

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Civil Action No. 23-
v. :
APPROXIMATELY 30,006 ETHER, :
et al. :

Defendants *in rem*.

VERIFIED COMPLAINT FOR FORFEITURE *IN REM*

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Table of Contents

	<u>Page</u>
I. NATURE OF THE ACTION.....	2
II. JURISDICTION AND VENUE.....	3
III. FACTS.....	4
Background: Relevant Individuals, Entities, and Terms	4
Overview of the Scheme.....	11
Castelluzzo and Atwell Led a Narcotics Trafficking Operation From 2010 Through 2013.....	12
While on Federal Pretrial Release, Castelluzzo and Atwell Continued to Sell Drugs	17
While on Pretrial Release, Castelluzzo Purchased 30,000 Ether During the July 2014 Ethereum Initial Coin Offering Using 15 BTC Derived From Illegal Drug Sales.....	19
In April 2015, the New Jersey Attorney General’s Office Charged Atwell and Castelluzzo with Narcotics Trafficking For Their Participation in an Additional Narcotics Distribution Conspiracy	24
Castelluzzo and Atwell’s Convictions and Sentences for Both Federal and State Drug Distribution Charges.....	25
Despite Being Incarcerated, Castelluzzo and Atwell Plotted With Krewson to Conceal the Defendant Property From Authorities.....	26
In July 2022, Law Enforcement Seized the Defendant Property from Krewson’s Residence in Colorado Springs, Colorado With a Search Warrant	40
Tracing the Defendant Property	43
a. Atwell’s Receipt of Bitcoin from the Blue Sky Marketplace	43
b. Blockchain Analysis	44

c. Cryptocurrency Exchanges.....	45
<i>i. The LocalBitcoins Wallets</i>	<i>45</i>
<i>ii. The Bitstamp Wallet</i>	<i>47</i>
<i>iii. The BTC-e Wallet.....</i>	<i>47</i>
d. Identification of the Bitcoin Wallet Used to Purchase the 30,000 ETH	48
e. The Sources of Funding for the Bitcoin Used to Purchase the 30,000 ETH.....	50
<i>i. The Inputs that Comprised the 54.39 BTC Transaction into 1Bf5Z</i>	<i>51</i>
The Hard Fork Cryptocurrencies	53
FIRST CLAIM FOR FORFEITURE	54
SECOND CLAIM FOR FORFEITURE.....	54

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA : **Hon.**
v. : **Civil Action No. 23-**
APPROXIMATELY 30,006 ETHER; : **VERIFIED COMPLAINT**
APPROXIMATELY 153,925.11 : **FOR FORFEITURE *IN REM***
CRONOS;
APPROXIMATELY 244.23
BINANCE COIN;
APPROXIMATELY 764.19
SOLANA;
APPROXIMATELY 23,848.96
CARDANO;
APPROXIMATELY 32,232.24
ALGORAND;
APPROXIMATELY 299.48
AVALANCHE;
APPROXIMATELY 0.49 BITCOIN;
APPROXIMATELY 1,150.71
POLKADOT;
APPROXIMATELY 1,589.32
CHAINLINK;
APPROXIMATELY 17,208.48
POLYGON;
APPROXIMATELY 393 TRUEUSD;
APPROXIMATELY 2,466.36
UNISWAP;

Defendants *in rem.*

Plaintiff the United States of America, by its attorney, Philip R. Sellinger, United States Attorney for the District of New Jersey (by Robert Frazer, DeNae M. Thomas, and Jordan M. Anger, Assistant United States Attorneys), brings this Verified Complaint for Forfeiture *in Rem* and alleges as follows, in accordance with Rule G(2) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, Federal Rules of Civil Procedure.

I. NATURE OF THE ACTION

1. This action is brought by the United States of America seeking the forfeiture of approximately 30,006 Ether; approximately 153,925.11 Cronos; approximately 244.23 Binance Coin; approximately 764.19 Solana; approximately 23,848.96 Cardano; approximately 32,232.24 Algorand; approximately 299.48 Avalanche; approximately 0.49 Bitcoin; approximately 1,150.71 Polkadot; approximately 1,589.32 Chainlink; approximately 17,208.48 Polygon; approximately 393 TrueUSD; and approximately 2,466.36 Uniswap (hereinafter referred to collectively as the “Defendant Property”).

2. The Defendant Property is subject to seizure and forfeiture to the United States of America pursuant to 21 U.S.C. § 881(a)(6), which subjects to forfeiture all moneys, negotiable instruments, securities, or other things of value furnished or intended to be furnished by any person in exchange for a controlled substance or listed chemical in violation of Title 21, Subchapter I, of the United States Code, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of Title 21, Subchapter I, of the United States Code.

3. The Defendant Property is additionally subject to seizure and forfeiture to the United States of America pursuant to 18 U.S.C. § 981(a)(1)(A), which subjects to forfeiture property that was involved in a transaction or attempted transaction in violation of 18 U.S.C. §§ 1956 and/or 1957, or a conspiracy to commit such a violation, in violation of Section 1956(h).

4. This is a civil action to forfeit assets traceable to a conspiracy to sell narcotics. Over the course of a nearly five-year period, between 2010 and April 2015, Christopher Castelluzzo conspired with Luke Atwell to sell narcotics. After earning proceeds from their narcotics sales, Castelluzzo and Atwell used proceeds traceable to narcotics sales to purchase 30,000 Ether. Though the 30,000 Ether was valued at approximately \$9,000 at the time of its purchase, its value has since appreciated to more than \$53 million. After Castelluzzo was incarcerated as a result of his narcotics trafficking, Castelluzzo plotted from prison to move the 30,000 Ether outside of the United States. Additionally, Castelluzzo and Atwell received 30,000 Ethereum Classic during the 2016 Ethereum hard fork, which they used to purchase various cryptocurrencies worth approximately \$155,000 (hereinafter the “Hard Fork Cryptocurrencies”). Together, the 30,000 Ether and the Hard Fork Cryptocurrencies constitute the Defendant Property.

II. JURISDICTION AND VENUE

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

6. Venue is proper pursuant to 28 U.S.C. § 1355(b)(1)(A) because acts and omissions giving rise to the forfeiture occurred in the District of New Jersey.

III. FACTS

Background: Relevant Individuals, Entities, and Terms

7. At all times relevant to this complaint, unless otherwise indicated:

a. Christopher Castelluzzo (“Castelluzzo”) sold narcotics in New Jersey from 2010 until his incarceration in 2015, and has been incarcerated in New Jersey since 2015.

b. Luke Atwell (“Atwell”) was Castelluzzo’s co-defendant and sold narcotics in New Jersey from 2010 until his incarceration in 2015, and has been incarcerated in New Jersey since 2015.

c. Brian Krewson (“Krewson”) was Atwell’s and Castelluzzo’s friend, who managed the Defendant Property and resided in or around Colorado Springs, Colorado.

8. **Cryptocurrency.** “Cryptocurrency” is a digital representation of value that can be traded and functions as a medium of exchange; a unit of account; and a store of value, but that does not have legal tender status in any jurisdiction. Cryptocurrency generally is not issued or guaranteed by any jurisdiction or government, and its value is decided by consensus within the community of users of the cryptocurrency.

9. Cryptocurrency is distinct from “fiat currency,” which is the money designated by a country as its legal tender. The U.S. dollar is an example of a

fiat currency. Cryptocurrencies may be traded on online exchanges for fiat currencies, including the U.S. dollar, or used to purchase goods and services.

10. **Bitcoin (“BTC”)** is a type of cryptocurrency. BTC is a decentralized virtual currency, which is circulated over the Internet, but which is not backed by a government. BTC is supported by a peer-to-peer network. All transactions are recorded on BTC’s public ledger, called the blockchain. Although transactions are visible on the public ledger, each transaction is only listed by a complex series of letters and numbers that does not identify the individuals involved in the transaction. This feature makes virtual currency transactions pseudo-anonymous; however, it is sometimes possible to determine the identity of an individual involved in a virtual currency transaction through several different tools that are available to law enforcement. For this reason, many criminal actors who use virtual currency to facilitate illicit transactions online (e.g., to buy and sell illegal drugs or to launder the proceeds of illegal activity) look for ways to make their transactions even more anonymous.

11. From the start of 2014 to the present—roughly the timespan of the scheme under investigation—the exchange rate of United States dollars to BTC has fluctuated between a low of approximately \$165 per BTC and a high of approximately \$67,553 per BTC.

12. **Ether (“ETH”)** is the cryptocurrency of the Ethereum network. It is the second most popular digital token after BTC. ETH and BTC are similar in many ways: each is a digital currency traded via online exchanges and stored in cryptocurrency wallets. Like BTC, ETH tokens are decentralized, meaning they

are not issued or regulated by a central bank or other authority. Both make use of blockchain, which is described in more detail below.

13. ETH was first distributed in July 2014, during one of the world's first Initial Coin Offerings ("ICO"). During the presale, the price of Ether was initially set to a discounted price of 2,000 ETH per BTC.¹

14. From the start of 2014 to the present—roughly the timespan of the scheme under investigation—the exchange rate of United States dollars to ETH has fluctuated between a low of approximately \$0.30 per ETH and a high of approximately \$4,867.81 per ETH.

15. **Ethereum Classic ("ETC")** was produced by a "hard fork" of the original Ethereum blockchain in July 2016. A "hard fork" refers to a change in blockchain rules that results in the creation of two separate branches of the blockchain. Like Ether, Ethereum Classic tokens are decentralized, meaning they are not issued or regulated by a central bank or other authority. Like Ether, Ethereum Classic makes use of the blockchain described in more detail below.

16. **Cryptocurrency Addresses.** BTC, ETH, and ETC are sent to and from virtual currency "addresses," roughly equivalent to anonymous account numbers. A virtual currency address is a unique token; however, cryptocurrency is designed such that one person may easily operate many such accounts. People commonly have many different cryptocurrency addresses, and an individual could theoretically use a unique address for every transaction in which they engage. A user can also send virtual currency from multiple

¹ <https://blog.ethereum.org/2014/07/22/launching-the-ether-sale/>

addresses in one transaction. Although the owners of virtual currency addresses generally are not known unless the information is made public by the owner (e.g., by posting the address in an online forum or providing the address to another user for a transaction), analyzing the blockchain can sometimes lead to identifying both the owner of an address and any other accounts that the person or entity owns and controls.

