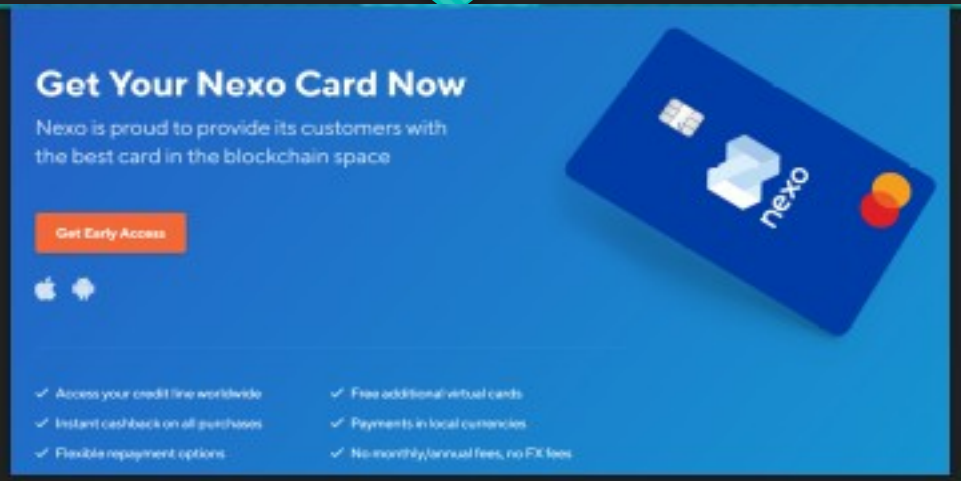
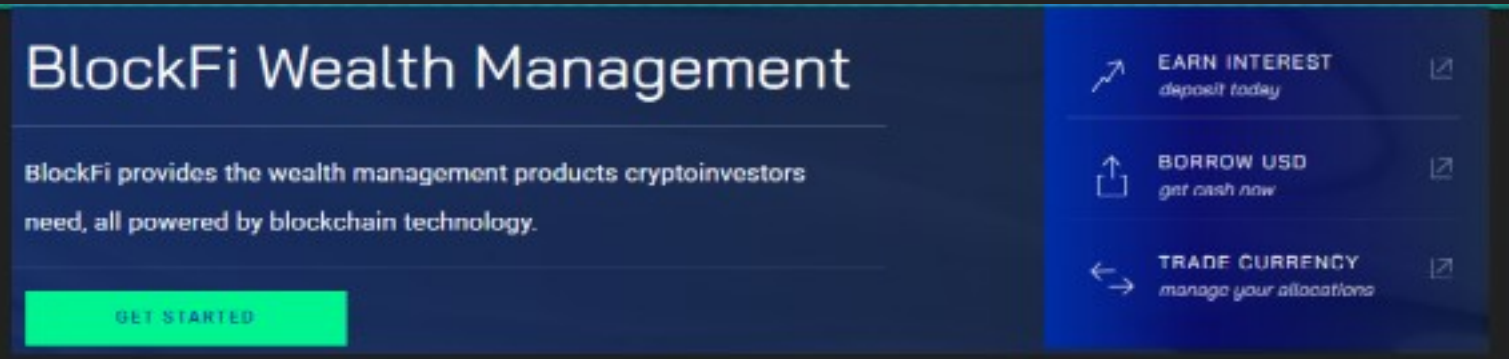
Crypto ecosystem

