

# Website of Bitcoin exchange Mt. Gox offline (Update)

February 25 2014, by Stephen Wright

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Bitcoin trader Kolin Burges, right, of London and American Aaron (only his first name was given) hold protest signs as they conduct a sit-in in front of the office tower housing Mt. Gox in Tokyo Tuesday, Feb. 25, 2014. The website of major Bitcoin exchange Mt. Gox is offline Tuesday amid reports it suffered a debilitating theft, a new setback for efforts to gain legitimacy for the virtual currency. The URL of Tokyo-based Mt. Gox was returning a blank page. The disappearance of the site follows the resignation Sunday of Mt. Gox CEO Mark Karpeles from the board of the Bitcoin Foundation, a group seeking legitimacy for the currency. Burgess said he had picketed the building since Feb. 14 after flying in from London, hoping to get back \$320,000 he has tied up with Mt Gox.

(AP Photo/Kaori Hitomi)

(AP)—The website of major bitcoin exchange Mt. Gox is offline Tuesday amid reports it suffered a debilitating theft, a new setback for efforts to gain legitimacy for the virtual currency.

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At the Tokyo office tower housing Mt. Gox, bitcoin trader Kolin Burgess said he had picketed the building since Feb. 14 after flying in from London, hoping to get back \$320,000 he has tied up in bitcoins with Mt Gox.

"I may have lost all of my money," said Burgess, next to placards asking if Mt. Gox is bankrupt. "It hasn't shaken my trust in Bitcoin, but it has shaken my trust in bitcoin exchanges."

A "crisis strategy" report shared widely online that purports to be an internal Mt. Gox document says more than 740,000 bitcoins are missing from the exchange, which froze withdrawals earlier this month. It says the theft went unnoticed for several years and turned on disguised withdrawals.

A theft of that magnitude would equate to losses of \$350 million at current bitcoin prices, but in practice such a figure is highly uncertain because of Bitcoin's extreme fluctuations in value and its lack of broad acceptance as an alternative to money.



In this Feb. 12, 2014 file photo, attendees of the Inside Bitcoins conference in Berlin examine Bitcoin buttons. The website of major Bitcoin exchange Mt. Gox is offline amid reports it suffered a debilitating theft of the virtual currency, and the URL of the Tokyo-based outfit returns a blank page on Tuesday, Feb. 25, 2014. (AP Photo/Frank Jordans, File)

The cloud hanging over Mt. Gox is a possibly fatal blow to Bitcoin, which was started in 2009 as a currency free from government controls. Supporters have said Bitcoin's cryptography makes it immune to theft or counterfeiting.

On bitcoin exchanges, the currency's value has fallen to about \$470 from \$550 in the past few hours.

Several bitcoin exchanges and related organizations released a joint statement that said they are working to "re-establish the trust

squandered" by the failings of Mt. Gox.

The bitcoin operators said funds under their control are held securely. Mt. Gox should not be considered a reflection of the value of Bitcoin or the digital currency industry, they said.

A second man protesting outside Mt. Gox's office in Tokyo said he was in arbitrage, which is a type of trading, but would only give his first name, Aaron.

A security officer said no one from Mt. Gox was in the building. Tibbane, an Internet company that Karpeles is CEO of, still has its name listed on the building's directory.

"I have no idea" where they are, said Burgess. "I'm both annoyed and worried"

Bitcoin had been inching toward broader acceptance despite wild swings in value in the past year. For most of the currency's history, each digital coin had been worth less than \$10.

New bitcoins are "mined" or generated by computers. They get harder to generate all the time, which means the inflow of fresh bitcoins keeps falling.

There are about 12.4 million bitcoins in circulation today, according to Blockchain, a public registry of bitcoin transactions. The maximum number of bitcoins that can be generated is 21 million and by 2032, 99 percent of those will have been created.

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