Cops can’t access $60M in seized bitcoin—fraudster won’t give password

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Officials in Germany have seized a digital wallet believed to contain $60 million in bitcoins obtained by fraudulent online activity. The original owner of the wallet was convicted of installing bitcoin mining malware on peoples’ computers without permission and has served more than two years in prison. But the wallet is encrypted, and the fraudster has steadfastly refused to disclose the password protecting the 1,700 bitcoins.

“We asked him but he didn’t say,” the prosecutor from the Bavarian town of Kempten said to Reuters on Friday. “Perhaps he doesn’t know.”

The value of bitcoin soared during the two years that the fraudster was behind bars.

The German news organization BR says that if the authorities do gain access, the bitcoins would be sold and the cash would go into the state treasury. That’s because the bitcoins apparently weren’t stolen from anyone in particular. They were instead freshly mined with hacked computing power.

According to BR, officials were able to gain access to 86 bitcoins that were not protected by a password, yielding €500,000 ($600,000). Presumably, this happened at a time when bitcoins were not as valuable as they are now.

While the government can’t access the remaining 1,700 bitcoins, officials say that the original owner can’t access them, either.

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