17. **Private Key.** In order to spend cryptocurrency held within an address, the user must have a private key, which is generated when the address is created and is shared only with the address key's initiator. Similar to a password, a private key ensures secured access to the cryptocurrency. Consequently, only the holder of a private key for a cryptocurrency address can spend from the address.

18. **Cryptocurrency Wallet.** The storage of cryptocurrency is typically associated with an individual "wallet," which is similar to a virtual account. Wallets can interface with blockchains and generate and/or store the addresses and private keys. Wallets can be housed in a variety of forms, including on a tangible, external device ("hardware wallets"); downloaded as software ("software wallets") onto either a personal computer or server ("desktop wallets") or an application on a smartphone ("mobile wallets"); as printed public and private keys ("paper wallets"); and as an online account associated with a cryptocurrency exchange.

19. **Recovery Seeds.** Many users often back up their virtual currency wallets using "recovery seeds." A recovery seed, also known as a root key, seed

phrase, or recovery phrase, is a list of words that when entered in a specific order into virtual currency wallet software, allows whoever possesses the words to recreate access to virtual assets within the wallet. Additional security safeguards for virtual currency wallets can include two-factor authorization (such as a password and a phrase). Individuals possessing virtual currencies often have safeguards in place to ensure that their wallets are secured in the event that their assets become vulnerable to seizure by law enforcement and/or unauthorized transfer.

20. **Virtual Currency Exchange.** Virtual currency is often transacted using a virtual currency exchange (“VCE”), which typically acts as a trading platform and storage platform. Most VCEs facilitate trading between the U.S. dollar, other fiat currencies, BTC, and other virtual currencies. Many VCEs also store their customers’ virtual currency in virtual currency “wallets.” These wallets can hold multiple BTC addresses associated with a user on a VCE’s network. Because these VCEs act as money services businesses, they are legally required, under the Bank Secrecy Act, codified at 31 U.S.C. § 5311 et seq., to conduct due diligence of their customers (i.e., Know Your Customer (“KYC”) checks). They are also required to have anti-money laundering (“AML”) programs in place. In other words, a VCE operating in the U.S. is required to collect identifying information of their customers and verify their clients’ identities.

21. Since the BTC blockchain serves as a searchable public ledger of every BTC transaction, investigators may trace transactions to VCEs. For example, because those VCEs collect identifying information about their

customers, subpoenas or other appropriate legal process submitted to these VCEs can, in some instances, reveal the true identity of the individual responsible for the transaction.

22. **Blockchain Analysis.** As previously stated, while the identity of an address owner is generally anonymous, law enforcement can often identify the owner of a particular address by analyzing the blockchain. The analysis can also reveal additional addresses controlled by the same individual or entity. “For example, when an organization creates multiple addresses, it will often combine its addresses into a separate, central address (i.e., a “cluster”). It is possible to identify a ‘cluster’ of addresses held by one organization by analyzing the blockchain’s transaction history. Open-source tools and private software products can be used to analyze a transaction.” *United States v. Gratkowski*, 964 F.3d 307, 309 (5th Cir. 2020).

23. Law enforcement uses commercial services offered by several different blockchain-analysis companies to investigate virtual currency transactions. These companies analyze the BTC and ETH blockchain (as well as the blockchains for other virtual currencies) and attempt to identify the individuals or groups involved in transactions. Through numerous unrelated investigations, law enforcement has found the information provided by these companies to be reliable.

24. **The Tor Network.** The Tor network is designed specifically to facilitate anonymous communication over the Internet. In order to access the Tor network, a user must install Tor software either by downloading an add-on

to the user's web browser or by downloading the free "Tor browser bundle" available at www.torproject.org. Use of the Tor software bounces a user's communications around a distributed network of relay computers run by volunteers all around the world, thereby masking the user's actual Internet Protocol ("IP") address, which could otherwise be used to identify a user.

25. Because of the way Tor routes communications through other computers, traditional IP identification techniques are not viable. In other words, when a user on the Tor network accesses a website, for example, the IP address of a Tor "exit node," rather than the user's actual IP address, shows up in the website's IP log. An exit node is the last computer through which a user's communications were routed. There is no practical way to trace the user's actual IP address back through that Tor exit node IP address.

26. **.Onion.** Within the Tor network itself, entire websites can be set up as "onion services." "Onion services" operate in the same way as regular public websites with one critical exception: the IP address for the web server is hidden and instead is replaced with a Tor-based web address, which is a series of algorithm-generated characters, such as "asdlk8fs9dfllu7f" followed by the suffix ".onion." A user can only reach these "onion services" if the user is employing the Tor client and operating in the Tor network. And, unlike an open, public Internet website, it is not possible to determine the IP address of a computer hosting a Tor "onion service" by using publicly available lookup tools. As a result, neither law enforcement nor Tor users can determine the location of the computer that hosts such a website through those public lookups.

27. **Darknet Marketplaces.** “Darknet marketplaces” are commercial websites that are typically hosted as Tor onion services. Darknet marketplaces primarily function as black markets where one can sell or broker transactions involving illegal drugs, cybercriminal tools (e.g., malware), weapons, counterfeit currency, stolen personally identifiable information, forged documents and identification credentials, and other illicit goods and services. BTC is the most common method of payment for products and services procured on darknet marketplaces.

28. Two publicly available examples of now defunct darknet marketplaces that operated as Tor onion services are Silk Road Market (“Silk Road”) and Blue Sky Market (“Blue Sky”). Silk Road was the first modern darknet marketplace. It was best known as a platform for buying and selling illegal drugs. It was in operation from approximately 2011 until October 2013, when it was shut down following a long-term U.S. law enforcement investigation.

29. Blue Sky was also a darknet marketplace similar to Silk Road and was used to sell drugs and other illegal goods and services until it was shut down by law enforcement in November 2014.

Overview of the Scheme

30. Blockchain analysis, witness statements, and jail calls have revealed that Castelluzzo and Atwell used 15 BTC traceable to the sales of narcotics on darknet marketplaces to purchase the Defendant Property. From at least 2010 until their arrests in April 2015, Atwell and Castelluzzo were engaged in a vast narcotics distribution conspiracy. Both the federal investigation (along with the

eventual federal conviction) of Castelluzzo's and Atwell's drug trade from 2010 to 2013, and the New Jersey state investigation (along with their eventual state conviction) of the drug business the pair operated from 2014 to 2015 are discussed below.

31. While he was incarcerated, Castelluzzo attempted to move the 30,000 ETH offshore as the value of Ether steadily appreciated. Castelluzzo used the 30,000 ETC derived from the Ethereum hard fork to purchase the Hard Fork Cryptocurrencies. The Defendant Property was seized in the District of Colorado pursuant to a federal search warrant that was executed by the FBI in July 2022, and is currently in FBI custody.

Castelluzzo and Atwell led a Narcotics Trafficking Operation From 2010 Through 2013

32. From approximately November 2010 to April 2013, Castelluzzo and Atwell operated a highly lucrative business selling drugs. Starting in September 2010, following his transfer to a halfway house from prior state narcotics and theft convictions, Castelluzzo asked Atwell for help locating large quantities of ecstasy (3,4-Methylenedioxymethamphetamine ("MDMA") pressed into pills).²

² Prior to his partnership with Atwell, Castelluzzo had a significant criminal history. Specifically, Castelluzzo was arrested on September 7, 2005 for possession of drug paraphernalia and sentenced to court fees. Castelluzzo was next arrested on February 16, 2006 for possession of controlled dangerous substance ("CDS") and sentenced to 36 days' imprisonment, 3 years' probation, 50 hours of community service. Castelluzzo was arrested on October 20, 2006 for possession of CDS (namely cocaine) and sentenced to 3 years' probation and 50 hours of community service. Castelluzzo was arrested on September 18, 2007, for the unlawful possession of a handgun and the manufacture/distribution of CDS (namely cocaine), and was sentenced to 10 years' imprisonment with 3 year's parole ineligibility. Specifically, Castelluzzo sold 100 grams of cocaine to an undercover detective. Castelluzzo was arrested

The two soon formed a partnership. Using each other's contacts and expertise, they obtained substantial quantities of ecstasy, marijuana, cocaine, and other drugs at wholesale prices, distributed those drugs through others, and split the profits.

33. By May 2011, their partnership was flourishing. They had located reliable sources for high quality ecstasy, marijuana, and cocaine, as well as lidocaine, a cutting agent for cocaine. They also had a press for repackaging diluted cocaine and planned trips to purchase marijuana and cocaine.

34. By March 2013, Castelluzzo and Atwell had branched out to selling methydone, and suppliers in China shipped methydone to them by mail. At Castelluzzo's direction, Atwell wire transferred \$25,700 to a Hong Kong bank account. That wire transfer was a payment to Luya Import & Export Group Co. Ltd, a company that exported methydone to Atwell and Castelluzzo.

35. In March 2013, the Drug Enforcement Administration ("DEA") began investigating possible drug trafficking activities out of an apartment located on Elmwood Avenue in East Orange, New Jersey ("the Elmwood Apartment"). While conducting a consensual search of the Elmwood Apartment, law enforcement discovered a narcotics production operation. Specifically, the agents found a back room that was used to sort and package controlled substances, as well as drug paraphernalia, including grinders/mixers, scales, heat-sealing devices, empty capsules, 5 capsules filled with methydone, latex gloves, masks, packing

on September 20, 2007, for theft by deception and sentenced to 5 years' imprisonment. Specifically, Castelluzzo had presented counterfeit American Express traveler's checks to open a bank account and then withdrew the funds.

materials, various cutting agents such as XLR-11, sugar, sucrose and lactose, several shipping labeling addressed to Castelluzzo, and a controlled substance later identified as nearly 20 pounds of methyloone.

