

THE CANADIAN BITCOINERS

THE WEEK, IN TWO PARTS • October 4, 2026

A hedge fund founder says Coinbase hid more than a billion dollars in hacks, and Coinbase says it didn't lose \$1 billion. Ontario paid \$219 million in student grants to three strip-mall colleges where one final exam took six minutes. And a British police officer who stole 50 bitcoin in 2017, when they were worth about £60,000, was ordered this week to pay back £1.81 million.

BITCOIN

A billion-dollar allegation with no evidence public yet, ecash carried across a room by strangers' iPhones, and a cop who learned about time preference from a Liverpool judge.

Ari Paul Says Coinbase Hid \$1 Billion in Hacks. He Hasn't Shown the Proof Yet.



Photo: Spaziocrypto (Ari Paul, BlockTower Capital)

On Sept. 28, BlockTower Capital founder Ari Paul posted a claim on X that has since passed 650,000 views. Coinbase "lost" \$25 million of his firm's money a couple of years ago, he wrote, and his team has traced at least a dozen other firms hit the same way, for more than \$1 billion. Two days later he added that outside forensic firms and the Secret Service were involved, that

the attacker was "likely Lazarus group," and that Coinbase's customer contracts force disputes into arbitration.

Coinbase answered the next day. "Coinbase is not hiding a series of hacks and we certainly didn't lose \$1B," its support account posted, adding that it advises clients on API-key security and doesn't hold what it would need to move money out of their accounts. That reads like Coinbase pointing at stolen client credentials rather than its own systems.

Paul says he'll publish the full dossier once Coinbase agrees not to sue him. No court docket is public. Until one is, this is an allegation from a serious name against the custodian for most US spot bitcoin ETFs, and that's how we'll treat it on the show.

[Read Unchained's report on the allegations →](#)

A Circuit Board Taped to a Battery Sent Ecash Through Apple's Find My Network



Photo: calle / X

On Sept. 30, Cashu creator calle posted a demo he called "possibly the most absurd medium to send bitcoin yet." A bare ESP32 board taped to a battery, with no internet connection, broadcast a 409-byte Cashu token disguised as AirTag beacons. Passing iPhones relayed those beacons to Apple's servers, which is what Find My is built to do, and a receiver collected 13,407 reports and put the token back together.

The code, called "find my nuts," went up on GitHub under the developer handle zeugmaster about an hour before calle posted. It builds on two 2021 projects, OpenHaystack and Send My, that first pushed data through Find My. Each beacon carries two bits. At default settings one token takes about 52 minutes per pass, and longer in real life, because delivery depends on who walks by.

The README lists the catches. The receiver needs an Apple account and Apple's servers. The token goes out unencrypted, so whoever catches it can spend it. And Cashu is a claim on a mint, not on-chain bitcoin. Apple built a network to find lost keys. It now carries money too, at roughly an hour a token.

[Read BeInCrypto's write-up →](#)

A UK Cop Stole 50 Bitcoin in 2017. The Bill Came In at £1.81 Million.



Photo: National Crime Agency headquarters, London. Philafrenzy / Wikimedia Commons (CC BY-SA 4.0)

Over May 6 and 7, 2017, National Crime Agency officer Paul Chowles moved 50 of the 97 bitcoin his agency had seized from Silk Road 2.0 administrator Thomas White into an address he controlled, then ran them through the Bitcoin Fog mixer. They were worth about £60,000. The NCA assumed White had moved them himself, and by late 2021 it had written them off as untraceable.

Merseyside Police arrested Chowles in May 2022. The evidence included an iPhone linked to the receiving account and notebooks in his NCA office holding White's usernames and passwords. He pleaded guilty and got five years and six months in July 2025. On Sept. 30, Liverpool Crown Court ordered him to repay £1,810,678.93, the full value of his available assets. The court put his benefit at £1.97 million.

