

Victim's Attorney: Strategic Bitcoin Reserve Already Lost \$6 Billion in Potential Value

U.S. seized 127,271 BTC now down \$6B as price falls; victims await outcome of ongoing Prince Group fraud and forfeiture litigation.

NEW YORK, NY, UNITED STATES, February 11, 2026 /EINPresswire.com/ -- Crypto recovery attorney Marc Fitapelli announced today that the United States government's federal Bitcoin holdings have declined by approximately \$6 billion in potential market value. The losses stem from 127,271 Bitcoin seized from the [Prince Group](#) on October 14, 2025, pursuant to a civil asset forfeiture action. At the time of seizure, Bitcoin was trading at approximately \$115,000 per coin, placing the total value near \$15 billion. As of February 11, 2026, Bitcoin's market price has fallen to roughly \$70,000 per coin, reducing the value of the seized assets by approximately \$6 billion.

On October 14, 2025, the U.S. Department of Justice also unsealed an indictment charging Chen Zhi, chairman of Cambodia-based Prince Holding Group, with wire fraud and money laundering. According to the United States Attorney, Chen Zhi allegedly operated forced-labor scam compounds that carried out large-scale "[pig butchering](#)" cryptocurrency fraud schemes. Prosecutors allege victims in the United States and worldwide were defrauded out of billions of dollars through coordinated online investment scams.

The Bitcoin at issue is currently in U.S. government custody pending resolution of the criminal and civil forfeiture proceedings against Chen Zhi. Civil asset forfeiture is a legal doctrine rooted in old English admiralty law, where governments seized pirate ships and smuggling vessels by proceeding "in rem" or against the property itself rather than the owner. That concept carried into American law and expanded significantly in the 1980s during the war on drugs, when Congress strengthened federal forfeiture statutes to allow the government to seize assets suspected of being connected to crime, often before a criminal conviction. Now, the Federal government is using civil asset forfeiture to target criminal organizations that are involved in cryptocurrency scams. While forfeiture can serve important law enforcement purposes, it is not designed primarily as a victim restitution system. Seized assets may remain frozen for years



Marc D. Fitapelli



When billions in seized Bitcoin sit frozen for years, victims absorb the risk. In volatile markets, justice delayed isn't just inconvenient — it's justice denied."

Attorney Marc D. Fitapelli

during litigation, and victims' attorneys must often pursue separate remission processes to recover funds.

On March 6, 2025, the White House issued an Executive Order establishing a U.S. [Strategic Bitcoin Reserve](#), directing that Bitcoin "finally forfeited" in criminal or civil proceedings be deposited into the reserve and held as a long-term strategic asset rather than immediately liquidated. Importantly, Bitcoin does not become part of the Strategic Bitcoin Reserve until the forfeiture becomes final. The Prince Group case remains ongoing, and there

remains a possibility that the defendant could prevail and recover the seized assets back from the United States government. Until final adjudication, the status and ultimate disposition of the Bitcoin remain legally unsettled.

If a court ultimately rules in favor of the defendant, the assets must be returned. If the forfeiture is upheld, federal law provides mechanisms for restitution or remission to identifiable victims. In principle, the system contemplates eventual return to victims. In practice, however, the process is complex, slow, and heavily procedural. Civil forfeiture litigation can take years to resolve. During that time, seized digital assets remain in government custody, exposed to extreme market volatility. Victims do not control the timing of liquidation, the pace of litigation, or the strategic decisions made about whether assets are held or sold. If the forfeiture fails, the assets may go back to the defendant. If the forfeiture succeeds, victims must navigate a separate administrative remission process that is discretionary and does not guarantee full repayment.

If you or someone you know was a victim of a pig butchering cryptocurrency scam or any other online investment fraud, you may have independent legal options beyond the government's forfeiture process. Victims should not be forced to sit on the sidelines while litigation drags on, and asset values fluctuate. MDF Law's attorneys are actively evaluating recovery strategies for crypto fraud victims, including civil litigation, asset tracing, and claims against responsible third parties. Consultations are confidential and provided at no upfront cost. MDF Law is a law firm with offices in New York and California. MDF Law represents victims nationwide in cryptocurrency fraud, data breach litigation, and investment disputes.

Source: United States v. Approximately 127,271 Bitcoin, Civil Docket No. 25-5745

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