Cryptocurrency Exchanges

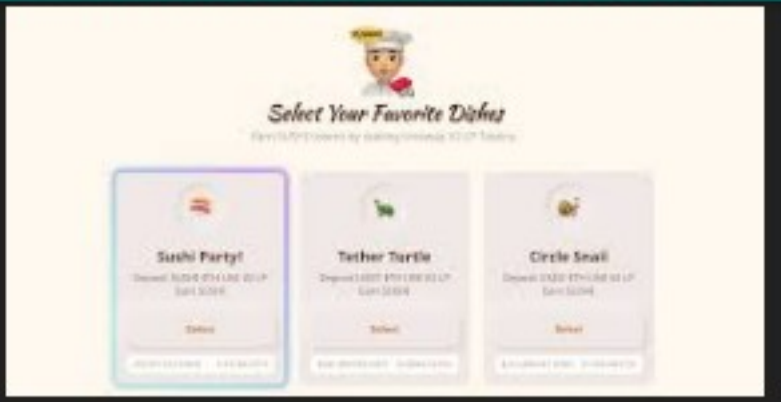
Centralised Financial Services





Decentralised exchanges, swaps & trading

changelly



UNISWAP

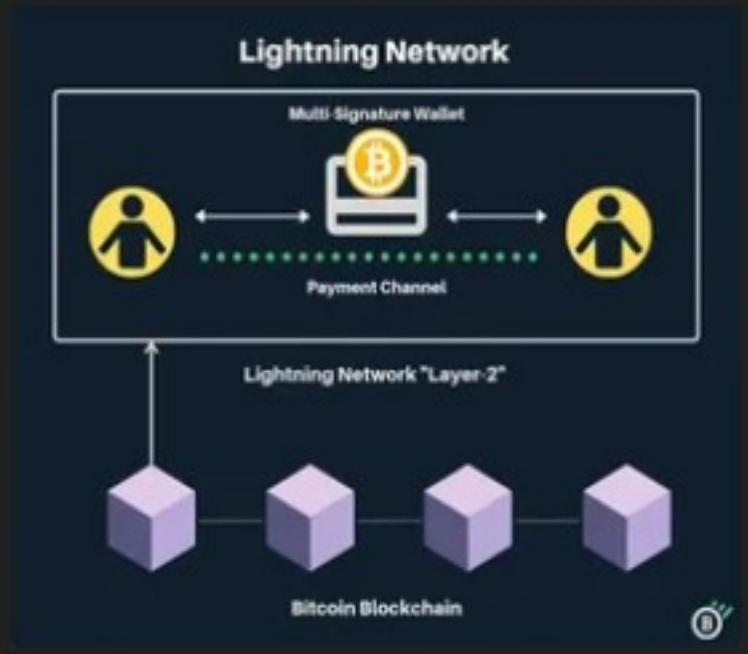
BitMEX

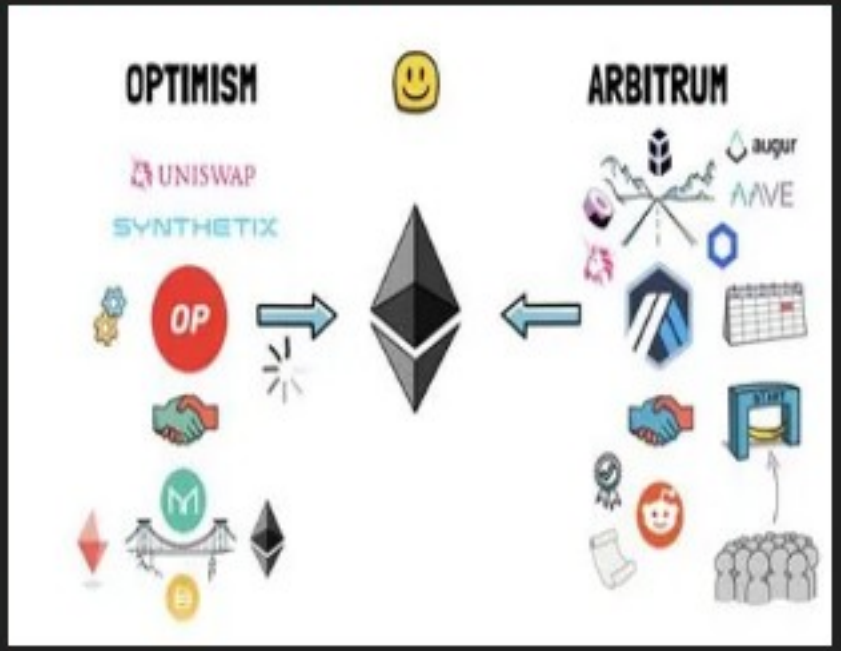
bisq

PAXFUL

eToro

Second layer networks

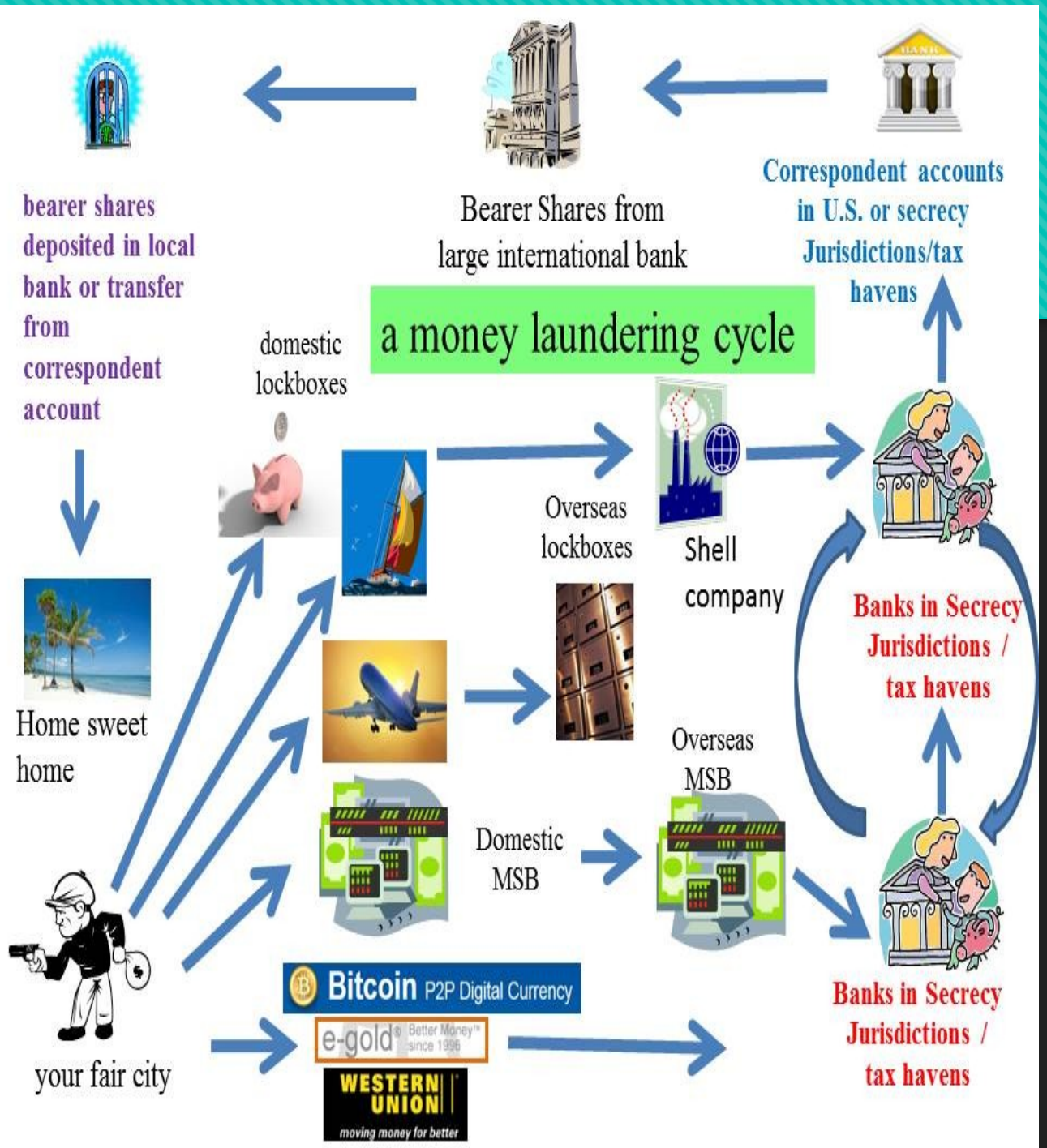




Money laundering

The criminals carried out several money laundering schemes involving the transfer from fiat currency to virtual assets to hide the illegal origin of the proceeds. Some of the identified modi operandi used crypto ATMs and smurfing, a criminal method used to split illicit proceeds into smaller sums and placing these small amounts into the financial system to avoid suspicious transaction reporting.

