

Bitcoin tops \$17,000; hack raises concerns ahead of US trade

December 7 2017, by Elaine Kurtenbach



In this Monday, April 7, 2014, file photo, a bitcoin logo is displayed at the Inside Bitcoins conference and trade show in New York. The bitcoin miner NiceHash says it is investigating a security breach and the theft of the contents of the NiceHash "bitcoin wallet." The company said Thursday, Dec. 7, 2017 in a statement posted on its website that it had stopped operations and was working to verify how many bitcoins were taken. (AP Photo/Mark Lennihan, File)

Bitcoin surged past \$17,000 Thursday as the frenzy surrounding the virtual currency escalated just days before it starts trading on major U.S. exchanges. Bitcoin has gained more than \$5,000 in just the past two days.

At the same time, there are fresh concerns about the security of [bitcoin](#) and other [virtual currencies](#) after NiceHash, a company that mines bitcoins on behalf of customers, said it is investigating a breach that may have resulted in the theft of about \$70 million worth of bitcoin.

Research company Coindesk said that a wallet address referred to by NiceHash users indicates that about 4,700 bitcoins had been stolen. NiceHash said it will stop operating for 24 hours while it verifies how many bitcoins were taken. Wallet is a nickname for an online account.

As of 11:15 a.m. EST, bitcoin was valued at \$17,482, according to Coinbase, the largest bitcoin exchange. At the start of the year, one bitcoin was worth less than \$1,000.

The surge in the price and the hack of NiceHash occurred just as the trading community prepares for bitcoin to start trading on two established U.S. exchanges. Futures for bitcoin will start trading on the Chicago Board Options Exchange on Sunday evening and on crosstown rival CME Group's platforms later in the month.

That has increased the sense among some investors that bitcoin is gaining in mainstream legitimacy after several countries, like China, tried to stifle the virtual currency.

Bitcoin is the world's most popular virtual [currency](#). Such currencies are not tied to a bank or government and allow users to spend money anonymously. They are basically lines of computer code that are digitally signed each time they are traded.

A debate is raging on the merits of such currencies. Some say they serve merely to facilitate money laundering and illicit, anonymous payments. Others say they can be helpful methods of payment, such as in crisis situations where national currencies have collapsed.

Miners of bitcoins and other virtual currencies help keep the systems honest by having their computers keep a global running tally of transactions. That prevents cheaters from spending the same digital coin twice.

Online security is a vital concern for such dealings.

In Japan, following the failure of a bitcoin exchange called Mt. Gox, new laws were enacted to regulate bitcoin and other virtual currencies. Mt. Gox shut down in February 2014, saying it lost about 850,000 bitcoins, possibly to hackers.

NiceHash did not respond to an emailed request for more details about the breach.

"The incident has been reported to the relevant authorities and law enforcement and we are cooperating with them as a matter of urgency," it said in a statement, where it also urged users to change their online passwords.

Slovenian police are investigating the case together with authorities in other states, spokesman Bostjan Lindav said, without providing details.

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