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JUN 20 2017	
CLERK U S DISTRICT COURT DISTRICT OF ARIZONA	
BY <u>K M</u> DEPUTY	

SEALED

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

REDACTED FOR
PUBLIC DISCLOSURE

United States of America,
Plaintiff,

vs.

1. Thomas Mario Costanzo,
a.k.a. "Morpheus Titania,"
(Counts 1 – 8)

and

2. Peter Nathan Steinmetz,
a.k.a. "Amedio,"
(Counts 1 and 2)

Defendants.

CR-17-00585-PHX-DJH (DKD)

FIRST SUPERSEDING INDICTMENT

VIO: 18 U.S.C. § 371
(Conspiracy to Operate an
Unlicensed Money Transmitting
Business)
Count 1

18 U.S.C. § 1960
(Operating Unlicensed Money
Transmitting Business)
Count 2

18 U.S.C. § 1956(a)(3)(B)&(C)
(Money Laundering)
Counts 3 – 7

18 U.S.C. §§ 922(g)(1), 924(a)(2)
(Felon in Possession of
Ammunition)
Count 8

18 U.S.C. §§ 924(d), 981, 982
21 U.S.C. § 853
28 U.S.C. § 2461(c)
(Forfeiture Allegations)

THE GRAND JURY CHARGES:

At all times material to this First Superseding Indictment, within the District of Arizona and elsewhere:

1. Defendants THOMAS MARIO COSTANZO and PETER NATHAN STEINMETZ operated a money transmitting business.

8 COUNT ONE

16 All in violation of Title 18, United States Code, Section 371.

18 5. From at least in or about April 2013, to at least in or about April 2017, in the
19 District of Arizona, the defendants, THOMAS MARIO COSTANZO and PETER
20 NATHAN STEINMETZ did knowingly conduct, control, manage, supervise, direct, and
21 own all or part of an unlicensed money transmitting business affecting interstate and
22 foreign commerce, to wit, a digital currency exchange business which (A) operated without
23 an appropriate money transmitting license in a state where such operation is punishable as
24 a misdemeanor or felony under state law; (B) failed to comply with the money transmitting
25 business regulations under Title 31, United States Code, Section 5330, and the regulations
26 prescribed thereunder; and (C) involved the transport and transmission of funds that were
27 known to the defendants to have been derived from a criminal offense and were intended

1 to be used to promote and support unlawful activity.

2 All in violation of Title 18, United States Code, Section 1960.

3 **COUNT THREE**

4 6. On or about May 20, 2015, in the District of Arizona, the defendant,
5 THOMAS MARIO COSTANZO, with the intent to conceal and disguise the nature,
6 location, source, ownership, and control, of property believed to be the proceeds of
7 specified unlawful activity, and with the intent to avoid a transaction reporting requirement
8 under federal law, did knowingly conduct and attempt to conduct a financial transaction
9 affecting interstate or foreign commerce involving property represented by a law
10 enforcement officer to be proceeds of specified unlawful activity, to wit: \$3,000 in U.S.
11 currency.

12 All in violation of Title 18, United States Code, Sections 1956(a)(3)(B) and
13 1956(a)(3)(C).

14 **COUNT FOUR**

15 7. On or about October 7, 2015, in the District of Arizona, the defendant,
16 THOMAS MARIO COSTANZO, with the intent to conceal and disguise the nature,
17 location, source, ownership, and control, of property believed to be the proceeds of
18 specified unlawful activity, and with the intent to avoid a transaction reporting requirement
19 under federal law, did knowingly conduct and attempt to conduct a financial transaction
20 affecting interstate or foreign commerce involving property represented by a law
21 enforcement officer to be proceeds of specified unlawful activity, to wit: \$13,000 in U.S.
22 currency.

23 All in violation of Title 18, United States Code, Sections 1956(a)(3)(B) and
24 1956(a)(3)(C).

25 **COUNT FIVE**

26 8. On or about November 21, 2015, in the District of Arizona, the defendant,
27 THOMAS MARIO COSTANZO, with the intent to conceal and disguise the nature,
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1 location, source, ownership, and control, of property believed to be the proceeds of
2 specified unlawful activity, and with the intent to avoid a transaction reporting requirement
3 under federal law, did knowingly conduct and attempt to conduct a financial transaction
4 affecting interstate or foreign commerce involving property represented by a law
5 enforcement officer to be proceeds of specified unlawful activity, to wit: \$13,000 in U.S.
6 currency.

7 All in violation of Title 18, United States Code, Sections 1956(a)(3)(B) and
8 1956(a)(3)(C).

9 **COUNT SIX**

10 9. On or about February 2, 2017, in the District of Arizona, the defendant,
11 THOMAS MARIO COSTANZO, with the intent to conceal and disguise the nature,
12 location, source, ownership, and control, of property believed to be the proceeds of
13 specified unlawful activity, and with the intent to avoid a transaction reporting requirement
14 under federal law, did knowingly conduct and attempt to conduct a financial transaction
15 affecting interstate or foreign commerce involving property represented by a law
16 enforcement officer to be proceeds of specified unlawful activity, to wit: \$30,000 in U.S.
17 currency.