- The Spanish Civil Guard (Guardia Civil) arrested eight people and charged eight more for involvement in the crypto money laundering ring.
- Seven houses were searched, including a money exchange office and an indoor cannabis cultivation plant.
- Eleven vehicles, €16 800, close to 200 cannabis plants, two crypto ATMs, computers, devices, jewels and relevant documents were seized.
- Spanish authorities froze four 'cold wallets' and 20 'hot wallets', to which €9 million was transferred, as well as several bank accounts.



Hacking and money laundering

To perpetrate their scheme, one of the fraudsters—Potekhin—spoofed the websites of numerous legitimate virtual currency exchanges to collect users' login credentials and gain access to their real accounts. According to OFAC, the duo employed a variety of methods to move the legitimate funds out of users' accounts, including the creation of exchange accounts with fake or stolen IDs; swaps to different virtual currencies, such as Monero; and moving the virtual currency through multiple intermediary addresses.

Notable DeFi hacks in 2020 included:

- bZx
- Akropolis
- Axion Network
- Balancer
- Bancor DEX
- Bisq
- Cheese Bank
- COVER
- Eminence.Finance
- Harvest Finance
- Lendf.Me
- Opyn
- OUSD
- Pickle Finance
- Uniswap
- Value DeFi
- WarpFinance
- wLEO

KuCoin Hack is Proof that Money Laundering Risk with DeFi is Rising

Regulatory risks grow for DeFi as a 'money laundering haven'

