Serdang police chief Assistant Commissioner Razali Abu Samah (right) listening to a Tenaga Nasional Berhad worker explaining how the bitcoin syndicate operated in Bandar Putra Permai in Serdang, Selangor, yesterday. PIC COURTESY OF SERDANG POLICE

Police bust syndicate mining bitcoin using stolen electricity

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POLICE uncovered a syndicate generating bitcoin illegally using stolen electricity at Bandar Putra Permai, here on Thursday night.

Police carried out the raid with Tenaga Nasional Berhad's (TNB) Seal Team on eight suspicious premises located at a business centre at 4pm on Thursday, after three days of stakeout and surveillance.

District police chief Assistant Commissioner Razali Abu Samah said the joint operation, code-named Op Api, was carried out following a tip-off.

"We were not sure of what was happening inside these premises, but we could hear loud noises coming from inside. There were also planks placed at the entrance of the premises and unusual orange-coloured wire connections outside each unit. An inspection by TNB at the premises found that they were illegal electricity connections that powered some 613 bitcoin machines, known as bitcots, which were still operating."

He said checks revealed that each bitcot had to operate on electricity for six months to produce one bitcoin.

"We seized the bitcots but no arrests were made during the raids, as there was no one in any of the premises."

Based on the preliminary investigations, he said the syndicate had been operating for at least six months and had used illegal wiring to avoid hefty electricity bills.

"They had only been paying RM7 monthly for the service charges, when in fact the monthly usage was estimated to cost RM38,000 per premises."

He added that TNB estimated losses of more than RM300,000 through this bitcoin syndicate.

"We will work with the local council to identify the owners and tenants of these premises as part of the ongoing investigation."

Razali also urged those with information about illegal activities in the district to come forward and alert the police.