36. Agents additionally discovered that several of the shipping boxes were addressed to Castelluzzo in Newark, New Jersey. Agents also recovered financial records related to Castelluzzo, including checks and deposit tickets for a Chase account, a copy of a \$13,000 bank check issued by TD Bank referencing Castelluzzo, and a copy of a \$3,999.29 bank check referencing "Aroma Caps" that had been issued by TD Bank six days prior to the search.

37. Documents listing Castelluzzo as the registered agent for "Aroma Caps" were also recovered during the search, as well as thirteen cashier's checks totaling \$130,000 for the two-month period from January 2013 through March 2013, issued by JPMorgan Chase. The checks were made payable to either Aroma Caps (11 times) or to Castelluzzo (2 times). Two additional checks totaling \$23,000 and made payable to Castelluzzo were also recovered inside the apartment and were dated two days before the search.

38. Later that day, law enforcement went to Castelluzzo's Bayonne residence in order to interview him. He was not present, but law enforcement encountered Naivene Mahgoub ("Mahgoub"), his girlfriend and mother of his child, who was also a resident of the apartment. Mahgoub gave officers consent to search the residence and several vehicles on the property. The search of Castelluzzo's residence yielded packaging material and labels matching the

labels seized from the Elmwood Apartment, and other items linking Castelluzzo to narcotics production.

39. The federal investigation came to a head around April 8, 2013, when the United States Postal Service delivered five packages to LA Courier Services shipped from China. LA Courier Services was a business Atwell established to receive drug shipments. On April 10, 2013, U.S. Customs and Border Protection agents intercepted a sixth package shipped from China to LA Courier Services, in which they discovered 2.9986 kilograms of methylone. Agents from Homeland Security Investigations (“HSI”) replaced the methylone with sham drugs to stage a controlled delivery. Five days after the package was received at the post office, a postal inspector, posing as a mail carrier, brought the package to LA Courier Services in the late morning. Because Atwell was not there to accept delivery, the postal inspector left a re-delivery slip for the package. Late that afternoon, Atwell texted Castelluzzo that “eagles landed and slip was left I got 2 call the po.” Minutes later, Atwell texted Castelluzzo that “I got to grab the package 2morrow at the po.”

40. The next day, April 16, 2013, Atwell and Castelluzzo arrived at the Manville Post Office, and Atwell presented the re-delivery slip as well as other documents verifying that he was the owner of LA Courier Services. Atwell accepted the package and returned to his car, where he and Castelluzzo were placed under arrest.

41. During a subsequent search of Atwell’s Gmail account, law enforcement recovered email correspondence that demonstrated Atwell and

Castelluzzo had been involved in a drug conspiracy dating back to as early as 2010, and that they explored buying and selling their narcotics using the darknet. For example, Atwell had an email exchange with “Andrew Becker” of Colorado, in which Becker told Atwell that “Molly” (the street name for MDMA) was being sold for \$2,400 per kilogram through an underground marketplace on the internet known as Silk Road. Agents also found an email from a Chinese company with an attachment containing a price list for various controlled substances, including methydone.

42. A number of devices that were seized during the search of LA Courier Services and the arrest of Atwell and Castelluzzo were searched, as were two email accounts belonging to Atwell. In September 2010, email correspondence between Atwell and Castelluzzo discussed the “partnership” the two formed and how to get a better price per MDMA pill if purchased in larger quantities, among other topics. In January 2011, the focus of the emails between Atwell and Castelluzzo turned toward estimating their potential profits. Atwell wrote to Castelluzzo, “Things are finally starting to fall together. I got sales lined up and biz is about to be booming.” Atwell estimated their earning potential to be \$10,000 per month and figured they “should be sitting at around 50K” by May. In March 2011, according to recovered emails, the focus of the conspiracy moved from MDMA to cocaine. In April 2011, Atwell and Castelluzzo located a buyer willing to pay \$32,000 for a kilogram of cocaine. Prior to Atwell’s departure to meet with a cocaine source in New Orleans, Atwell wrote Castelluzzo to estimate

their potential profits—projecting about \$2,500,000 in revenues for their business by the end of the year.

43. Law enforcement agents also obtained search warrants for all three seized cellphones, Atwell's computer, his email accounts, and the flash drive. Atwell's computer and flash drive contained evidence linking him to Castelluzzo's business fronts and the Elmwood Apartment. The evidence from the computer and flash drive also established that their drug-trafficking enterprise began nearly two and a half years prior to their arrest.

44. On April 17, 2013, in the District of New Jersey, Atwell and Castelluzzo were charged in a two-count complaint with conspiring to import methylene into the United States and with the substantive crime of importing methylene into the United States. *See United States v. Castelluzzo, et al.*, 13-cr-0560. On April 18, 2013, Atwell was released on an unsecured appearance bond, and on June 26, 2013, Castelluzzo was also released on bond. On September 15, 2014, the two were indicted in a one-count Superseding Indictment charging them with conspiring to distribute controlled substances from in or about November 2010 through in or about April 2013.

While on Federal Pretrial Release, Castelluzzo and Atwell Continued to Sell Drugs

45. Trial in the federal case was held nearly two years after Castelluzzo and Atwell were released on bond in 2013. During the intervening time period, Castelluzzo and Atwell continued their criminal drug enterprise while on federal pretrial release and shortly thereafter became the subject of a state criminal investigation.

46. While they were on pre-trial release, Atwell, Castelluzzo, and other co-conspirators sold narcotics on Silk Road and later used other darknet marketplaces, such as Blue Sky, as law enforcement shut down the darknet marketplaces they used. Significantly, Castelluzzo and Atwell received payment in Bitcoin for the narcotics they sold on the darknet marketplaces that they used.

47. During the period when Atwell and Castelluzzo sold narcotics on darknet marketplaces, Atwell was responsible for marketing the pair's controlled substances on darknet marketplaces and tracking and managing the pair's cryptocurrency earnings and business expenses. Castelluzzo, who had less experience than Atwell with cryptocurrency and darknet marketplaces, had connections to sources for narcotics and helped obtain narcotics at wholesale prices. Other co-conspirators were responsible for packaging the controlled substances for distribution.

48. Atwell began using a Silk Road account in or around the summer of 2013, and Castelluzzo and Atwell quickly began to profit by purchasing large amounts of methylene from China, creating distributable amounts, and selling the drugs on the darknet marketplace for a substantial profit. They began to receive positive reviews on Silk Road—which was crucial in the darknet narcotics business—and business grew quickly. During this time, Atwell and Castelluzzo also bought large amounts of cocaine at wholesale prices, breaking down cocaine into smaller amounts, selling the cocaine on darknet marketplaces, and sending it to customers through the mail. Atwell and Castelluzzo sometimes sent 50 or 60 packages of narcotics per day.

49. Castelluzzo has admitted details about his past narcotics distribution activity in letters he has written during the last several years to the U.S. Attorney's Office for the District of New Jersey, the New Jersey Attorney General's Office, and Atwell. In these letters, Castelluzzo has specifically stated that his narcotics activity spanned a four-year period from approximately 2011 through his arrest on state charges in 2015. For example, in an April 10, 2023 letter to the United States Attorney's Office for the District of New Jersey, Castelluzzo stated: "[A]n organization similar to the one that I led generated millions on a monthly basis." Castelluzzo described his narcotics dealing, stating that "I would receive shipment containers from China. . . . Concealed in the product would be 1,000 kg of methydone. . . . In addition, I would receive up to 100 kg of cocaine from a different source." Castelluzzo stated that his "criminal dealings" only ended with his arrest and incarceration in 2015.

50. In a March 26, 2023 letter to the New Jersey Attorney General's Office, Castelluzzo stated as follows: "I sold millions of dollars worth of drugs every single week for almost four years." He also claimed that "I was a wholesale cocaine/molly supplier." As a result, he generated millions of dollars that forced him "to launder roughly \$2.5-\$3 million of cocaine money on a monthly basis."

While on Pretrial Release, Castelluzzo Purchased 30,000 ETH During the July 2014 Ethereum Initial Coin Offering Using 15 BTC Derived From Illegal Drug Sales

51. With assistance from Atwell, Castelluzzo used 15 BTC traceable to his and Atwell's darknet marketplace drug sales to purchase 30,000 ETH in July 2014.

52. Atwell was responsible for managing his and Castelluzzo's darknet marketplace sales and cryptocurrency holdings, and for cashing out cryptocurrency earnings owed to Castelluzzo. In 2014, Castelluzzo approached Atwell about purchasing a new cryptocurrency—Ether—in the ICO for Ether. Because the only way to purchase Ether during the ICO was with Bitcoin, and because Atwell was in charge of managing the pair's Bitcoin, in July 2014, Castelluzzo instructed Atwell to send him the 15 BTC (worth approximately \$9,000 in U.S. dollars at that time) that Atwell owed him from their recent darknet marketplace sales so that Castelluzzo could purchase Ether in the ICO.

53. Atwell complied with Castelluzzo's request and sent him 15 BTC from recent online cocaine sales that Castelluzzo then used to purchase the 30,000 ETH in the Ethereum ICO.

54. Castelluzzo's own statements regarding the acquisition of the Defendant Property corroborate that he used the 15 BTC to buy the Defendant Property. In a letter to Atwell dated November 4, 2022, Castelluzzo stated: "I bought into the ICO in LATE July of 2014 . . ." And in a letter dated December 28, 2022, Castelluzzo described the Defendant Property as the "asset bought for 15 BTC July 2014."

55. Moreover, in a March 26, 2023 letter addressed to the New Jersey Attorney General's Office, Castelluzzo confirmed that Atwell was the one responsible for handling the cryptocurrency derived from their drug sales. Castelluzzo wrote, "I can barely operate a computer. . . . Atwell did his online whatever the hell and I sold kilos to him."