Hardware wallets

BitBox02

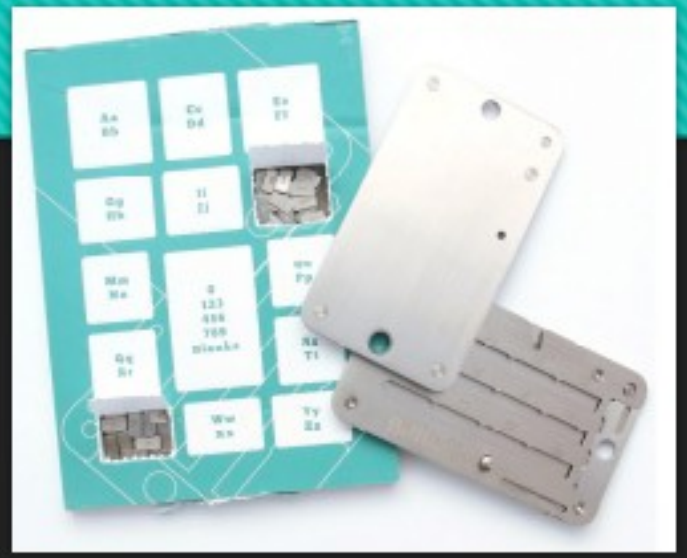
THE BITCOIN CREDIT STICK

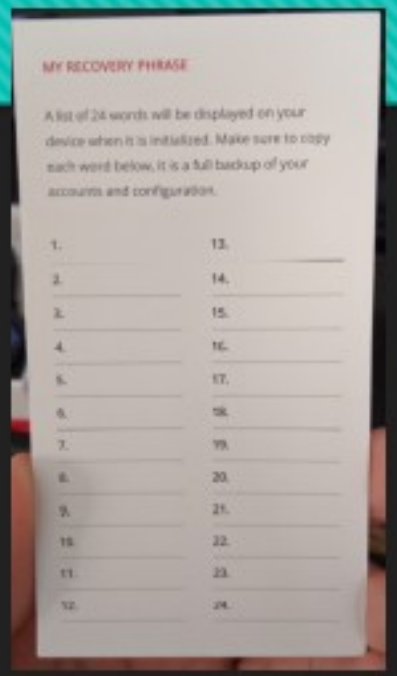
BitBox01

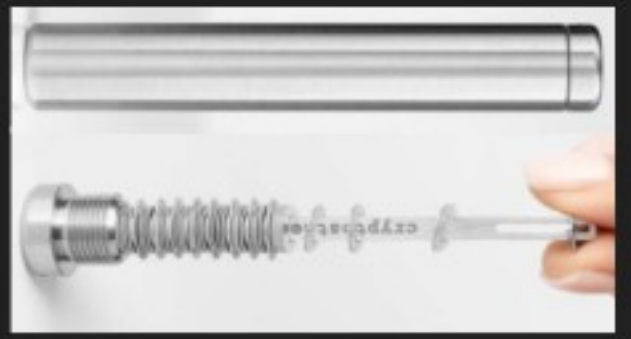
Control your digital assets with the original BitBox, our minimalist hardware wallet and second factor authenticator.

