

Forum: [Hack Forums](#)

Thread: [COINBASE: WARNING](#)

cryptking - January 4, 2017, 11:14 pm

If you open a Coinbase account and validate your identity, you've just given the IRS full access to your Bitcoin wallet. When you make gains, they want a significant chunk of it. Bitcoin was designed to avoid this exact situation.

Use cold storage, and exchange it for cash physically through LocalBitcoins in a public place. Or use a LBC account with a non-validated identity.

<http://www.forbes.com/sites/robertwood/2017/01/03/irs-escalates-hunt-for-bitcoin-users-in-coinbase-summons-case/#56a5ab5d52e8>

<http://www.forbes.com/sites/robertwood/2016/12/02/bitcoin-users-brace-for-irs-audits-from-coinbase-summons/#1d069ecb1091>

Darkwin - January 4, 2017, 11:14 pm

This is very true, Thanks for the heads up buddy.

NYCVN - January 4, 2017, 11:19 pm

I think a lot of us know that already, Coinbase makes it easy to buy bitcoin & takes measures to avoid fraudulent transactions.

Bitcoin is bitcoin, not everything can be 100% anonymous.
You shouldn't be worried unless you're doing malicious/illegal activities.

cryptking - January 4, 2017, 11:32 pm

(Jan 5, 2017 12:19 AM)NYCVN Wrote: [\[CITE\]](#) I think a lot of us know that already, Coinbase makes it easy to buy bitcoin & takes measures to avoid fraudulent transactions.

Bitcoin is bitcoin, not everything can be 100% anonymous.
You shouldn't be worried unless you're doing malicious/illegal activities.
Please explain to me how someone can submit a fraudulent Bitcoin transaction

I created this thread under the assumption that people wouldn't want to lose 35%+ percent of their gains, but it seems that you don't mind

Omniscient - January 5, 2017, 12:43 am

Has anyone considered flooding Coinbase with fake accounts and put .000001 or some small BTC amount into each one?

Ice Poseidon - January 5, 2017, 12:45 am

I've had a lot go through my blockchain account and have not had any issues with them. Only reason I stuck with them was because you get your money instantly unlike other wallets (correct me if I'm wrong) where you gotta wait like an hour for it to fully confirm. I was thinking about switching to a desktop wallet like Electrum or Armory.

Bluffer - January 5, 2017, 12:47 am

(Jan 5, 2017 01:45 AM)Nikky. Wrote: [\[CITE\]](#) I've had a lot go through my blockchain account and have not had any issues with them. Only reason I stuck with them was because you get your money instantly unlike other wallets (correct me if I'm wrong) where you gotta wait like an hour for it to fully confirm. I was thinking about switching to a desktop wallet like Electrum or Armory.

I'm no expert with Bitcoin but I don't think you are correct about it confirming instantly. If anything its Coinbase that does this when you send to another Coinbase user via email.

Block Chain is an amazing wallet I've actually switched from Coinbase to BC.

Mafius - January 5, 2017, 12:52 am

(Jan 5, 2017 01:43 AM)Omniscient Wrote: [\[CITE\]](#) Has anyone considered flooding Coinbase with fake accounts and put .000001 or some small BTC amount into each one?

Accomplishing what exactly?

Riggs - January 5, 2017, 12:57 am

(Jan 5, 2017 01:43 AM)Omniscient Wrote: [\[CITE\]](#) Has anyone considered flooding Coinbase with fake accounts and put .000001 or some small BTC amount into each one?

I'll laugh if this now happens and you get quoted on this post in a press article as "HACKING COMMUNITY KINGPIN ORCHESTRATES MOVE TO HINDER BITCOIN REGULATION" to fit the media's typical 'hackers are bad guys' narrative.

Make sure you tell them it was all my idea.

VirtualMon3y - January 5, 2017, 1:07 am

(Jan 5, 2017 01:57 AM)Riggs Wrote: [\[CITE\]](#) I'll laugh if this now happens and you get quoted on this post in a press article as "HACKING COMMUNITY KINGPIN ORCHESTRATES MOVE TO HINDER BITCOIN REGULATION" to fit the media's typical 'hackers are bad guys' narrative.

Make sure you tell them it was all my idea.

And this could actually happen! ?

Undefined - January 5, 2017, 1:10 am

(Jan 5, 2017 01:57 AM)Riggs Wrote: [\[CITE\]](#) "HACKING COMMUNITY KINGPIN ORCHESTRATES MOVE TO HINDER BITCOIN REGULATION"

Perhaps the funniest thing I've read all day?

