

US court orders South African firm's CEO to pay \$3.4bn for bitcoin fraud

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A federal judge in Texas ordered the head of a South African firm to pay a whopping \$3.4bn for what the US commodities regulator said was its largest-ever fraud case involving bitcoin.



File photo: Signage is seen outside of the US Commodity Futures Trading Commission (CFTC) in Washington, DC, US, 30 August 2020. Reuters/Andrew Kelly

Cornelius Johannes Steynberg was ordered to pay \$1.7bn in restitution to victims of the fraud scheme and another \$1.7bn as a civil penalty, a record for any Commodity Futures Trading Commission case, the regulator said in a statement on Thursday.

Steynberg, whose last known residence was in South Africa, could not immediately be reached for comment.

The CFTC charged Steynberg in July, saying Mirror Trading solicited bitcoin online from thousands of people to purportedly operate a commodity pool. The firm claimed to trade off-exchange, retail foreign currency with participants who were not eligible to trade, the regulator said.



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From May 2018 to March 2021, Steynberg accepted and misappropriated at least 29,421 bitcoin - valued at over \$1.7bn by the end of the period - from about 23,000 participants from the US, including more than 1,300 in Texas, the CFTC said.

The default judgment against Steynberg was granted by Judge Lee Yeakel in the Western District of Texas, according to a court filing.

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