Beat: Business

Flexcoin closes down after theft of $600,000

896 bitcoins taken

Stanwood, 18.03.2014, 22:05 Time

USPA NEWS - Yet another bitcoin exhange site has been forced to shutdown after having funds stolen from their online exchange site.
Flexcoin lost 896 bitcoins worth an estimated $600,000 at the time of loss. Poloniex also reported 12.3% theft of coins.

Flexcoin reported that they had lost 896 bit coins and would be closing down operations due to not having the resources to cover the losses. The theft took place by creating a user account with flexcoin and then flooding the system with thousands of payment requests until the balances became negative and then moving onto another user account. Then all bitcoins were withdrawn to another exchange account.

Poloniex also reported that it had thefts resembling the same pattern but froze all transaction when the unusual activity was detected. The damage had already been done to the tune of 12.3% of the exchanges funds. No word on how many actual bitcoins were involved in this instance. Losses will be deducted evenly across all user accounts and exchange fees raised to expedite the process of recovering funds per poloniex statement from the owner. The owner will also place some personal funds in to the company to assist with the recovery. Safe practice of bitcoin usage would suggest that one only keep a small amount in the hot wallet for immediate payments and the majority in the users wallet.

Article online:
https://www.uspa24.com/bericht-2016/flexcoin-closes-down-after-theft-of-600000.html

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