56. Castelluzzo has also admitted that the 15 BTC used to purchase the Defendant Property in the ICO were generated as a result of his and Atwell's recent narcotics transactions. In an email to Atwell dated April 17, 2021, Castelluzzo wrote, "I never knew the ETH would bubble the way it is [sic] or I obviously would have put everything into it. But when I decided it was a [sic] worth the risk I invested an amount that I was comfortable losing. *That was the money I made that day, \$9k if you remember.*" (emphasis added). This statement confirms that the 15 BTC used to purchase the Defendant Property—at the time worth approximately \$9,000—came from a drug debt owed by Atwell to Castelluzzo from a single distribution from their darknet narcotics transactions.

57. Numerous jail calls over the last several years between Castelluzzo, Atwell, and Krewson reveal that Castelluzzo and Atwell purchased the Defendant Property during the ICO.

58. In a lawfully recorded jail call between Atwell and Krewson on September 11, 2018, Atwell explained to Krewson how the Defendant Property was originally acquired:

Atwell: You, you, you, you, read that, um, blog post you sent me, right? The whole thing?

Krewson: Yeah, why?

Atwell: You saw how much Ether they were handing out at initial offerings, right?

Krewson: Um, I don't remember what the number is but I know it was a fair amount.

Atwell: Two-thousand, the first offering was two-thousand for Bitcoin.

Krewson: Right.

Atwell: And Bitcoin was trading at about six hundred bucks a Bitcoin.

Krewson: Yeah, yeah.

Atwell: So, remember I told you, we got Ether at about thirty cents for Ether?

Krewson: Yeah, yeah.

Atwell: That's how we came up with it. Because it cost, cost us about fifteen Bitcoins.

Krewson: Yeah, okay.

Atwell: So. And Bitcoin was raised (IA) six hundred dollars at that time.

59. In this call, Atwell is explaining to Krewson that Atwell and Castelluzzo used approximately 15 BTC—then worth \$600 U.S. dollars per Bitcoin (for a total of \$9,000 USD worth of Bitcoin)—to purchase 30,000 ETH. When Atwell stated that “we got Ether at about thirty cents per Ether” he is explaining that \$9,000 worth of BTC divided by 30,000 ETH equals approximately thirty cents per Ether.

60. Additionally, during a call on or around September 7, 2018, Krewson and Atwell discussed the timing of the Defendant Property's purchase:

Atwell: But when, but when, when was the sale?

Krewson: Summer of 2014.

Atwell: Somewhere in 2014.

Krewson: No, summer, summer, summer of 2014.

Atwell: Summer of 2014. Ethereum didn't go live until 2016.

Krewson: I know it didn't go live, but twenty, I, I, I'm not sitting in front of my computer right now. I'm sitting in my car right now. I could've sworn it said summer of 2014.

Atwell: That's, that's, that's, that's when the crowd sale was, it was in like the spring time, early summer or spring.

Krewson: Okay. When did you guys get it?

Atwell: The same time, the crowd sale was like for two or three days and we were on, we were on it within like the first ten minutes.

Krewson: And when was that?

Atwell: It was, it was in 2014, like it was in early spring or...

Krewson: Okay.

61. When Atwell referred to the "crowd sale," he was referring to the Ethereum ICO that launched in July 2014.

62. In a call between Castelluzzo and his then-girlfriend, Mahgoub, on November 4, 2018, Castelluzzo explained that the Defendant Property was purchased with Bitcoin:

Mahgoub: There's a Bitcoin address in the file.

Castelluzzo: Yeah, but that's the address that when I... **When I bought this stuff, I bought it with Bitcoin.**

Mahgoub: Okay.

Castelluzzo: I didn't buy it with dollars. So, when I sent Bitcoin, that's the address it came from. That was my Bitcoin address.

(emphasis added).

In April 2015, the New Jersey Attorney General's Office Charged Atwell and Castelluzzo with Narcotics Trafficking For Their Participation in an Additional Narcotics Distribution Conspiracy

63. As stated above, Castelluzzo and Atwell's narcotics distribution activities continued unabated despite their arrest on federal narcotics charges and release on federal pretrial supervision pending trial.

64. In approximately November 2014, Castelluzzo and Atwell became subjects of a narcotics trafficking investigation conducted by the New Jersey Attorney General's Office. The Attorney General's Office's investigation of Castelluzzo and Atwell found that they were engaged in the distribution of large quantities of narcotics.

65. Specifically, the Attorney General's Office found that Atwell and Castelluzzo purchased 1.5 kilograms of cocaine on January 11, 2015, from Jose Garcia-Hernandez. Atwell and Castelluzzo purchased 10 kilograms of cocaine on February 20, 2015, from Shazad Khan. On March 6, 2015, Castelluzzo purchased 5 kilograms of cocaine from Mervin Menier ("Menier"). On April 17, 2015, during a legally recorded call, Castelluzzo negotiated the purchase of 2 kilograms of cocaine from Menier.

66. During this time, Castelluzzo and Atwell owned and operated the Omni Lounge located at 570 Main Avenue, Passaic, New Jersey, through which they conducted their narcotics activities.

67. On April 17, 2015, the New Jersey Attorney General's Office executed a search warrant at the Omni Lounge during which 2 kilograms of cocaine and nearly 400 grams of Ethylone were seized.

68. That same day, Castelluzzo and Atwell were arrested by agents of the New Jersey Division of Criminal Justice. They have been in continuous custody in a state or federal facility since the date of their arrest.

69. During the time period in which Castelluzzo sold narcotics he also ran non-illicit businesses. He formed Epidemic Incense, LLC in 2011 and Aroma Caps, LLC in 2012. Both businesses marketed and distributed synthetic marijuana, and both businesses were dissolved in 2013 when Federal regulations made the sale of synthetic marijuana illegal. Castelluzzo also operated Naivene's Smoke Shop, which was formed in 2012 and closed in 2013, and the Hippy Hut Novelty Shop, d/b/a R2R Imports, LLC, which was formed in 2012 and closed in 2013. Both stores sold hookah products, glass pipes, ashtrays, tobacco, and shisha.

Castelluzzo and Atwell's Convictions and Sentences for Both Federal and State Drug Distribution Charges

70. On May 29, 2015, after an approximately week-long trial, a federal jury found Atwell and Castelluzzo guilty of conspiracy to distribute and possess with intent to distribute controlled substances. On March 22, 2016, Atwell was sentenced to 220 months' imprisonment, and, on March 23, 2016, Castelluzzo was sentenced to 240 months' imprisonment.

71. On March 3, 2016, Castelluzzo, Atwell, and other co-conspirators were charged by the New Jersey Attorney General's Office in New Jersey Superior Court in a 16-count indictment charging the defendants with, *inter alia*, racketeering, conspiracy to commit murder, and distribution of controlled substances.

72. On August 1, 2016, Atwell pled guilty to leading a narcotics trafficking network in violation of N.J.S.A. 2C:35-3, and was sentenced on April 27, 2018, to 19 years' imprisonment and 193 months of parole ineligibility, which was to run concurrently to his federal sentence.

73. On May 24, 2018, Castelluzzo pled guilty to leading a narcotics trafficking network in violation of N.J.S.A. 2C:35-3. Specifically, he pled guilty to a scheme to profit from the unlawful manufacture or distribution of controlled dangerous substances. He was sentenced on July 13, 2018, to 21 years' imprisonment and 214 months of parole ineligibility, which was to run concurrently to his federal sentence.

74. Atwell and Castelluzzo are currently serving their concurrent federal and state sentences.

Despite Being Incarcerated, Castelluzzo and Atwell Plotted With Krewson to Conceal the Defendant Property From Authorities

75. Beginning in early 2021, law enforcement learned from lawfully monitored jail calls that Castelluzzo, who was incarcerated at that time, had been discussing moving large amounts of cryptocurrency offshore. During such calls, Castelluzzo, Atwell, and Krewson plotted to move the Defendant Property overseas before law enforcement could seize it.

76. By monitoring such communications, law enforcement learned that Atwell and Castelluzzo had employed Krewson, who was not incarcerated, to launder and manage the Defendant Property.

77. Atwell, Castelluzzo, and Krewson had numerous telephone conversations about their plans to sell the 30,000 ETH once it reached a certain

value. Such conversations frequently focused on how Atwell, Castelluzzo, and Krewson could avoid drawing the attention of banks, cryptocurrency exchanges, and law enforcement to the Defendant Property and how they could avoid paying taxes on the Defendant Property.

78. Furthermore, intercepted email communications sent between Castelluzzo and Atwell in March 2021 show that Castelluzzo had hoped to conceal the source of the assets used to purchase the Ether. Castelluzzo wrote, “I believe we could somehow prove the source of the funds. Even if you say it was your life savings. How can anyone say otherwise.” Castelluzzo—seeming to not recognize what the blockchain would show about the purchase of the Defendant Property—stated “Obviously, the coins have no transaction history since you put them in that wallet. On top of that by the time any of it comes under scrutiny it will be multiple years from now . . . Don’t you think? In that scenario it doesn’t matter where the funds came from because its past any statute of limitations.”

79. On or about July 23, 2020, during a lawfully recorded conversation between Castelluzzo and Krewson, the two discussed the plan to move the Ether to Malta:

Krewson: That’s that’s my goal. Living in Malta, helping helping helping uhm helping provide a tax haven for you guys.

Castelluzzo: Oh that’s (UI).

Krewson: You know (LAUGHS).

Castelluzzo: You know I would. I looked into everything. I got paperwork on Puerto Rico, because they have tax incentives but you gotta’ be stuck on that island uhm for 187 days (OVERLAPPING CONVERSTION)...

Krewson: Yeah.

Castelluzzo: ... a year which is kind of like prison in itself.

Krewson: No you know here, I was looking at Latin America and a little bit of the Far East, and the problem with both of those is access to healthcare.

Castelluzzo: Mhm.

Krewson: You know.

Castelluzzo: What's the (UI)...

Krewson: Well Malta's right off the coast of...

Castelluzzo: (UI).

Krewson: Well Malta's right off the (UI) (UI) right off the coast of Sicily.

Castelluzzo: Mhm.

