the government has since been unable to locate any proceeds traceable to the offenses of conviction.

9. Based upon the foregoing, the government’s investigation indicates that such directly traceable proceeds appear to have been dissipated or otherwise disposed of, are not currently in the possession, custody, or control of the defendant, have been substantially diminished in value, have been commingled with other property which cannot be divided without difficulty, or have been placed beyond the jurisdiction of the court.

10. However, the government’s investigation has identified property that is forfeitable as substitute assets of the defendant’s in accordance with the provisions of 21 U.S.C. § 853(p).

11. Specifically, the government's investigation has identified the following as substitute assets owned by the defendant that may partially satisfy the Forfeiture Money Judgment:

(a) \$5 million in cash that is currently held in an E*Trade brokerage account ending in the digits "0258" as security for the defendant's bond, pursuant to orders of the Court dated January 7, 2016, August 24, 2016 and October 19, 2017;

(b) the defendant's interest in and the monetary value of any and all shares held in an entity called Turing Pharmaceuticals;

(c) the album "Once Upon A Time in Shaolin" by the Wu Tang Clan, as well as any proceeds derived from the sale of such album;

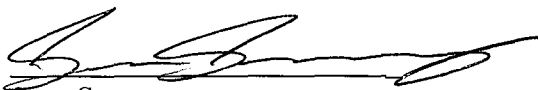
(d) the album "Tha Carter V" by Lil Wayne, as well as any proceeds derived from the sale of such album;

(e) an Enigma machine, as well as any proceeds derived from the sale of such machine; and

(f) a Picasso painting, as well as any proceeds derived from the sale of such painting.

I declare under penalty of perjury that the foregoing is true, to the best of my knowledge, information, and belief.

Dated: New York, New York
November 30, 2017


Sean Sweeney
Special Agent
Federal Bureau of Investigation