



Hackers have stolen 120,000 Bitcoin in Bitfinex security breach

August 3, 2016 By [Pierluigi Paganini](#)

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Bitcoin plunged just over 20% on Tuesday after news of the security breach suffered by Bitfinex that led the theft of 120,000 Bitcoin.

One of the world's largest digital currency exchanges, the Asian Bitfinex, has suffered a security breach that resulted in the suspension of deposits and withdrawals on Tuesday. Hackers have stolen 120,000 Bitcoin, the theft has serious repercussions on the Bitcoin value that significantly dropped after the discovery of the breach, a 20 percent decrease following the hack.

Bitfinex is currently investigating the cyber theft supporting the law enforcement. 119,756 (roughly \$72 million in value before the hack) Bitcoin have been stolen from customers' wallets, according to Bitfinex hackers only targeted Bitcoin, meanwhile, other currencies were not impacted.

"Today we discovered a security breach that requires us to halt all trading on Bitfinex, as well as halt all digital

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token deposits to and withdrawals from Bitfinex. We are investigating the breach to determine what happened, but we know that some of our users have had their bitcoins stolen.” reads the official [statement](#) issued by Bitfinex.

“As we account for individualized customer losses, we may need to settle open margin positions, associated financing, and/or collateral affected by the breach. Any settlements will be at the current market prices as of 18:00 UTC,” “We are taking this necessary accounting step to normalize account balances with the objective of resuming operations. We will look at various options to address customer losses later in the investigation.”

At the time I was writing the company hasn’t provided further information on the security breach. The Bitfinex spokesman Zane Tackett wrote on [Reddit](#) that its platform implements several security mechanisms, but evidently the hackers have found a hole to bypass them, for example, the crooks overwhelmed the limits in place to prevent hackers from draining wallets

Tackett also excluded the involvement of insiders.

“There were a number of security practices that were in place to make this the most secure, yet transparent way of securing funds and we used the company that prides itself and specializes in bitcoin storage. How these practices were bypassed, we’re still investigating.” wrote Tackett. “We did have limits in place to prevent against attacks draining our wallets. We’re still investigating how the attacker was able to circumvent these limits.”

Bitfinex leverages on the services of BitGo, a company leader in Bitcoin and blockchain security. BitGo excluded that its systems have been hacked.



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As we directly notified our customers earlier today, our investigation has found no evidence of a breach to any BitGo servers.

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Unfortunately, the incidents suffered by Bitcoins exchanges are not rare events, many other companies had similar problems including CAVIRTEX and Bitstamp.

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awareness led Pierluigi to find the security blog "Security Affairs" recently named a Top National Security Resource for US. Pierluigi is a member of the "The Hacker News" team and he is a writer for some major publications in the field such as Cyber War Zone, ICTTF, Infosec Island, Infosec Institute, The Hacker News Magazine and for many other Security magazines. Author of the Books "The Deep Dark Web" and "Digital Virtual Currency and Bitcoin".

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