Krewson: So (UI) (UI) (UI) it's beautiful. Crypto, I mean it's the it's it's it's it's like, it's like crypto mecca. Right, as far as far as taxes. Uhm they speak English, and if you have any kind of residual income coming in which hopefully I'll have from, from real estate at that point in time. They fast track everything. They're like oh yeah man here, we're going to subsidize your housing and we're going to uhm we're gonna' fast track your, your your uhm retirement visa. This, that, and the other thing. They speak English uhm it's just it's just, and it's beautiful.

Castelluzzo: But what about uhm....

Krewson: And the great thing is is yeah.

Castelluzzo: What about economic (UI) (OVERLAPPING COVNERSTATION).

Krewson: Healthcare. Economic citizenship is a, you can buy it.

Castelluzzo: Yes.

Krewson: (LAUGHS).

Castelluzzo: (LAUGHS).

Krewson: I said. It's like I can explain it but basically you can buy it. So yeah.

Castelluzzo: Perfect. That's how prefer to go anyway.

Krewson: You know. It's like you you you have how much money sitting in one of our banks? Yeah here ya' go knock yourself out.

Castelluzzo: Yeah.

80. On or about August 5, 2020, during another conversation between Castelluzzo and Krewson, the two continued their plan to move the Defendant Property offshore and, eventually, exchange it for fiat currency:

Castelluzzo: (Laughing) Its cold signal, um, I, I answered your email back um, but I wanted ah, ask you, so what ,what what's up with the tax purposes, or whatever.

Krewson: Alright so, well here's the thing, and this is why I do with, with my stash as well, is I I I trade it all off radar, using instant spot exchanges so it's not sitting on an exchange, which means its its out of the air, you know what I mean.

Castelluzzo: Ok well.

Krewson: Umm.

Castelluzzo: We wouldn't want this shit sitting on an exchange anyway, for like losing it purposes like being hacked or anything.

Krewson: Well yeah for that reason as well I mean this way its sits it sits very very stable and very very safe and secure. But um, um the the the intention is that when this thing finally, when its finally time to to cash it in Um, is probably setting up a business entity in a, a, place like Malta, which is where I plan on moving anyway.

Castelluzzo: Hmm.

Krewson: Where its much more um, much much less debilitating you know moving, having having that kind of amount of crypto and trying to turn it into money. Ah, umm ah, you know, I mean the difference between the tax rates is is going to be at that level it's going to be seven figures easy. So so keeping it off keeping it off the exchange and here's the great thing, now through a little bit of ah, through a little bit of what do you call it, the the the the the (UI) in Malta than, can go and loan the money to broken wing under private loan agreement, okay, and can write off the taxes on the interest of the loan for itself, and it just does it and it just does it as a thirty year loan that has its own terms for when it gets paid back and then continually writes off the interest and the lack of loan repayment as a loss.

Castelluzzo: Oh that's awesome.

81. On or about March 12, 2021, Castelluzzo and Krewson continued to discuss moving the Ether offshore, plotting to send the Defendant Property to Ireland and the Bahamas:

Krewson: Yeah. So, so you know, figure out ways of doing it. Now, Malta, ah, ah, you know, I always liked because their personals are great, but for businesses, actually Malta on paper, is horrible. Malta on paper is thirty five percent. But,

Castelluzzo: Oh my god.

Krewson: But listen, if a company is, resident, resided, which means all of its decisions and its headquarters (UI), is in Malta but it's not a Maltese company, it's not incorporated in Malta.

Castelluzzo: Uh huh.

Krewson: It's only responsible for, for income generated in Malta.

Castelluzzo: Okay so.

Krewson: It doesn't pay tax, basically on anything else.

Castelluzzo: So what would you do? You'd form a corporation in the United States and then headquarter it,

Krewson: No, I, I'm, I'm, I'm researching, I'm researching that now. To qualify as headquarters, it could be something as simple as, we go to, we, we go to fly to Malta four times a year for our, for our quarterly meetings. And, and basically all decisions have to be made there. Or it could be something as simple as hiring an interim officer who's Maltese or hiring accountant who's Maltese who would work locally. There's lots of options. I'm looking at that, I'm looking at Ireland, I'm looking at Bahamas. I'm looking all over.

Castelluzzo: Oh, Bahamas would be awesome.

Krewson: Dude, Bahamas would be great.

Castelluzzo: Bimini is like fifty miles off the coast.

Krewson: No, yeah. Bahamas would be actually great and I'm actually really steering towards that because it's, it's zero, like across the board, for everything. And if we can figure out how to incorporate and get it set up in Bahamas and not have to repatriate the money, that would be the best way. And Luke was like yeah but then ah, what about ah, you know, what if the, the Bahamian government just decides to seize our bank accounts? I'm like what bank accounts? We'll keep fee out money as fee out coins.

Castelluzzo: Yeah.

Krewson: You know. We don't use no stinking bank. You know, we don't, we,

Castelluzzo: What was his, um, ah,

Krewson: He's like, he's like yeah we could do that. He was like, he was like yeah, that's, that's, that's the move right there. I'm like you know we could report, we could, I mean, we'll be, we'll be honest on our reporting, we

made this much, we lost this much, so on and so forth.

Castelluzzo: Uh huh.

Krewson: But when it comes to keeping our money safe, if it's not sitting in an investment instrument, it's not sitting bonds or, or, or, or, or in investments, or in coins, we're investing in, dude I would say leave it in USDC, USDT, something (UI) so nobody can touch it. I mean,

Castelluzzo: Perfect.

Krewson: Nobody can touch it. The government couldn't touch it, the government could move, come in and, and tell the bank yes we're seizing all this money and they're (UI) forfeiture or anything like that. And it's like, it's like come get it. You need to break, you need to, you know, you, you, you need my password, you need to break through my security which like I said before . . .

[. . .]

Castelluzzo: Okay. Well I know I rode jet skis with my boy Mark to Bimini. And um, its, it's not a long journey so.

Krewson: No man, it's not. You know Ireland's a couple miles, a couple hours from, from New York. Ah, Ireland, Ireland's, Ireland's good on paper. It's twelve percent, however, investment income in businesses is ah, twenty five, which is,

[. . .]

Krewson: Well we got to, we, well I was thinking about, I was thinking about that, I was thinking about that on a less, on a less severe scope, just in terms of broken wing, how would it pay us? Okay. The way I thought of was this, okay. Because we want to avoid taxes in general, our personal taxes, when money goes into our actual pockets, okay?

Castelluzzo: Yeah.

Krewson: So, so here's the way, here's the way I, here's the way I figure it. Not taking into account any external companies, just broken wing to each of us individually right?

Castelluzzo: Okay.

Krewson: So let's say, broken wing or, so, first off, first off we set it up. We set it up so that um, in a given distribution, in a given distribution cycle, right, we decide what percentage that distributions going to go out, what percentage is going to stay in.

Castelluzzo: Mhmm.

Krewson: Okay. We want to have a percentage staying because obviously we want to have our, the businesses (UI) grow right?

Castelluzzo: Yeah.

Krewson: But purpose, but purposes like this, let's say, let's say um, okay, so let's say distribution comes, right, and it determines that each of us should get ah, eighty thousand dollars. Right.

Castelluzzo: Okay.

Krewson: Each of us should eighty thousand dollars. Okay. So what happens is this, and we'll, and let's just say at four, ah, well we'll do it on a quarter so we can do larger number. We'll do it on quarter and there's big money in there, so each of us gets a million. Okay, wonderful. Um, basically, the company will then loan us, each of us, a million dollars. Okay.

Castelluzzo: Ah.

Krewson: With terms to be determined. Now, now hold on.

Castelluzzo: At zero percent.

Krewson: At the same, at, well, yes but at the same time, taking a million dollars internally and putting it into a low risk investment, um, architecture. Okay. Something that's, that's low risk, that might not generate a lot of

money but it's guaranteed to generate something. Okay. Then at the end of the, let's say the, the, the loan is a three month term. At the end of three month term, that, that, that debt will get paid off by that internal investment structure, and then you start the process all over again.

Castelluzzo: You sure that's legal?

Krewson: Um, well, I'm sure it's, I'm sure it's ah,

Castelluzzo: Frowned upon.

82. On or about June 22, 2021, Castelluzzo and Krewson continued to discuss liquidating the Ether—which they said was “pristine” because it had never moved through a crypto exchange—and moving the proceeds to the Bahamas:

Castelluzzo: Yeah no I, I don't. I don't wanna sell my ethereum. (UI talking over each other)

Krewson: I don't want. I know. We're not at that point.

Castelluzzo: What I'm sayin is, umm. This is why I'm askin about the Bohemian shit, because. I'm at. If it spikes like this to like four thousand, bro. I think we got a dump it an wait for a pull back an buy back in, bro. I ja. I, I don't, like. I mean logically thirty thousand urr (UI stutters) a hundred an twenty million dollars, bro. We just watched that shit slip from our hands, bro.

Krewson: Oh yeah. I know. And, and, and, and, and it is. It requires a (UI). And I'll talk ta Luke about it. An I'm the same way. Dude I went from what? You know, eight million, ahh, whatever (SL) that it was up there. Down ta.....

Castelluzzo: Yeah.

Krewson: (UI) three point seven. I'm with ya. But there's not a. There's not a bone in my body. When I'm talking with the lawyers. I'm talking about liquidating prices of ten thousand dollar (SL) ethereum ehh that that are gonna

happen. Here's the best part. No no this is the best part. The lower now you not gonna wanna hear this. Right now the way the tax laws work, ok. When you move, right, and this is. This is for me alone. I'm tryin to get this (SL) implanted for you. This is why I'm talkin with the lawyers. When you move, umm, an asset, like ethereum, from a domestic corporation to an overseas corporation you have to realize the profit. Which means you have to pay it the capital gains on it. The lower the number is when you do that the lower the amount of tax you pay and then when you move it over and then it goes up. The capital gains you pay on that difference is at a much much much smaller rate.

Castelluzzo: All right but what I'm sayin is about ehh the big ethereum. Why is that an asset of any domestic corporation? Cus it was never (SL) realized in a US.