Stashyy - January 5, 2017, 1:11 am

Haven't used coinbase in forever. Rather buy/sell face to face with a friend.

Niccolò Machiavelli - January 5, 2017, 1:14 am

We need another competitor without the aids limits that Coinbase has, man I miss Circle.

NYCVN - January 5, 2017, 1:18 am

(Jan 5, 2017 12:32 AM)cryptking Wrote: [\[CITE\]](#) Please explain to me how someone can submit a fraudulent Bitcoin transaction

I created this thread under the assumption that people wouldn't want to lose 35%+ percent of their gains, but it seems that you don't mind

When you buy bitcoin with Coinbase -_-

(credit/debit cards/paypal)

SIM-3257834 - January 5, 2017, 1:40 am

Don't do anything illegal so zero fucks are given. Plus I only use it to buy BTC and spend it immediately.

Riggs - January 5, 2017, 1:58 am

(Jan 5, 2017 02:40 AM).Reaper Wrote: [\[CITE\]](#) Don't do anything illegal so zero fucks are given. Plus I only use it to buy BTC and spend it immediately.

Legitimate transactions with people you've never met could still inadvertently tie you to other BTC addresses that involve BTC being used to finance illicit activities. Circumstantial evidence can still be tactfully deployed against innocent people, including yourself.

Labeling intrusive regulatory powers as a means to investigate anything illegal is a poor excuse to naively surrender the fucks you should give about preserving your anonymity. Striving to maintain the unregulated and decentralised nature of BTC should be important to everyone who engages in use of the BTC economy, even you.

kivimaki - January 5, 2017, 2:03 am

(Jan 5, 2017 01:43 AM)Omniscient Wrote: [\[CITE\]](#) Has anyone considered flooding Coinbase with fake accounts and put .000001 or some small BTC amount into each one?
why would anyone put effort into that? to accomplish what?

Mr.Peanut - January 5, 2017, 2:05 am

The way I see it, I'm only using these services to buy BTC and never to cash out. You are correct though op, it's pretty sad tbh.

SIM-3257834 - January 5, 2017, 2:29 am

(Jan 5, 2017 02:58 AM)Riggs Wrote: [\[CITE\]](#) Legitimate transactions with people you've never met could still inadvertently tie you to other BTC addresses that involve BTC being used to finance illicit activities. Circumstantial evidence can still be tactfully deployed against innocent people, including yourself.

Labeling intrusive regulatory powers as a means to investigate anything illegal is a poor excuse to naively surrender the fucks you should give about preserving your anonymity. Striving to maintain the unregulated and decentralised nature of BTC should be important to everyone who engages in use of the BTC economy, even you.Until I see the first trial for someone on coinbase receiving "odd funds" it isn't going to be on my to worry list.

Mr. Robot - January 5, 2017, 2:35 am

(Jan 5, 2017 01:43 AM)Omniscient Wrote: [\[CITE\]](#) Has anyone considered flooding Coinbase with fake accounts and put .000001 or some small BTC amount into each one?
On it as of now.

Starting a discord and hiring people to do this, Will need someone to create a script for it too.

Hakai - January 5, 2017, 2:37 am

(Jan 5, 2017 01:43 AM)Omniscient Wrote: [\[CITE\]](#) Has anyone considered flooding Coinbase with fake accounts and put .000001 or some small BTC amount into each one?
I guess if you've to "validate your identity" that's still possible but harder.

Digital Plug - January 5, 2017, 2:39 am

Thanks for this share man useful

Uriel - January 5, 2017, 7:21 am

(Jan 5, 2017 02:14 AM)Danie?I Wrote: [\[CITE\]](#) We need another competitor without the aids limits that Coinbase has, man I miss Circle.

Is there another outlet to purchase bitcoin aside from coinbase? I am guessing from your post that there isn't.

GodlessOlympian - January 5, 2017, 9:36 am

(Jan 5, 2017 08:21 AM)Madness Wrote: [\[CITE\]](#) Is there another outlet to purchase bitcoin aside from coinbase? I am guessing from your post that there isn't.

Like it has been said a thousand times in this section:

LocalBitcoins, Kraken, CoinMama, BTC ATMs in UK/EUROPE, and Exchanges on this site. Out of all of these, I would only recommend LocalBitcoins and CoinMama.

Personally, if you're using BTC to buy DN services/items, then you should buy alt-coins first, use the alt-coin to buy BTC and then buy your illegal goods.

However, if you're using BTC like one uses Forex, then you just pay your taxes and call it a day. I don't understand why people have such anxiety about taxes. You realize there's a ton of ways to make money off your losses with taxes.