White said for years that someone inside the NCA took his coins. He was right. Thirty of the 50 were recovered, and their value is what the order is built on. Governments now hold seized bitcoin by the tens of thousands of coins, and every one of them sits behind a key that some employee can reach.

[Read the Crown Prosecution Service release →](#)

CLOWN WORLD NORTH

A \$219 million student-grant pipeline with six-minute final exams, a trafficking law on a six-month clock, and a T-shirt that closed one brewery and cost the one down the road its orders.

Three Strip-Mall Colleges Drew \$219 Million in Ontario Student Grants. One Final Exam Took Six Minutes.



Photo: Minister Nolan Quinn. Frank Gunn / The Canadian Press

Court records reported by The Canadian Press on Oct. 2 show what Ontario inspectors found at three Academy of Learning franchise campuses in Brampton, North York and on Bay Street in Toronto. One student finished every quiz and the final exam of a business-writing course in a single day, the final in six minutes. One North York student's login was used from at least 211 IP addresses. At Bay Street, 39 of the 42 files inspectors examined had IP addresses used to open other students' accounts, all referred by the same recruiter.

The money: about 14,800 students at the three campuses received more than \$219 million in OSAP grants in 2024-25. Students at every publicly funded college in Ontario combined got about \$385 million. Bay Street had 996 OSAP students in 2021-22 and 7,435 three years later.

Minister Nolan Quinn told the schools in May they would lose OSAP eligibility. They are fighting that in court, deny most of it and blame dynamic IP addresses. Nothing has been proven. Ontario cut grants for public college and university students this year.

[Read the Western Standard report →](#)

A B.C. Judge Struck Down Canada's Possession-for-Trafficking Law. It Still Applies Until March.



Photo: Jeremy Kalicum outside the Vancouver Law Courts. Michelle Gamage / The Tyee

On Sept. 29, B.C. Supreme Court Justice Catherine Murray declared section 5(2) of the Controlled Drugs and Substances Act, possession for the purpose of trafficking, of no force or effect. Jeremy Kalicum and Eris Nyx ran the Drug User Liberation Front's compassion club,

which sold tested heroin, cocaine and meth at cost to 47 screened members from 2022 until Vancouver police raided it in October 2023.

Murray found the law breaches Charter sections 7 and 15 because no legal pathway exists for a non-medical safer-supply program. Health Canada refused DULF an exemption in July 2022. The Crown asked her to limit the ruling to heroin, cocaine and meth. She declined, so it covers every scheduled substance, and she stayed the pair's convictions.

The declaration is suspended for six months, so the law is still enforceable everywhere in Canada today. Prosecutors have until about Oct. 29 to appeal. Conservative MP Frank Caputo, a former Crown prosecutor: "There is no constitutional right to sell heroin, cocaine and methamphetamine." As of this weekend Ottawa had not said whether it will appeal.

[Read The Tyee's report →](#)

A Sooke Brewery Fired Its Co-Owner Over a T-Shirt. A Different Brewery Got the Boycott.



Photo: Laura Paul / Facebook, via CTV News Vancouver Island

On Sept. 30, the National Day for Truth and Reconciliation, Sooke Brewing Company co-owner and head brewer John Adair was photographed at work in a shirt reading "Show Me the Evidence." Critics read it as questioning documented residential school accounts. By Thursday the brewery had apologized, closed for now, cancelled its Oktoberfest weekend and announced

that Adair was terminated, effective immediately. He is one of five owners. Nobody has said what happens to his stake, and he hasn't said what the shirt meant.

On Friday someone spray-painted "evidence?" on the building and Sooke RCMP opened a criminal investigation. Meanwhile Sooke Oceanside Brewery, an unrelated business with a similar name, collected one-star reviews, boycott threats and cancelled wholesale orders. Its owner, Ryan Orr, says his brewery was open about a year before the other one.

T'Sou-ke First Nation Coun. Debra Lazzar told CTV the photo was hurtful and that an apology is not enough. Within three days, one T-shirt cost a man his job at a business he part-owns and cost a second brewery its customers for something it never did.

