

Bitcoin Thieves Abound, But Law Enforcement is Getting Smart and Stepping Up

Article By:

Clifford C. Histed

Nicole C. Mueller

According to a federal criminal complaint filed last month in Philadelphia, Theodore Price admitted that he had written software capable of stealing millions of dollars in bitcoins from individual bitcoin wallets. He allegedly admitted to purchasing the software on a dark net market and recoding it to infiltrate e-mail accounts with bitcoin wallets. Price also allegedly admitted that he had a fake passport in the name of the actor Jeremy Renner, and that Price had prepared to flee the U.S. on a private jet to evade arrest. Price is now in federal custody, charged with access device fraud and identity theft.

Price was arrested following his girlfriend's report of her parents' missing laptops and credit cards. Looking for the property at Price's residence, the girlfriend found computer bags containing the missing credit cards as well as folders containing documents bearing credit card and other personal identifying information for people across the country, and alphanumeric codes. The bags contained the missing computers, one of which had installed on it Tor Browser, a browser that allows anonymous access to the internet and connection to dark net websites. The alphanumeric code found in the folders was code for bitcoin wallets.

This case is similar to *U.S. v. Richo*, pending in federal court in Connecticut, where prosecutors have charged Richo with having created phishing pages to steal logins for bitcoin wallets, monitoring the account balances of thousands of users' bitcoin wallets, withdrawing bitcoins and selling them back to other users for U.S. dollars, and depositing the laundered money into a bank account.

In both the *Price* and *Richo* cases the government has alleged that the defendants used "tumbling" or "mixing" programs to launder the bitcoins. Both cases involve defendants who used readily available software and hardware to engage in sophisticated bitcoin thievery and laundering. Today's bitcoin fraudster need not be a high-tech saboteur, but instead could be your neighbor. Though fraud and theft are nothing new, the means of committing them continue to evolve. Law enforcement is getting smart and stepping up.

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