Australian claims huge bitcoin robbery

November 8 2013

This file photo shows a pile of Bitcoins, seen after Software engineer Mike Caldwell minted them at his shop in Sandy, Utah, on April 26, 2013

An Australian man claimed Friday to be the victim of a massive bitcoin robbery, saying hackers had stolen more than one million dollars of the digital currency from his website.

The man, known only as TradeFortress, said about 4,100 bitcoins worth about Aus$1.1 million (US$1.04 million) that he was holding for his website's users were stolen from his site in two hacks.

TradeFortress, who told the Australian Broadcasting Corporation that he was over 18 but "not much over", has denied taking the coins for himself, but said he would be unlikely to report the theft to police because bitcoin transactions are virtually impossible to trace.

"The police don't have access to any more information than any user does when it comes to bitcoin," he told the broadcaster. "Some say it gives them control of their money."

Bitcoins are a four-year-old digital currency increasingly used to make payments in online transactions and growing in popularity in several hotspots around the world, especially San Francisco, Berlin, and Argentina.

The virtual currency, invented by an anonymous computer scientist known only by the pseudonym Satoshi Nakamoto, is as yet unregulated by any government in the world.

Because the currency can be transferred directly between smartphones or any other type of computers, regulators have raised concerns that it will be used for criminal or terrorist activities.

The Sydney Morning Herald said the theft occurred from TradeFortress' "wallet service" through the website Inputs.io, which offered to keep bitcoins secure, on October 26, but he only told his customers this week.

"I know this doesn't mean much, but I'm sorry, and saying that I'm very sad that this happened is an understatement," a message on the Inputs.io website said.

"Please don't store Bitcoins on an internet connected device, regardless of it is your own or a service's," it added.

Citation: Australian claims huge bitcoin robbery (2013, November 8) retrieved 27 April 2024 from https://phys.org/news/2013-11-australian-huge-bitcoin-robbery.html