Krewson: (SL) It's not.

Castelluzzo: Yeah that's what I'm sayin.

Krewson: It's not. No yes. It's, it's. That's the thing because it's got no fingerprints on it, umm, that's a conversation that I'm having and their bringing in a fricking lawyer to sit with me on cus I had this conversation with them. I'm like listen. I'm in a very unique situation. There's no prints anywhere on this. Ok. This is. This is. These (SL) coins are pristine. **They are from the ICO. To one other address and done.** They've never seen an exchange. They've never seen. I mean. You know. The (UI stutters). They're unicorns man. There's no other coins like them. (UI stutters) on the market right now, ok. These things have, have not moved at all. There's no, you know, so, so, (UI talking over each other).

Castelluzzo: Wait there, you're tellin me there's no other wallet in existence like that one?

Krewson: Oh I'm sure there is but, but, (UI) not one they're gonna be dealin with.

Castelluzzo: Oh.

Krewson: You know what I'm sayin?

Castelluzzo: Yeah.

Krewson: Umm, so, so, so what is to stop Bahama Corp from springing up with, as an asset, period, done?

Castelluzzo: Yeah.

Krewson: Ok. That's. That's where I'm tryin ta get. That's best case scenario.

83. During a lawfully recorded jail call between Atwell and Krewson on July 5, 2021, they discussed how they could exchange their cryptocurrency for fiat currency without paying taxes, including by setting up a trust in the Bahamas and leaving the cryptocurrency in the trust for 24 months to create an "impenetrable fort" from the IRS.

Atwell: Now, if the if the assets are put in the Bahamian holding company and there's no litigations, civil or criminal litigations brought forth, ah within twenty-four months. If it's like over twenty-four months old, it's it's impossible to seize or get a seizure or pull anything out of these Bahamian companies. Right. They're like.

Krewson: Okay, not that I was worried about that because you know cold storage is about as impenetrable as you get but alright keep going.

Atwell: Well, well, well, well instead of cold storage um say, say you, you, you move these things into um you know, ah an exchange like ah, ah interactive brokers international or whatever, you know what I'm saying. As, as, as what, what, what, what happens is like say there is an issue with the IRS and IRS is like oh we we think you owe more taxes and we're like fuck you. They're like okay, well we're going to, we're going to seize your shit. We're going to put seizures,

we're going to put seize orders. Alright, go ahead. What this does is this obscu, obscu obscu (PH). What's the word, obscures?

Krewson: Obfuscates, yeah.

Atwell: Yeah, obfuscates everything that an IRS Agent would be able to do. Now.

Krewson: Okay.

Atwell: Now, the Bahamian holding company is still subject to the guilty tax.

Krewson: Right.

Atwell: But if you have a trustee holding the shares, a protector in between that acts as a bridge between the settler and the trustee and the, the, the protector is a a Bahamian and the.

Krewson: Hmm, mmm.

Atwell: Trustee Company that is holding the shares is a licensed ah from the central bank of Bahamas.

Krewson: Hmm, mmm.

Atwell: It, it, it just, what it does is it creates an impenetrable fort for the IRS to ever go after your assets.

Krewson: Okay.

84. On a July 12, 2021 call during which Atwell discussed methods of moving the Defendant Property offshore, Krewson expressed concern about his potential exposure should law enforcement find out about the money laundering scheme:

Atwell: All, alright? The privacy in Turks and Caicos is paramount right? And, um, if, if that foreign entity

owns uh, Singapore, you know and you kind of keep that as an island just to trade crypto, to get in and out, crypto being a bear asset, you could bear asset that to, like say for example a Bahamas corp that's owned by USA corp at any time correct?

Krewson:

Um,

Atwell:

And pay full freight.

Krewson:

Yeah, okay. . . .

Atwell:

You know uh, and that's how you could, like like, there'd be no inter-bank transfers between...

Krewson:

Right.

Atwell:

Like, and like, you're just using it, you're just, you just have the Singapore corp to use like Binance. You know what I'm saying?

Krewson:

Right.

Atwell:

That's it. Just to trade in and out of Binance. Binance doesn't link to a bank or anything like that and there's zero taxes so you don't have to worry about like, paying expenses or anything. You just, if you need money, you, you, you just like bear assets to crypto to Bahamas corp and pay, just say it's from an ICO or some shit. Like I don't know, you're paying a hundred percent taxes. What are they gonna argue with you? You know what I'm saying?

Krewson:

Right.

Atwell:

I mean this is all hypothetical but like, like from all, from my standpoint, from my positioning, right, and Chris', like we're in here so keeping us as an island, "island" that where like say Turks and Caicos owns Singapore corp, would probably be...

Krewson:

Right I'm with you.

Atwell:

Would probably be a smart thing to do for us. And then when we get out it would be our problem. You follow me?

Krewson: Yeah, I follow you.

Atwell: You know what I'm saying. If, if we ever decided to go that route, which we don't know...

Krewson: Right.

Atwell: But like, but the, the large, you know it's a large amount right?

Krewson: Yeah.

Atwell: You don't need access, you don't need access to that to live in here.

Krewson: No.

Atwell: So, so all we need is a vessel to OTC this, am I right or wrong?

Krewson: That is correct. You need a vessel to OTC it.

Atwell: You don't need a bank, you don't need nothing.

Krewson: No, but you still need a person and that person's got to be, well, right now that person's gotta be me.

Atwell: Correct. So, um, that would, that, it would be KML, it would be KYC for Binance in Singapore.

Krewson: Right, right.

Atwell: That would be, that would be it.

Krewson: Right, alright no problem, you know, and I'm all for it. Man, I'm all for you know, saving as much top level earth. I do want to make sure that my exposure is limited in terms of, of, of hypothetically, how much trouble a person could get in. That's all.

In July 2022, Law Enforcement Seized the Defendant Property from Krewson's Residence in Colorado Springs, Colorado With a Search Warrant

85. On July 12, 2022, pursuant to a search warrant issued on July 7, 2022, in the District of Colorado by U.S. Magistrate Judge Gordon P. Gallagher, law enforcement agents searched Krewson's residence in Colorado Springs, Colorado for any evidence of money laundering, bank fraud, wire fraud, or conspiracy to defraud the United States. The search warrant also authorized law enforcement to seize any and all virtual currency.

86. Only Krewson was present at his residence at the time that law enforcement executed the warrant. Over the next several hours, law enforcement discovered the cryptocurrency Krewson controlled, including cryptocurrency he managed on behalf of Castelluzzo and Atwell.

87. Krewson provided law enforcement with the password to the wallet he controlled on his computer on behalf of Atwell and Castelluzzo and the necessary passwords to successfully transfer the Defendant Property to government-controlled cryptocurrency wallets.³ At the time that the government seized the Defendant Property, it was valued at approximately \$31 million.

³ The 30,000 Ether, along with some of the cryptocurrency that comprises the Hard Fork Cryptocurrency—namely approximately 6 Ether, approximately 153,925.11 Cronos, approximately 244.23 Binance Coin, approximately 764.19 Solana, and approximately 23,848.96 Cardano—were moved into government-controlled cryptocurrency wallets on July 12, 2022. The remainder of the cryptocurrency that comprises the Hard Fork Cryptocurrency—namely approximately 32,232.24 Algorand, approximately 299.48 Avalanche, approximately 0.49 Bitcoin, approximately 1,150.71 Polkadot, approximately 1,589.32 Chainlink, approximately 17,208.48 Polygon, approximately 393 TrueUSD, and approximately 2,466.36 Uniswap—were held in a Bittrex account until they were moved into government-controlled cryptocurrency wallets on August 16, 2023.

Krewson consented to transfer the Hard Fork Cryptocurrencies that he held on behalf of Castelluzzo and Atwell.

88. At the time he purchased the 30,000 ETH, Ethereum.org had sent Castelluzzo an email of a .JSON file, which contained a private key for the 30,000 ETH. Krewson ultimately took control of the wallet address containing the 30,000 ETH from Mahgoub, whom Castelluzzo had given it to. Castelluzzo did not trust Mahgoub, so Castelluzzo and Krewson devised a scheme to trick her into giving the address and the private keys to Krewson so she would no longer control the Defendant Property. That way, Krewson could manage the Defendant Property for Castelluzzo and Atwell without Mahgoub. By misleading Mahgoub to believe there was no Ether in the wallet, Krewson got Mahgoub to provide him with the .JSON file with the private keys.

89. At the time Krewson took control of the Defendant Property, its value was approximately \$1 million to \$1.5 million. In return for orchestrating the plan to trick Castelluzzo's girlfriend into transferring the .JSON file information and taking control of the Defendant Property, Castelluzzo and Atwell promised Krewson 2,000 of the 30,000 ETH.

90. Additionally, a hard fork of the Ethereum blockchain that occurred in 2016 gave Castelluzzo and Atwell 30,000 units of Ethereum Classic.⁴ As described above, a hard fork of the original Ethereum blockchain occurred in

⁴ Ethereum Classic tokens are decentralized, meaning they are not issued or regulated by a central bank or other authority. Like Ethereum, Ethereum Classic makes use of the blockchain.

July 2016, which led to the creation of two separate branches of the blockchain—Ether and Ethereum Classic. The Ethereum network forked after a hack resulted in the theft of millions of dollars’ worth of Ether. After the hack, the Ethereum Foundation created a new version of the Ethereum mainnet⁵ on July 20, 2016, and applied their trademark to the new, altered version of the Ethereum blockchain: Ether. The older, unaltered version of Ethereum was renamed and continued on as Ethereum Classic. Therefore, in July 2016, the 30,000 ETH Castelluzzo purchased in July 2014 forked into two cryptocurrencies: the ETH and the ETC, and Castelluzzo held coins in both blockchains. Without Castelluzzo’s and Atwell’s ownership of the 30,000 ETH, they would not have owned the 30,000 ETC.

