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Teenage Crypto Kingpin and the The \$24 Million Crypto Hack: Who Is Ellis Pinsky?

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Ellis Pinsky, a 15-year-old [crypto](#) kingpin at the time, was responsible for a \$23.8 million hack. There have been only a few of interviews with him since then, and he remains a mysterious figure even today.

The Baby Al Capone, on the other hand, has become famous for his heists. Pinsky was raised in a well-to-do family in the middle class. The family relocated from New York's Upper East Side to Irvington, a green neighborhood, when he was just 11 years old because his parents had fled the Soviet Union.

During his childhood, Pinsky's curiosity in hacking began when someone asked him, "How is Irvington?" his trash-talking while in the Call of Duty lobby.

For him, the discovery of the fact that IP addresses were not anonymous and could be traced excited him. He thought that the Internet might be used for genuine power, provided that he could understand how it operated..

As a result, he had amassed a group of fellow gamers whom he knew only by the names and avatars they used to play their favorite games. One of these guys was Ferno, an account with a Bitcoin logo as his avatar who went by the name of Ferno.

The "social hacking" technique of ISP doxxing, in which one calls an Internet service provider and demands that they divulge personal information, was taught to Ferno by Ferno. Ferno led Pinsky to the shadowy world of online hacking communities, despite his reluctance at the time.



For this self-taught person, it's time to get to work

Pinsky quickly realized that, like all other programmers, coders, and hackers, he would have to learn on his own as there was so much more to learn than he had already learned or that Ferno could teach him.

"I've always been a self-taught person, and I've always been a hard-worker."

Pinsky's interest in online hacking forums was piqued. Most of them were in their early twenties and appeared to be extremely well-off for their age. His talents and notoriety rose progressively until, at the age of 14, he was sure that he could hack practically anyone.

For Pinsky and his fellow hackers, the rise of SIM-swapping was a golden opportunity. The popularity of digital currencies like Bitcoin was on the increase. As exchanges sought to safeguard their users against attacks, two-factor authentication (2FA) was becoming more popular. However, it would not protect them from Pinsky.

If Pinsky had the ability to track down the phone of an individual with the intention of seizing their cryptocurrency assets, someone named Harry contacted him about it in 2018. Michael Terpin, a multi-millionaire who has invested substantially in the crypto sector, was the target of the attack.

He was able to find a lot of intriguing things when he was able to reset his email and create a new password, but at first he couldn't find a method to steal anything.



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Teenage kingpin of crypto Pinsky discovers the private keys belonging to Terpin

A file called “passwords” was the only thing that saved him. As soon as he opened the file, Terpin’s private keys for all of his various wallets were laid bare.

Suddenly, Pinsky realized he had to move swiftly: Terpin would soon realize that his Email had been stolen and he would have to update his security measures quickly.

After going through the wallets, Pinsky claims to have found more than \$900 million in cryptocurrency, however not all of it could be accessible due to the multi-signature requirement.

It is Terpin’s contention that Pinsky manufactured his \$900 million estimate to make the breach look less serious.

As a last resort, Pinsky discovered a token known as Triggers (TRIG). When he first saw the 3 million TRIG tokens, he thought they were worthless because he had never heard of them before. On the other hand he checked CoinMarketCap and saw that the tokens were priced at roughly \$7 each.

He was going to steal \$24 million in digital money before he was even 16 years old. Was this the ideal heist?

Not exactly. Because TRIG is traded on centralised exchanges (in 2018 there was no Uniswap, dealing such huge quantities required KYC) it is not as easy to dispose of as Pinsky may have imagined.

He’d need help getting rid of all of these tokens because he couldn’t do it on his own. On Twitter, he asked if anyone had a Binance account and was surprised to see that many people had.

In order to get the Bitcoin, he had to find six or seven people and transmit the TRIG in batches, asking them to sell it for Bitcoin and then pay it to him (minus \$20k-\$50k for their services).

Price devastation results from a sloppy strategy

The tactic backfired since the 3m TRIG he controlled constituted only 10% of the total supply, therefore the price was wiped away once he finished selling.

The Bitcoin was never given to him by the majority of those who received the TRIG, instead keeping the profit for themselves. As an example, @erupts, a hacker with the handle @erupts, was given \$500k for a test transaction and then \$1 million. The \$1 million was his to keep.

There were a few things Harry wanted Pinsky to consider before he decided against going through with the idea of a hit on @erupts, but Pinsky decided against it because it felt too intense.

At the end of the day, Pinsky had made \$5.8 million in Bitcoin.

At first, he saw little difference in his life. That's the limit of the complaint: "History courses grew more uninteresting." Afraid at first of the FBI breaking into his house, he became less apprehensive as time went on.

A Patek Philippe watch cost him \$50k, but the big change was that he was no longer enamored with the hacking lifestyle. He began to treat his family to costly vacations instead.

The money was there, but I also felt like I'd had enough. It didn't hold any appeal for me. "That was all there was to it."

A message from the hacker who stole \$1 million from Pinsky was sent to Pinsky again, stating that he was from New York and that he would like to meet him for a night on the town. Nick Truglia was his name, and he proved to be a tenacious individual.



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He goes out with his friends and has a crazy time

It was an expensive night out in New York, with Pinsky spending money on drinks, food, and women. Pinsky was alarmed by how overt Truglia was, and he was absolutely correct in his assumptions. A few weeks later, the police arrested Truglia after learning of his role in the crime and connecting him to Pinsky.

Terpin's lawyer sent his mother an email outlining the problem, and the 16-year-old spent the next few years speaking with lawyers to try to correct the situation.

It was told to him that he had been disconnected from the consequences of his actions since he had become a part of a culture of gaming. He gave back the \$562 in Bitcoin, the Patek Philippe watch, and the \$100,000 in cash he'd hidden under his mattress as a thank you.

Unfortunately, due to the downturn, the Bitcoin would only be worth \$2 million when returned in

2020.

On top of the stolen money, Terpin thought he was entitled to additional damages, but this did not materialize. Because of his youth at the time of the crime and his subsequent cooperation with the police, Pinsky was treated relatively favorably during his trial.

How to fool criminals into thinking you don't have the bitcoin keys is the subject of this article. However, he wasn't fully secure from the attack.

After Terpin began to publicize his involvement in the case following the failure of a settlement agreement, several guys broke into his house only weeks before graduation. Entering the residence, they threatened his family with violence (him, his parents and his brothers).

As he lay on the floor, his brothers clustered around him, and he held his shotgun, Pinsky was most anxious that he would not be able to persuade them that he no longer had the Bitcoin.

As of now, Pinsky is pursuing a career in computer science and entrepreneurship. He's very sorry for his part in the case and is working hard to repair his career and reputation in the wake of it. Even though he knows what he did was wrong and apologizes for it, coming to grips with it is tough for him. In Pinsky's mind, the most upsetting thing is that he may forever be identified by something he did when he was just 15 years old.

Keeping crypto assets in a safe place

Cryptocurrency hacks are not prevalent, thus it's critical to safeguard your money. He was meant to be a professional, but Terpin's blunder of poor security cost him tens of millions. Hacks in crypto and DeFi are common, and new inventions like decentralized exchanges and Tornado Cash make it more simpler for criminals to walk away from their crimes unpunished.

Awareness of the dangers of entrusting their care to a third party, as well as personal accountability for that care, are more vital than ever.