

Second bitcoin auction by u.s. marshals



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The prosecutors suggested back in January that the government could sell the Bitcoins seized from Ulbricht's computer.

On Monday, the US Marshals Service informed that it would auction 50, 000 Bitcoins, which were seized from the dark market Silk Road. The total worth of the bitcoins is worth \$19 million.

The auction has been scheduled for 4th December and is being held 5 months after the Marshals Service's first auction. In the first Bitcoin auction, nearly 30, 000 of the total Bitcoins seized from the Silk Road were sold.

This latest auction is for the Bitcoins which were found on Ross Ulbricht's computer hardware. He is accused of creating the illegal online marketplace.

For this second auction, bidders will have a 6-hour window to submit a sealed bid for the bitcoins. The digital currencies have been divided into smaller lots and these lots will be presented in 2 series.

Those who are interested to take part in the auction will have to register. Registration began on Monday morning and it will end by noon on 1st December.

Eligible bidders will be notified on 2nd December and the winners will be contacted on 5th December.

Just like bidders had to prove their identities and that they have sufficient amount in cash before the first auction, they will have to show proof for this auction.

They will also have to certify that they are not related with Mr. Ulbricht or the Silk Road in any way.

The 2 auctions held by the government represent a very small fraction of the total amount which was seized for being connected with Silk Road.

This includes 144, 336 Bitcoin that were found on the creator's computer.

173, 991 Bitcoins have been recovered.

Lynzey Donahue, a spokeswoman for the US Marshals Service, declared in an email that they plan to sell the remaining Bitcoins too but the dates have not been set yet.

The first Bitcoin auction faced some complications. Even though the agency promised they would not release any details about the bidders or the winning bids, they released a list of potential bidders accidentally before the auction.

Experts excused the mistake and said that the agency was only figuring out how to auction Bitcoin at the time. It was stressed that handling Bitcoin is different than hard assets like jewelry and cars.

The investors and analysts were worried about auctioning huge amount of Bitcoin. They were afraid the auction would have a negative effect on the price of the crypto currency.

The US Marshals Service's first auction was seen as a success as it attracted prominent figures like Pantera Bitcoin, Barry Silbert of SecondMarket and Coinbase.

The second auction is being held at a time when Bitcoin is at a pivotal point in its development stage. Venture capital money has been poured into different Bitcoin start-ups recently.

People say that they are still waiting to see Bitcoin be at full potential as a method to transfer value. Many investors are waiting eagerly for the upcoming auction.

BitcoinVOX analysts expect the auction to weight on the BTC trading price, then after the results of the auction we should observe a quick rebound as some outbidded bidders might still want a piece of the action.