

Mirror Trading International exposed: #MTILeaks reveal trading data

In another twist, the South African Bitcoin trading company under investigation by the Financial Services Conduct Authority (FSCA) and on the radar of other international financial regulatory entities has had its entire transaction history exposed on the dark web.



123rf.com

Mirror Trading International (MTI) is a South African Bitcoin trading company, which has been under the microscope since January this year for being a [“get-rich-quick” scheme](#).

Timeline

- In July MTI's broker, FXChoice, issued a [statement](#) saying it had blocked the company's trading account because “our research leads to the realisation that MTI is a multi-level marketing pool that claims high returns from trading forex for their members using artificial intelligence software. Additionally, MTI uses a very aggressive multi-level marketing campaign with high rewards to get new investors into the pool. Due to this new information, we blocked MTI's account on 10 June. This was when the last trade was closed. We requested additional documents from MTI to confirm the source of their funds. We are still waiting.”
- On 7 July, Texas State Securities Board issued a [cease and desist order](#) against the company for operating a [multi-level marketing](#) or pyramid scheme.
- Around the same time, the Canadian authority Autorité des Marchés Financiers (AMF) added MTI to its [warning list of websites and companies that solicit investors illegally](#).
- Then on 18 August, the South African Financial Services Conduct Authority (FSCA) issued a [statement](#) saying it was investigating MTI as it did not have the requisite financial service provider licence, but the “FSCA has a much greater concern about the activities of the company. MTI claims to have more than R2.9bn (at current conversion rates) in clients' funds in trading accounts, but we have not been able to conclusively confirm that the funds exist”.

Latest development

According to a [report](#) by MyBroadband, a hacking group calling itself Anonymous ZA exposed the vulnerability of the platform by accessing investor information through its member's portal mymticloud.com without needing to hack the system.

"Using this weakness, it was able to glean detailed information about MTI's system and see the full names, usernames, e-mail addresses, Bitcoin balances, and earnings linked to every account. Anonymous ZA then published an anonymised copy of the data, which was current as of 14 September 2020, on a dark web site called MTILeaks," MyBroadBand reported.

"[The] MTI database shows the company has handled over 22,984 bitcoin in member deposits, amounting to over R4bn."The data shows that members have withdrawn nearly 15,653 bitcoin (close to R2.9bn), which means the scheme should still have at least 7,331 bitcoin (over R1.3bn) of members' capital in its accounts."However, the data also shows that the scheme has allocated almost 9,916 bitcoin (over R1.8bn) to members in interest and bonuses."This means that MTI must have a minimum of 17,247 bitcoin (over R3.1bn) to cover the remaining deposits and earnings of all members who have not yet been withdrawn from the scheme," the report said.

When initially asked by MyBroadBand whether the company had enough liquidity to cover its obligations, MTI CEO Johann Steynberg did not respond. In a subsequent statement, MTI declined to comment.

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