

Forum: [Hack Forums](#)

Thread: [Silk Road Bitcoin for sale? US government moves \\$1B in BTC, Some Landing on Coinbase](#)

SUI-3183372 - March 8, 2023, 10:32 am

Over 50,000 Bitcoin, worth \$1 billion, were moved from multiple wallets connected to United States Government law enforcement seizures and transferred to new addresses, with some moved to Coinbase on March 8.

According to data shared by on-chain analytics firm PeckShield, three transfers were made from U.S. law enforcement agency's wallets. These wallets held nearly 51,000 BTC seized by U.S. agencies from the Silk Road marketplace in November 2021. The confiscated BTC was consolidated into two wallet addresses.

Out of these three transfers, the majority appear to be internal transfers. However, approximately 9,861 BTC was sent to Coinbase. The other two include a 30,000 BTC transfer and a 9,000 BTC transfer.

The Silk Road was an online black market and the first modern darknet market. It was launched in 2011 by its American founder Ross Ulbricht under the pseudonym "Dread Pirate Roberts." The marketplace was one of the first to accept Bitcoin payments, helping to popularize crypto use. U.S. law enforcement agencies confiscated multiple items from its founder, including hoards of BTC, which have been auctioned from time to time.

Popular Bitcoin proponent Tim Draper bought nearly 30,000 BTC in 2014 in one of these auctions. Another auction for 50,000 BTC was held in October 2015, where the U.S. Marshals Service auctioned 21 blocks of 2,000 BTC and one block of 2,341 in an online auction.

While only a small portion of the 50,000 BTC was sent to Coinbase, the movement of billions worth of BTC from U.S enforcement agency-linked wallets evoked wild reactions and even wilder theories from Twitter users. One pointed out that if U.S. agencies decided to sell their Silk Road Bitcoin, it would put significant selling pressure on the market. At the same time, a few others questioned the timing of the sale.

<https://cointelegraph.com/news/silk-road-bitcoin-for-sale-us-government-linked-addresses-transfer-1b-in-btc>

Koyote - March 8, 2023, 11:18 am

I remember reading about those auctions and wondered when they might result in significant movements. Are these auctions something anyone can bid on, or restricted to certain types of buyers? I've seen mention of them before but never found an auction house performing them.

SUI-3183372 - March 8, 2023, 1:20 pm

(Mar 8, 2023 12:18 PM)TheCuriousCoyote Wrote: [\[CITE\]](#) I remember reading about those auctions and wondered when they might result in significant movements. Are these auctions something

anyone can bid on, or restricted to certain types of buyers? I've seen mention of them before but never found an auction house performing them.

Technically anyone, but the requirements are steep:

Quote:All interested buyers must register with the US Marshals Service (USMS) in order to be eligible for the auction. Aspiring participants must provide the following to the federal agency:A \$200,000 deposit sent by wire transfer from a bank located in the US

A copy of a government-issued photo ID

A manually signed PDF copy of the bidder registration form.”

shreder - March 8, 2023, 1:23 pm

Maybe Michel Sawyer will borrow more to buy it.

Koyote - March 8, 2023, 1:24 pm

(Mar 8, 2023 02:20 PM)BV1 Wrote: [\[CITE\]](#) Technically anyone, but the requirements are steep: Ah I see, so not impossible for some! An interesting opportunity for those with means as I'm assuming it's under market value otherwise there'd be no point to an auction.

SUI-3183372 - March 8, 2023, 1:26 pm

(Mar 8, 2023 02:24 PM)TheCuriousCoyote Wrote: [\[CITE\]](#) Ah I see, so not impossible for some! An interesting opportunity for those with means as I'm assuming it's under market value otherwise there'd be no point to an auction.

Generally the BTC are sold in blocks of BTC as well. You can't just bid on 1, or 10, or even 100 BTC (For the large auctions at least). You're bidding on each block of bitcoin. I don't recall how many BTC were in each block, but I believe it was something like 4,000 or 9,000 or something. I'll check when I get a chance.

Each block has 3,000 BTC (other than the final block, which has the remainder).

Edit:

Quote:“The US Marshals Service (USMS) has effectively split the 30,000 BTC into nine blocks of 3,000 BTC and 1 block of 2,656.51306529 BTC, known as ‘Series A’ and ‘Series B’ blocks, respectively.

Koyote - March 8, 2023, 1:28 pm

(Mar 8, 2023 02:26 PM)BV1 Wrote: [\[CITE\]](#) Generally the BTC are sold in blocks of BTC as well. You can't just bid on 1, or 10, or even 100 BTC (For the large auctions at least). You're bidding on each block of bitcoin. I don't recall how many BTC were in each block, but I believe it was something like 4,000 or 9,000 or something. I'll check when I get a chance.

I see, a big purchase then. Maybe we can round up a lot of HF investors to get a block at below market prices lol.

SUI-3183372 - March 8, 2023, 1:31 pm

(Mar 8, 2023 02:28 PM)TheCuriousCoyote Wrote: [\[CITE\]](#) I see, a big purchase then. Maybe we can round up a lot of HF investors to get a block at below market prices lol.

I vaguely remember some of these for selling above market value actually. Don't quote me on that though.

Koyote - March 8, 2023, 1:33 pm

(Mar 8, 2023 02:31 PM)BV1 Wrote: [\[CITE\]](#) I vaguely remember some of these for selling above market value actually. Don't quote me on that though.

Oh wow, I'd hate to be that buyer, surely it's easier to spread purchases around for that quantity?

PR1V473 - March 8, 2023, 1:59 pm

I think 10000-ish BTC is not going to move mountains, but enough to bring continuous fear of a sharp drop amongst the investors. If they vote on a sell-off of the other BTC, I doubt they'd do it instantly as it would cause some panic too. I heard that MT.Gox was releasing some BTC too, so in the next 1-2 months we'll be having a good sell pressure. I hope that we acquire new wallets, new diamond hands (smart investors) so this way we can flush out some of the small whales.