

South Korean swaps bitcoins for 2 mln euros in fake notes

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Crypto-currencies like bitcoin are known to be used by criminals for transactions and money-laundering

The deal sounded murky from the start: in exchange for bitcoin worth two million euros (\$2.3 million), the wealthy buyer would hand over the

equivalent sum in cash in a luxury hotel on the French riviera.

The seller, a South Korean businessman with a company specialised in the crypto-currency in Singapore, accepted the proposition nevertheless and met the Serbian buyer in July.

But once the transaction was completed in a [hotel](#) in the city of Nice, the South Korean realised the 500-euro notes he had been handed were crude, photocopied fakes, police sources told AFP.

After the victim filed a [criminal complaint](#) at the end of July, the Serbian man was arrested at a top-end hotel in the glitzy town of Cannes in the south of France, apparently living the high-life with a [luxury car](#) and a 100,000-euro watch.

After appearing in court, he was remanded in custody on charges of fraud and being part of a organised crime network, his lawyer Gerard Boudoux told AFP on Sunday.

Police are still looking for his alleged accomplice.

The South Korean said he had been approached by the men initially over a possible investment in his company.

The discussions led instead to the transaction that would see the South Korean transfer the bitcoin to a foreign account in exchange for the cash.

Regulators worldwide are grappling with the boom in crypto-currencies like [bitcoin](#), which are known to be used by criminals for transactions and money-laundering.

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