

Japan court backs Karpeles conviction for data manipulation

June 12 2020, by Yuri Kageyama



In this June 5, 2019, file photo, former Mt. Gox CEO Mark Karpeles attends a news conference at the Foreign Correspondents' Club of Japan, in Tokyo. A Japanese high court on Thursday, June 11, 2020 upheld a lower court's decision that the French head of Mt. Gox, a Tokyo-based bitcoin exchange that went bankrupt after a massive hacking attack, was guilty of manipulating electronic data but not embezzlement. (AP Photo/Jae C. Hong, File)

A Japanese high court on Thursday upheld a lower court's decision that the French head of Mt. Gox, a Tokyo-based bitcoin exchange that went bankrupt after a massive hacking attack, was guilty of manipulating electronic data but not embezzlement.

The Tokyo District Court last year sentenced Mark Karpeles to two years and six months in [prison](#), suspended for four years.

The suspended sentence means Karpeles, a French citizen, will not have to serve jail time. He says he is innocent and appealed to clear his name.

Karpeles has insisted he did not pocket client funds that went missing when Mt. Gox collapsed in 2014. He said he is not yet sure what he will do next.

"Today's verdict was unfortunate, and I am reviewing its contents alongside my lawyers and will decide how to proceed from there in the coming days," he said late Thursday.

Karpeles was arrested in August 2015 and spent 11 months in detention while awaiting trial in a case that drew global attention, as cryptocurrencies were then relatively new.

Prosecutors had demanded 10 years in prison for the initial charges, which included [breach of trust](#).

In last year's ruling, the [district court](#) said Karpeles had manipulated data to harm his clients. Karpeles' defense team argued that prosecutors did not understand how cryptocurrency exchanges worked and were trying to pin the blame for a massive cybercrime on Karpeles, who was just a victim trying to protect his clients.

Karpeles, a computer prodigy with an interest in Japanese animation and

games, moved to Japan in 2009.

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