Often have an accompanying mobile or desktop app

Recovery seed storage







Mobile phones & apps

blue wallet

eclairmobile
Lightning Network Bitcoin wallet

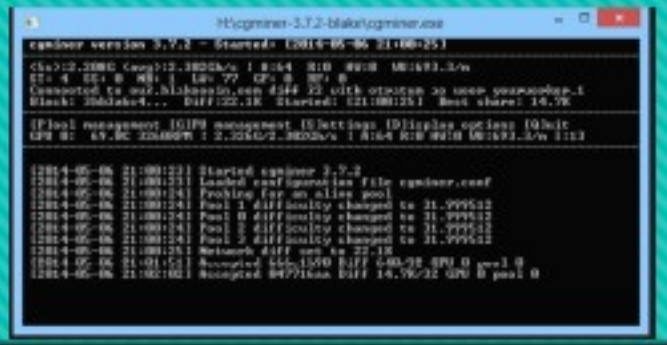
Ledger

Blockfolio

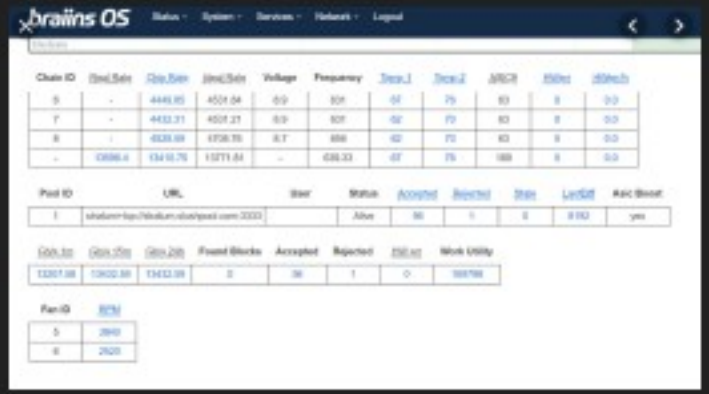
coinomi

Mining

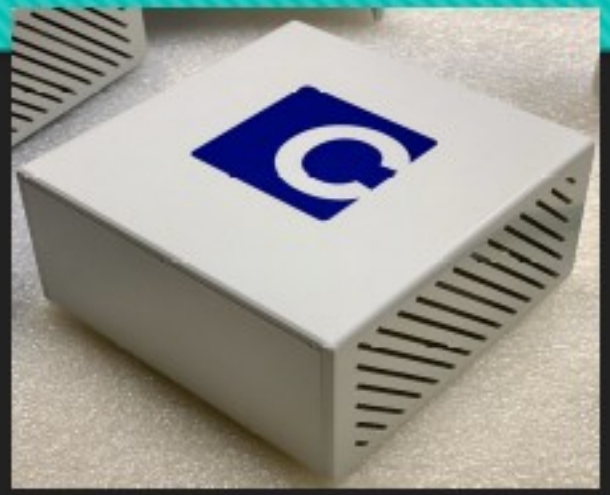
ANTMINER S9


H:\cgminer-3.7.2-bitalo\cgminer.exe
cgminer version 3.7.2 - Started: [2014-05-06 21:00:25]
Connected to ssl.bitminter.com diff 32 with stratum as user yourworkup.1
Block: 3bb1abc4... Diff:32.1K Started: [21:00:25] Best share: 14.9K
[F]pool management [G]PU management [S]ettings [D]isplay options [Q]uit
GPU 0: 69.0C 2048RPM | 2.326G/2.302Gh/s | A:164 R:0 HW:0 WU:693.3/m 1:1
[2014-05-06 21:00:22] Started cgminer 3.7.2
[2014-05-06 21:00:23] Loaded configuration file cgminer.conf
[2014-05-06 21:00:24] Probing for an alive pool
[2014-05-06 21:00:24] Pool 1 difficulty changed to 31.999512
[2014-05-06 21:00:24] Pool 0 difficulty changed to 31.999512
[2014-05-06 21:00:24] Pool 2 difficulty changed to 31.999512
[2014-05-06 21:00:24] Pool 3 difficulty changed to 31.999512
[2014-05-06 21:00:25] Network diff set to 22.1K
[2014-05-06 21:01:51] Accepted 66c1590 Diff 640/32 GPU 0 pool 0
[2014-05-06 21:02:02] Accepted 847716aa Diff 14.9K/32 GPU 0 pool 0

MultiMiner
Stop
Settings
Name
Coin
Difficulty
Exchange
Pool
Temp
Fan
Average
Current
Daily
GPU
Sapphire 7970
Litecoin
Sapphire 7970
Litecoin
Sapphire 7950
Dogecoin
Sapphire 7950
Dogecoin
USB
AntMiner U1
Bitcoin
Block Erupter
Bitcoin
LittleFury
Bitcoin
IceFury
Bitcoin
IceFury
Bitcoin
Proxy
Stratum Proxy
Bitcoin
Network
MinePeon
Bitcoin

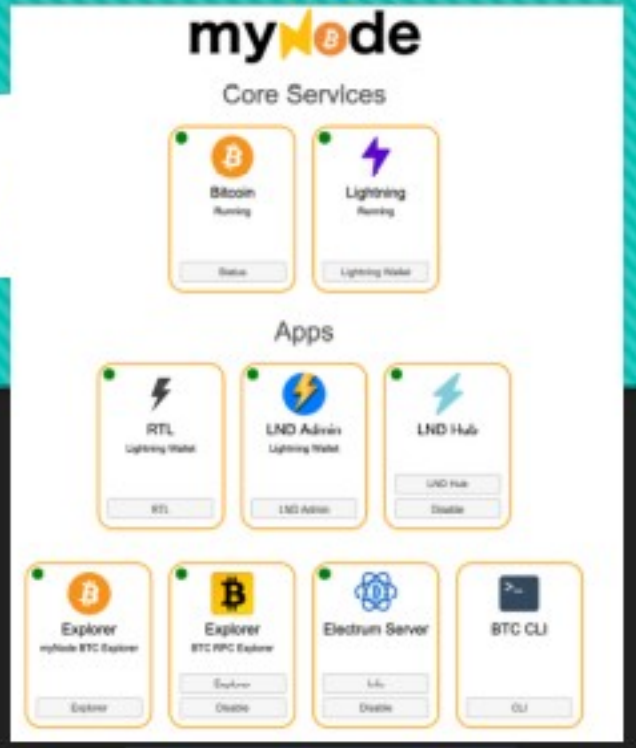

braiins OS

Hardware (Important to think anti forensic measures may be in place and to consider what's on device evidentially)