[Read the Juno News report →](#)

ALSO ON THIS WEEK'S SHOW

ALSO ON THE BITCOIN SIDE

- [Blink's post-mortem: for nearly three years, any free account could make itself an admin. 6.61 BTC left, and users were made whole](#)
- [Illinois posted draft rules for its 0.2% digital-asset transaction tax, then agreed to push the start to July 1, 2027, if a judge signs off](#)
- [Bloomberg says Bukele is trading Bitcoin for stablecoins, the Bitcoin Office calls it fake news, and the IMF released \\$138 million](#)
- [BTCNow's pay-over-time bitcoin is 60 payments that add up to 147% of today's price](#)
- [The US added 29,000 jobs in September, July got revised to a loss, and the 10-year closed at its highest since 2002](#)
- [Bitcoin's best third quarter since 2017 pulled \\$6.34 billion into US spot ETFs, which are still up only about \\$1 billion on the year](#)
- [Bitget's hack is now \\$387.5 million, traced to a zero-day in a security vendor's gear, with attackers inside from Aug. 31](#)
- [A Nasdaq microcap facing delisting traded 51.6 million shares and warrants for 3,170 bitcoin from unnamed offshore investors](#)
- [A Senate bill would make buying coffee with stablecoins tax-free while spending bitcoin stays a taxable event](#)
- [Brazil's central bank now wants reports on self-custody transfers over US\\$10,000](#)
- [Australia's CommBank stopped new scheduled payments to exchanges on Sept. 30; existing recurring buys still run](#)

- Argentina now sells citizenship for US\$350,000 to the Treasury or an US\$800,000 bond, with no bitcoin option
- River is suing Blockstream's Canadian mining spin-out for about \$6.7 million over a cancelled hosting deal
- Canadian treasury company Matador has 138 of its 168 bitcoin pledged against convertible notes and closed at 2.5 cents

ALSO FROM CLOWN WORLD NORTH

- An eastern Ontario Tim Hortons operator in court restructuring blames the foreign-worker cap; temporary foreign workers were 83% of staff at one store and about a quarter across all six
- The FBI put Goldy Brar on its Ten Most Wanted list with a US\$1 million reward; he is charged with ordering the Nijjar killing in Surrey
- Finance Canada's own briefing notes model an \$18-billion-a-year hit if Alberta leaves, ahead of the Oct. 19 vote
- Carney promised the fullest extent of the law against Stelco's U.S. owner over Hamilton layoffs; Cleveland-Cliffs' CEO says see you in court
- LNG Canada's \$33 billion Phase 2 will again buy its modules from a Chinese state-owned yard
- The PBO says building Alto high-speed rail could cost \$113 billion, \$23 billion over Ottawa's top estimate
- FINTRAC hid the supplier names on 100 contracts worth \$26.7 million; one grew from \$339,000 to \$10.1 million
- The Ottawa Citizen, the Montreal Gazette, Policy Options and The Hub ran columns by a writer editors now say is likely an AI persona
- A Newfoundland bridal shop co-owner who hung a 7-year-old by his coat hood got an absolute discharge
- The man charged in the arson at Liberal MP Salma Zahid's home now faces 14 more counts over an Ajax house fire three days earlier
- StatCan revised Canada's population up by about 300,000, roughly 12,000 of them in New Brunswick, which cut second-quarter per-capita GDP growth from 1.7% to 0.7%
- Ottawa's Trump Avenue sign vanished two days after council voted to rename the street; police are looking at a \$700 Facebook listing
- Oshawa fined the Canadian Automotive Museum up to \$1,850 in two weeks for trespassing and littering done to its own property
- Ottawa spent \$50,376 on a 40-minute Afghan war monument groundbreaking; 12 of the 170 guests were Afghanistan veterans and none was asked to speak
- Ottawa pledged \$398 million in aid at the UN the week before, with the deficit projected at \$65.3 billion

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