

Plea expected from CEO linked to black market site

September 4 2014



In this Jan. 27, 2014 file photo, Charlie Shrem, right, exits Manhattan federal court with an unidentified person, in New York. The New York Bitcoin operator is set to plead guilty, Thursday, Sept. 4, 2014, in a case stemming from the black market website Silk Road shutdown. (AP Photo/ Louis Lanzano, File)

The top executive of a New York City-based Bitcoin company is scheduled to plead guilty Thursday to federal criminal charges.

The case against Charlie Shrem of Manhattan grew from the government's shutdown of the black market website Silk Road. Shrem was chief executive officer of BitInstant and vice chairman of a foundation that promotes the Bitcoin currency system when he was arrested earlier this year.

He was accused of conspiring to sell more than \$1 million in Bitcoins to criminals who wanted to sell narcotics on Silk Road between December 2011 and last October.

Authorities have said Silk Road's San Francisco operator generated more than \$1 billion in illicit business from January 2011 through last September on the website. It used Bitcoin, a tough-to-track digital currency, before being shut down.

© 2014 The Associated Press. All rights reserved.

Citation: Plea expected from CEO linked to black market site (2014, September 4) retrieved 27 April 2024 from <https://phys.org/news/2014-09-plea-ny-bitcoin.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--