People need to start reading tax books.

minimalist - January 5, 2017, 9:54 am

(Jan 5, 2017 10:36 AM)GodlessOlympian Wrote: [\[CITE\]](#) Personally, if you're using BTC to buy DN services/items, then you should buy alt-coins first, use the alt-coin to buy BTC and then buy your illegal goods.

And in doing so one would be going through an exchange TWICE. How does that help matters at all?

ZuGgY - January 5, 2017, 9:56 am

Using an offline wallet is best, although not always convenient.

GodlessOlympian - January 5, 2017, 10:04 am

(Jan 5, 2017 10:54 AM)Minimalist Wrote: [\[CITE\]](#) And in doing so one would be going through an exchange TWICE. How does that help matters at all?

Some alt-coins are easier to buy without verification and then you can use your alt coin to buy btc which doesn't require verification. Thereby, you won't have your face on any platform. It's pretty much the same concept as laundering money.

Omniscient - January 5, 2017, 11:00 am

Quote:Legitimate transactions with people you've never met could still inadvertently tie you to other BTC addresses that involve BTC being used to finance illicit activities.

EXACTLY. And CB has closed accounts associated with activity from gambling address sites and localbitcoins. Both of which could be completely legitimate transactions and legal. But CB does take action and does close accounts.

Quote:I don't understand why people have such anxiety about taxes. You realize there's a ton of ways to make money off your losses with taxes.

Guidance by IRS is iffy at best. Realistically every single BTC transaction has to be recorded as capital gains/loss according to their current guidance. And it's still something that's not really 100% solid either. And many CPA's scratch their heads when it comes to cryptos.

Example is the BTC income I have. First I get it at \$X dollars (I33t upgrade \$19), but then at some point I convert it to USD. So then I have to record what I obtained that BTC at then record what I exchanged it for as well as all the dates related. And I do hundreds of BTC transactions per month. You're talking a super nightmare to deal with.

The IRS is far behind when it comes to dealing with BTC. The data the IRS from Coinbase is going to be used to make examples of people by punishing them with fines and possibly jail time. It will not be used to enhance compliance as it should be used. Instead it's part of a criminal investigation.

I'd like to see a company come forward with excellent record keeping software for a company like mine. Where I can log transactions and income appropriately for tax time instead of having to keep manual records and printouts from the many exchange methods I use. You should see the stack of papers I have. Walking up to an accountant with it just increases their fee. I'll never be using the 1040EZ again.

SIM-2501407 - January 5, 2017, 12:40 pm

(Jan 5, 2017 01:43 AM)Omniscient Wrote: [\[CITE\]](#) Has anyone considered flooding Coinbase with fake accounts and put .000001 or some small BTC amount into each one? I will personally pay someone \$100 to do this. I will help them raise money for the cause too. ?

(Jan 5, 2017 12:00 PM)Omniscient Wrote: [\[CITE\]](#) Guidance by IRS is iffy at best. Realistically every single BTC transaction has to be recorded as capital gains/loss according to their current guidance. And it's still something that's not really 100% solid either. And many CPA's scratch their heads when it comes to cryptos.

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I'd like to see a company come forward with excellent record keeping software for a company like mine. Where I can log transactions and income appropriately for tax time instead of having to keep manual records and printouts from the many exchange methods I use. You should see the stack of papers I have. Walking up to an accountant with it just increases their fee. I'll never be using the 1040EZ again. Hence why Currency Exchangers such as me are scared... I will 100% STOP doing all Currency Exchanges soon for this reason.

Since I used Coinbase to purchase thousands upon thousands of Bitcoin, I can only imagine what they'll do to me.

Trump_Clinton - January 5, 2017, 12:42 pm

(Jan 5, 2017 01:43 AM)Omniscient Wrote: [\[CITE\]](#) Has anyone considered flooding Coinbase with fake accounts and put .000001 or some small BTC amount into each one?

Not gonna lie i laughed at first but then thought about it... I may contribute a small part of my btc to fuck with the IRS, good idea lmao. Anyways yeah circle basically committed suicide to avoid this. The IRS will come after you if you are making LARGE deposits and withdrawals to your bank. The IRS will not come after you if you are buying large chunks of coin because they cant collect taxes on it. The IRS is there for TAXES and TAXES only, i wouldnt be too paranoid unless you are really moving volume but nevertheless this is a solid point.

Grizzled - January 5, 2017, 10:42 pm

i wish the IRS would try to take a chunk from my BTC transactions lmao. good luck with that