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Crypto Heist in Bengaluru: 'Victim' Found to Be Mastermind

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A reported cryptocurrency robbery in Bengaluru has taken an unexpected turn after investigators revealed that the supposed victim, Shri Harsha, was the orchestrator behind the staged crime. The elaborate scam, which promised high returns from a digital asset conversion, led to the arrest of 15 individuals, while four others remain on the run.

The incident unfolded on June 25 when Harsha claimed he had been robbed of ₹2 crore during a transaction involving Tether (USDT), a stablecoin cryptocurrency pegged to the United States dollar. According to Harsha's initial statement, five armed assailants attacked him during the trade in MS Palya, Bengaluru, and fled with the cash. However, an in-depth investigation using surveillance footage and phone data contradicted his account.

Police discovered that Harsha had planned the entire operation. He allegedly enticed two businessmen Bharath Singh from Bengaluru and Abhishek from Mangaluru with a proposal to convert their cash into USDT under the pretense of an official transaction offering significant profits. The businessmen were led to a shop controlled by Harsha's associates, where, during the counting of money, fake robbers stormed in, assaulted everyone present (including Harsha), and escaped with the cash to make the robbery appear authentic.

The investigation resulted in the arrest of Harsha and 14 others involved in the conspiracy. Among those detained, several reportedly have prior criminal records. Law enforcement also recovered ₹1.1 crore in cash, multiple vehicles, mobile phones, and weapons used in the crime. Four suspects, Sandeep, Sheikh Sadu, Rakesh, and Mohammed Sabeer, remain at large.

Authorities have stated that once the investigation concludes, the case will be referred to the Income Tax Department for further scrutiny, particularly given the large sums of undeclared cash involved. The incident serves as a stark reminder of the growing misuse of cryptocurrency as a tool in financial fraud, emphasizing the need for both regulatory vigilance and investor caution in high-value digital transactions.