

# Bitcoins seized in software scam



The federal law enforcement officials seized a cache of bitcoins and litecoins as part of an investigation on an alleged fake software sales and distribution.

Total bitcoins worth \$25k were confiscated by federal law enforcements from an alleged software scam.

Around 105 bitcoins and 900 litecoins were cited in a civil forfeiture which also included more than \$7 million, hundreds of bars and coins made of precious metals silver and gold, and a few luxury items such as a diamond-encrusted Rolex, sports cars and wedding rings.

The operation involved some firms based in Washington State, Missouri, Nevada and Maryland. According to reports, the crypto currency holdings were seized from Rex Yang, a business operator from Seattle who allegedly sold \$1. 4 million in stolen codes.

In another filing, a restraining order was placed by US law enforcement officials on several buildings in Seattle which are either owned by Yang or related to him in some way, and additional funds of \$2. 2 million.

The filing mentioned that the bitcoins and litecoins were seized on 10 December 2014 and offered other important details, " The defendant's bitcoin and litecoin, which are virtual currencies, were seized on December 10, 2014, at the residence of Yang in Seattle, Washington. As of January 22, 2015, the bitcoin had a value of \$25, 087. 29 and the litecoin had a value of \$1, 269. 87."

The court documents filed in the US District Court for the Western District of Missouri suggest that the investigation into a suspected group was filed on

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30 January 2015. The group of individuals is being accused of selling deceitful software codes and digital media.

The documents also state that the seized bitcoins were bought on Coinbase with a Wells Fargo bank account linked to a start-up owned by Yang and other members who were tied to the alleged scheme called Technolutions.

Even though the filing does not outline how the cryptocurrencies were used to run the alleged scheme, purchases of both digital currencies were debited 20 times between 10 December 2013 and 30 September 2014 to the Wells Fargo account owned by Yang.

A spokesperson from the department of Justice refused to comment about the seizure. He explained, “ Because this is a case that is at least indicated to the court that there is a potential criminal investigation ongoing as well, it’s really not appropriate for us to make any comment on the case at this time.”

Civil forfeiture has become a very controversial practice in the United States because of the prevalence of policing for profit and its legal nature.

The policy’s critics say that the law enforcement officials get too much discretion when working with civil forfeitures. The state and federal level are currently trying to reform the practice.

However, some question exist which give police forces the leeway to confiscate assets during investigations.

The confiscation of the Silk Road marketplace and Ross Ulbricht's bitcoin holdings is perhaps the best known case of civil forfeiture of bitcoins till now.

Ross Ulbricht was found guilty of money laundering, drug trafficking and computer hacking charges in January.