91. At the direction of Castelluzzo and Atwell, Krewson held the 30,000 ETH in a private wallet in cold storage⁶ and used a majority of the 30,000 ETC—which he also gained access to when he obtained the .JSON file from Mahgoub—to purchase numerous other types of cryptocurrency coins, including, ultimately, the Hard Fork Cryptocurrencies. Krewson used 2,000 ETC to fund Castelluzzo’s prison commissary account. Krewson used the majority of the Ethereum Classic to fund a cryptocurrency exchange account at Bittrex held in the name of an S corporation named Broken Wing for Castelluzzo and Atwell.

⁵ Mainnet is a term used to describe a working, fully-operational blockchain.

⁶ “Cold storage” or a “cold wallet” is a way of storing cryptocurrency offline, thereby attempting to protect the wallet from cyber attacks, unauthorized access, and other vulnerabilities.

Tracing the Defendant Property

a. Atwell's Receipt of Bitcoin from the Blue Sky Marketplace

92. Based on information obtained during the investigation, law enforcement has determined that, in 2014, Atwell received Bitcoin from darknet marketplaces as payment for narcotics that he sold via darknet marketplaces. Specifically, Atwell sold narcotics on the Blue Sky marketplace. Through its analysis of the wallets that received funds from the Blue Sky marketplace, law enforcement has determined that from April 14, 2014, to July 25, 2014, wallets that appear to have been controlled by Atwell received at least approximately 336 BTC from the Blue Sky marketplace. The Bitcoin wallets that received funds from the Blue Sky marketplace did not merely accumulate the proceeds of narcotics sales. Rather, Atwell caused the narcotics proceeds to be transferred from the wallets that initially received them to other wallets he controlled.

93. Starting with the digital currency addresses that received narcotics proceeds, law enforcement traced the proceeds through numerous digital wallets. To effectuate the tracing, law enforcement used blockchain analysis (described below) and information received from digital currency exchanges in response to subpoenas, along with cryptocurrency exchange server data obtained by law enforcement during the course of seizing illicit cryptocurrency exchanges, and information found on computers searched in connection with this investigation.

94. While tracing the funds generated by the Blue Sky marketplace, law enforcement observed that in 2014, Atwell utilized multiple wallets, including

wallets held at several cryptocurrency exchanges. In following funds generated by sales on the Blue Sky marketplace to the wallets that Atwell held at various cryptocurrency exchanges, while not tracing the exact unit of digital currency earned on the darknet marketplace, law enforcement has connected the proceeds of darknet narcotics sales to the purchase of 30,000 ETH.

b. Blockchain Analysis

95. Publicly available information allows anyone to view the relevant blockchain for Bitcoin and other digital currency. Using publicly available blockchain information, anyone is able to view all transactions and balances of all Bitcoin addresses (although the identity of the owner is not listed). A single digital currency wallet may have many different addresses. In this investigation, law enforcement used proprietary commercial software tools and open-source blockchain explorers to analyze financial transactions on the corresponding blockchains to identify Bitcoin and Ether addresses that Atwell and Castelluzzo utilized.

96. Blockchain analysis showed that funds originating from the Blue Sky marketplace were often transferred from the wallets that originally received them into other wallets controlled by Atwell. The wallets that received funds from darknet marketplaces also received and sent funds from cryptocurrency exchange accounts held by Atwell. In conducting blockchain analysis of Atwell's cryptocurrency wallets, law enforcement has observed that the wallets Atwell controlled largely received digital currency deposits from the Blue Sky marketplace and the cryptocurrency exchanges on which Atwell maintained

accounts.

97. During the investigation, law enforcement identified multiple digital currency addresses in Atwell's control. Law enforcement did so by reviewing email correspondence, subpoena returns, open source information available on the internet, and computers searched during the execution of search warrants. The digital currency addresses law enforcement identified as being in Atwell's control are collectively referred to herein as "Atwell Wallets." As stated above, Atwell maintained accounts at several digital currency exchanges during the time that he earned Bitcoin from the Blue Sky marketplace.

c. Cryptocurrency Exchanges

98. It is common for individuals who own Bitcoin to hold their Bitcoin in multiple wallets. Furthermore, it is common for those who hold Bitcoin to hold Bitcoin wallets at various different Bitcoin wallet hosts. The hosts for Bitcoin wallets include cryptocurrency exchanges, which maintain accounts for customers who use the services of that cryptocurrency exchange.

99. Cryptocurrency exchanges allow holders of Bitcoin to exchange Bitcoin for fiat currency, such as U.S. dollars, or for other virtual currencies. Some cryptocurrency exchanges collect and maintain personal identifying information for the clients who maintain accounts at the Bitcoin exchanges.

i. The LocalBitcoins Wallets

100. Atwell maintained multiple accounts at LocalBitcoins. LocalBitcoins was a Bitcoin exchange platform that facilitated the trading of fiat currency for Bitcoin. LocalBitcoins users posted advertisements on LocalBitcoins announcing

exchange rates and payment methods for buying or selling Bitcoins, and other users replied to the advertisements and made payment in the specified payment method.

101. Atwell used LocalBitcoins to convert Bitcoin to fiat currency he could use to pay expenses related to his narcotics business and to pay the partners in his narcotics distribution business their shares of earnings from their darknet marketplace narcotics sales. Specifically, during the time that Atwell sold narcotics on darknet marketplaces, a single kilo of cocaine, which Atwell and Castelluzzo would break up into much smaller quantities and sell to customers on darknet marketplaces, cost approximately \$35,000.

102. Records obtained from LocalBitcoins show that one of the LocalBitcoins accounts that Atwell controlled in 2014 utilized the username chambers17. Significantly, Atwell used the chambers17 LocalBitcoins wallet to transmit the Bitcoin that would ultimately fund the purchase of the 30,000 ETH.

103. In addition to the chambers17 LocalBitcoins account, blockchain analysis indicates that wallets controlled by Atwell also sent and received Bitcoin from a LocalBitcoins account other than the chambers17 account. Emails found on Atwell's computer⁷ show that in 2014 Atwell used an additional email address—Email Account 2 to receive correspondence from LocalBitcoins.

⁷ The New Jersey Attorney General's Office seized Atwell's computer on April 18, 2015 pursuant to a search warrant for Atwell's residence. On July 7, 2022, law enforcement obtained a search warrant authorizing it to search the computer seized from Atwell's residence on April 18, 2015.

ii. The Bitstamp Wallet

104. Blockchain analysis of transactions that fed into the Atwell Wallets led law enforcement to a wallet address at Bitstamp (the “Bitstamp Wallet”). Bitstamp is a cryptocurrency exchange. Emails sent to Atwell confirm that Atwell maintained an account at Bitstamp from approximately September 2013 to July 2015. Transaction information found in email correspondence from Bitstamp to Atwell shows that Atwell used Bitstamp to store Bitcoin, and to make exchanges between Bitcoin and U.S. dollars. Atwell would deposit Bitcoin into his Bitstamp account, trade the Bitcoin for U.S. dollars, and then purchase a similar number of Bitcoin later that day. For example, on November 8, 2013, at 6:58 p.m., Atwell deposited 378 BTC into his Bitstamp account. Between 7:10 p.m. and 9:30 p.m. that day he engaged 15 separate sales transactions selling 378 BTC. Blockchain analysis showed that the Bitstamp Wallet sent and received funds from Atwell Wallets.

iii. The BTC-e Wallet

105. Blockchain analysis showed that the Atwell Wallets sent and received funds from a wallet at BTC-e, a now-defunct cryptocurrency exchange. Information obtained from the BTC-e server confirmed that the BTC-e account identified through blockchain analysis belonged to Atwell.⁸ Atwell used his BTC-e account in an attempt to conceal the true sources of his Bitcoin. Information from the BTC-e server indicates that the user name for the BTC-e account

⁸ Law enforcement maintains a copy of the BTC-e server as a result of law enforcement’s 2017 seizure of the BTC-e server.

identified through blockchain analysis was chambers17—the same name that Atwell used for one of his LocalBitcoins accounts. The email address associated with the chambers17 BTC-e account was Email Account 3. Notably, Atwell created the chambers17 BTC-e account and sent 100 BTC to the chambers17 BTC-e account on the same day that he sent 54.39 BTC to his chambers17 LocalBitcoins wallet (discussed in more detail below).

106. Atwell also maintained an additional account at BTC-e, which he opened on November 27, 2013. The username for the BTC-e account Atwell created in 2013 was lukeat, and the email address associated with the account was Email Address 4.

107. Furthermore, emails sent from BTC-e to Atwell's Gmail account in 2014 confirm that Atwell used his BTC-e account in 2014. In fact, a June 5, 2014 email from BTC-e to Atwell acknowledges that Atwell had made a request to withdraw approximately 46.7 BTC from his BTC-e account.

d. Identification of the Bitcoin Wallet Used to Purchase the 30,000 ETH

108. In order to trace the sources of the 30,000 ETH, law enforcement began with the wallet address holding the 30,000 ETH, which was furnished by Castelluzzo in a March 6, 2020 email⁹ to Krewson. The March 6, 2020 email contained a wallet address beginning with 0x33FD (hereinafter "0x33FD"). Law enforcement subsequently queried wallet address 0x33FD and found that the

⁹The email was sent via JPay, an inmate email service that allows anyone outside the prison facility to correspond with incarcerated individuals. All JPay messages are subject to lawful monitoring.

address had a balance of approximately 30,000 ETH. Law enforcement determined that address 0x33FD received value totaling approximately 30,000 ETH on April 9, 2019 in four separate transactions from a wallet address beginning with 0x955d (hereinafter “0x955d”), and in a fifth transaction wallet address 0x33FD sent back to wallet address 0x955d a small amount of Ether.¹⁰ Law enforcement determined that address 0x955db received 30,000 ETH on July 30, 2015 from the Ethereum ICO.¹¹

109. Pursuant to publicly available information, along with jail calls between Krewson, Atwell, and Castelluzzo, law enforcement knew that the Ethereum Foundation had sent a .JSON file to the ICO’s Ether purchasers. A .JSON file was necessary in order to access the Ether acquired through the ICO. Based on numerous jail calls discussed above, law enforcement also knew that Castelluzzo and Atwell had used 15 BTC to purchase the 30,000 ETH. A search of one of the computers seized during the July 2022 search of Krewson’s home uncovered the .JSON file that was originally sent to Castelluzzo on the date he purchased Ether in the ICO.