18 All in violation of Title 18, United States Code, Sections 1956(a)(3)(B) and
19 1956(a)(3)(C).

20 **COUNT SEVEN**

21 10. On or about April 20, 2017, in the District of Arizona, the defendant,
22 THOMAS MARIO COSTANZO, with the intent to conceal and disguise the nature,
23 location, source, ownership, and control, of property believed to be the proceeds of
24 specified unlawful activity, and with the intent to avoid a transaction reporting requirement
25 under federal law, did knowingly conduct and attempt to conduct a financial transaction
26 affecting interstate or foreign commerce involving property represented by a law
27 enforcement officer to be proceeds of specified unlawful activity, to wit: \$107,000 in U.S.
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1 currency.

2 All in violation of Title 18, United States Code, Sections 1956(a)(3)(B) and
3 1956(a)(3)(C).

4
5 **COUNT EIGHT**

6 11. On or about April 20, 2017, in the District of Arizona, the defendant,
7 THOMAS MARIO COSTANZO, having been convicted of a crime punishable by
8 imprisonment for a term exceeding one year, to wit, Possession or Use of Marijuana, on
9 March 17, 2015, in the Superior Court of Arizona for Maricopa County; did knowingly
10 possess in and affecting interstate commerce, ammunition, that is, 60 rounds of 5.56 x 45
11 mm caliber Winchester ammunition, said ammunition having been shipped and transported
12 in interstate commerce.

13 All in violation of Title 18, United States Code, Sections 922(g)(1) and 924(a)(2).

14 **FORFEITURE ALLEGATIONS**

15 **Forfeiture Pertaining to 18 U.S.C. §§ 1956 & 1960**

16 12. The Grand Jury realleges and incorporates the allegations of Counts One
17 through Seven of this First Superseding Indictment, which are incorporated by reference
18 as though fully set forth herein.

19 13. Pursuant to Title 18, United States Code, Sections 981 and 982; Title 21,
20 United States Code, Section 853; and Title 28, United States Code, Section 2461(c), and
21 upon conviction of one or more of the offenses alleged in Counts One through Seven of
22 this First Superseding Indictment, the defendants so convicted shall forfeit to the United
23 States all right, title, and interest in any and all property, real or personal, involved in such
24 offenses, or any property traceable to such property involved in each offense, or conspiracy
25 to commit such offense, including the following: (a) all money or other property that was
26 the subject of each transaction, transportation, transmission or transfer in violation of a
27 statute listed in Title 18, United States Code, Section 982, (b) all other property constituting
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1 proceeds obtained as a result of those violations, and (c) all property used in any manner
2 or part to commit or to facilitate the commission of those violations including, but not
3 limited to the sum of money representing the amount of money involved in the offense(s)
4 and the property named below.

5 14. All that lot or parcel of land, together with its buildings, appurtenances,
6 improvements, fixtures, attachments and easements, located at 1700 East Julie Drive,
7 Tempe, Arizona 85283, and more particularly described as: Lot 74, of the Tempe Royal
8 Palms Unit Thirteen, according to the plat of record in the Office of the County Recorder
9 of Maricopa County, Arizona, recorded in Book 155 of maps, page 37.

10 15. If any of the above-described forfeitable property, as a result of any act or
11 omission of the defendants: (1) cannot be located upon the exercise of due diligence, (2)
12 has been transferred or sold to, or deposited with, a third party, (3) has been placed beyond
13 the jurisdiction of the court, (4) has been substantially diminished in value, or (5) has been
14 commingled with other property which cannot be divided without difficulty, it is the intent
15 of the United States to seek forfeiture of any other property of said defendants up to the
16 value of the above-described forfeitable property, pursuant to 21 U.S.C. Section 853(p).

17 16. All in accordance with Title 18, United States Code, Sections 981 and 982,
18 Title 21 United States Code, Section 853, Title 28, United States Code, Section 2461(c)
19 and Rule 32.2, Federal Rules of Criminal Procedure.

20 **Forfeiture Pertaining to 18 U.S.C. §§ 922 & 924**

21 17. The allegation set forth in Count Eight of this First Superseding Indictment
22 is hereby incorporated by reference herein.

23 18. As the result of committing the foregoing offense in violation of Title 18,
24 United States Code, Sections 922(g)(1) and 924(a)(2), as alleged in Count Eight of this
25 First Superseding Indictment, the defendant, THOMAS MARIO COSTANZO, shall forfeit
26 to the United States, pursuant to Title 18, United States Code, Section 924(d), and Title 28,
27 United States Code, Section 2461, all ammunition involved in the commission of the
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1 offense. This includes, but is not limited to: 60 rounds of 5.56 x 45 mm caliber Winchester
2 ammunition.

3 19. If any of the above-described forfeitable property, as a result of any act or
4 omission of the defendant: (1) cannot be located upon the exercise of due diligence; (2) has
5 been transferred or sold to, or deposited with, a third party; (3) has been placed beyond the
6 jurisdiction of the court; (4) has been substantially diminished in value; or (5) has been
7 commingled with other property which cannot be divided without difficulty; it is the intent
8 of the United States to seek forfeiture of any other property of said defendant up to the
9 value of the above-described forfeitable property, pursuant to 21 U.S.C. § 853(p).

10 20. All pursuant to Title 18, United States Code, Section 924(d), Title 28, United
11 States Code, Section 2461, and Rule 32.2.(a), Federal Rules of Criminal Procedure.

12
13
14 A TRUE BILL

15 s/

16 FOREPERSON OF THE GRAND JURY
Date: June 20, 2017

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District of Arizona

19 s/

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