110. Significantly, only Bitcoin could be used to purchase Ether during the ICO. The .JSON file provided the wallet address for the Bitcoin that were used to purchase the 30,000 ETH—a wallet address beginning with 16c3Q

¹⁰ That small amount may have served as a small fee for conducting the transaction, but it is not clear if that is the case.

¹¹ While the ICO occurred in July 2014 and participants in the ICO purchased coins in 2014, the Ethereum blockchain did not go live until July 30, 2015, which is when users could first transfer or use their Ether.

(hereinafter “16c3Q”). Additionally, the .JSON file listed Email Account 5, belonging to Castelluzzo. On August 5, 2014, the date on which wallet 16c3Q received 15 BTC, it sent 14.9997 BTC to a wallet address beginning with 36PrZ (hereinafter “36PrZ”). Address 36PrZ is associated with the Ethereum Foundation’s ICO. Prior to its receipt of 15 BTC on August 5, 2014, 16c3Q did not contain a balance and had no transaction history. Specifically, 16c3Q had not sent or received any cryptocurrency prior to receiving the 15 BTC on August 15, 2014.

e. The Sources of Funding for the Bitcoin Used to Purchase the 30,000 ETH

111. Law enforcement worked backwards from the 16c3Q wallet to determine the source of funding for the 16c3Q wallet. 16c3Q received 15 BTC from a Bitcoin wallet address beginning with 1P1m5 (hereinafter “1P1m5”) on August 5, 2014. At Castelluzzo’s request, Atwell sent 15 BTC to a Bitcoin wallet specified by Castelluzzo, so that Castelluzzo could purchase Ether in the ICO.

112. 1P1m5 had received 15 BTC from a Bitcoin wallet address beginning with 1Bf5z (hereinafter “1Bf5z”) that same day—August 5, 2014. Prior to its receipt of 15 BTC on August 5, 2014, 1P1m5 maintained a zero balance and had no transaction history. 1Bf5z had received 54.39 BTC from Atwell’s chambers17 LocalBitcoins account on July 28, 2014. Prior to its receipt of 54.39 BTC, 1Bf5z maintained a zero balance and no transaction history. Review of records received from LocalBitcoins, along with blockchain analysis, allowed law enforcement to trace the Bitcoin transactions that ultimately funded the July 28, 2014 transfer of Bitcoin from the chambers17 LocalBitcoins account to 1Bf5z.

113. The transaction which sent approximately 54.39 BTC from the chambers17 LocalBitcoins account was comprised of six inputs (from four different addresses). Analysis of each input, and the Bitcoin that made up each of the six inputs indicates the sources of funding for the 54.39 BTC.

i. The Inputs that Comprised the 54.39 BTC Transaction into 1Bf5Z

114. As reflected in the table below, the transaction inputs that funded the transfer of 54.39 BTC included three large co-spending transactions. Co-spending is when several digital currency addresses are all used as inputs to send digital currency in a single transaction. A co-spending transaction indicates that a single owner holds the private keys for all the sending addresses—or inputs—used to fund a transaction. Blockchain analysis of the digital currency addresses identified by co-spending shows that certain digital currency addresses Atwell used to fund the 54.39 BTC transaction were part of a larger group of digital currency addresses that received digital currency transactions from the Atwell Wallets.

115. By following each of the inputs that funded the 54.39 BTC transfer backwards, law enforcement observed that the inputs for the three co-spending transactions included multiple wallet addresses. For transaction Input 1, the inputs included Bitstamp, Blue Sky Marketplace, and Coinbase. For transaction Input 3, the inputs included Bitstamp, Blue Sky, LocalBitcoins, and Bit Trade Australia. Transaction Input 5 was funded by LocalBitcoins, a mixing service, Bitstamp, Blue Sky, and Bit Trade Australia.

116. Notably, 27.3 of the BTC that comprises Input 5 comes from what

appears to be a mixing service. A mixing service is a service that allows users to mix their digital currency with multiple other users to obscure the trail from the original source of the funds. Using a mixing service can sever the links between an individual and their Bitcoin transactions by randomizing transaction amounts and/or adding time delays in transactions. Furthermore, with regard to the value attributable to Bit Trade Australia, during the time that Atwell sold narcotics on darknet marketplaces, he sold drugs to clients in Australia, who paid him in Bitcoin.

117. In addition to the three large co-spending transactions, the three other input transactions for the 54.39 BTC transaction were funded by identifiable sources. Transaction Input 2 was funded by LocalBitcoins, Bitstamp, and Agora marketplace. Transaction Input 6 was wholly funded by Blue Sky marketplace. Input 4, which was made up of .0002 BTC with an approximate dollar value of 13 cents at the time of the transaction contributed *de minimis* value to Input 4, but was funded by LocalBitcoins. The table below summarizes each transaction input, the amount of Bitcoin involved in each input, the address that funded each input, and the sources of each input.

Input	# of BTC	Wallet Address	Sources of the Input	Specific Sources
1	4.09	1K5gq	Large Co-Spend	Bitstamp, Blue Sky, Coinbase
2	7.22	1GwoA	LocalBtc, Bitstamp, Agora	
3	3.50	1K5gq	Large Co-Spend	LocalBtc, Bit Trade Australia, Bitstamp, Blue Sky
4	0.00	1QASY	LocalBtc	

5	39.39	1K5gq	Large Co-Spend	LocalBtc, mixer, Bitstamp, Blue Sky, Bit Trade Australia
6	0.18	1P9c7	Blue Sky	

The Hard Fork Cryptocurrencies

118. The majority of the ETC obtained from the hard fork was used to fund the Hard Fork Cryptocurrencies.¹² At Atwell and Castelluzzo's direction, Krewson used the ETC to purchase various other cryptocurrencies including—ultimately—the Hard Fork Cryptocurrencies. The investigation has revealed that the contents of the Broken Wing Bittrex account was largely funded with ETC derived from the hard fork. Furthermore, the investigation has revealed that 2,000 of the ETC derived from the hard fork was used to fund Castelluzzo's prison commissary account.

119. Blockchain analysis shows that on April 10, 2019, 29,999.99 ETC in wallet 0x955d, which was derived from the hard fork, was moved to a wallet beginning in 0xe84. Subsequently, on April 25, 2019, 2,000 ETC was withdrawn from 0xe84, likely for the purpose of funding Castelluzzo's prison commissary account. On May 16, 2019, 999.99 ETC was withdrawn from 0xe84 and ultimately sent to FMFW, a cryptocurrency exchange. Next, 1,999.99 ETC was

¹² The majority of the Hard Fork Cryptocurrencies were seized from Bittrex. However, one of the cryptocurrencies, Cronos (CRO), was seized from a crypto.com account and two other cryptocurrencies, Binance Coin (BNB) and Solana (SOL), were seized from an Atomic Wallet. A crypto.com wallet is a non-custodial wallet, which means that the user has full control of any private keys. An Atomic Wallet is also a non-custodial, decentralized wallet that allows owners to fully control their private keys and funds.

withdrawn from Oxe84 and ultimately sent to Binance, a cryptocurrency exchange. On May 23, 2019, 3,000 ETC from a Poloniex account, were sent to Oxe84. Subsequently, the approximately 25,000 ETC remaining in Oxe84 after the April and May 2019 withdrawals, along with the 3,000 ETC transferred into Oxe84 from the Poloniex account, were used to fund the Broken Wing account at Bittrex, a cryptocurrency exchange. Bittrex records confirm that the only deposits of cryptocurrency made into the Broken Wing Bittrex account were of Ethereum Classic.

FIRST CLAIM FOR FORFEITURE

120. The allegations contained in paragraphs 1 through 119 of this Complaint are incorporated here.

121. As a result of the foregoing, the Defendant Property is subject to forfeiture to the United States pursuant to 21 U.S.C. § 881(a)(6) because the Defendant Property constitutes money furnished or intended to be furnished in exchange for a controlled substance or is proceeds traceable to an exchange of moneys or other things of value furnished in exchange for a controlled substance in violation of Title 21, Subchapter I, of the United States Code.

SECOND CLAIM FOR FORFEITURE

122. The allegations contained in paragraphs 1 through 121 of this Complaint are incorporated here.

123. As a result of the foregoing, the Defendant Property is subject to forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1)(A) because the Defendant Property was involved in a transaction or attempted transaction in

violation of 18 U.S.C. §§ 1956 and/or 1957 or a conspiracy to commit such a violation, in violation of Section 1956(h).

WHEREFORE, the United States of America requests that the Clerk of the Court issue a warrant for the arrest and seizure of the Defendant Property pursuant to Rule G(3)(b)(i) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions of the Federal Rules of Civil Procedure, which the plaintiff will execute upon the Defendant Property pursuant to 28 U.S.C. § 1355(d) and Supplemental Rule G(3)(c); that notice of this action be given to all persons who reasonably appear to be potential claimants to the Defendant 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 grant such other and further relief it deems just and proper.

Dated: Newark, New Jersey
November 2, 2023

PHILIP R. SELLINGER
United States Attorney

s/DeNae M. Thomas
By: DENAE M. THOMAS
ROBERT FRAZER
JORDAN M. ANGER
Assistant United States Attorneys


VERIFICATION

I, Kiirus Everett, hereby verify and declare under penalty of perjury that I am a Special Agent with the Federal Bureau of Investigation; 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 the best of my knowledge, information, and belief.

The sources of my knowledge and the grounds of my belief include the official files and records of the United States; information obtained directly by me; and information supplied to me from and by other law enforcement officials, during an investigation of alleged violations of Titles 18 and 21 of the United States Code.

I hereby verify and declare under penalty of perjury that the foregoing is true and correct, pursuant to 28 U.S.C. § 1746.

Dated this 2th day of Nov, 2023.



Kiirus Everett, Special Agent
Federal Bureau of Investigation