Infrastructure

Joule



BTCPAY

WASABI WALLET

joinmarket
join in

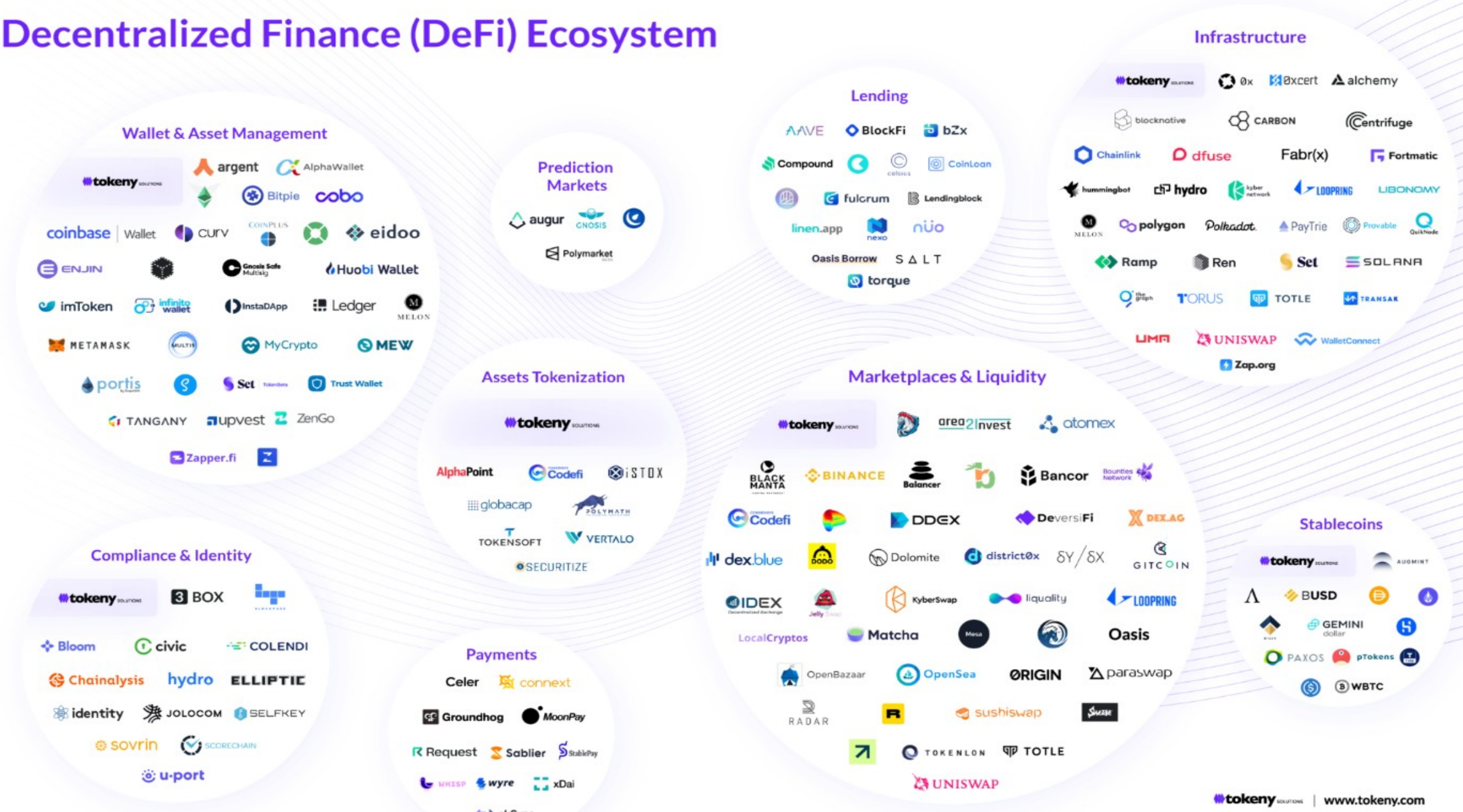
SAMOURAI WALLET
a bitcoin wallet for the streets.

Blockstream SATELLITE

opennode

With Strike, Zap Rethinks Its Olympus Fiat-to-Bitcoin Feature

Decentralized Finance (DeFi) Ecosystem



E-commerce, gambling, fund raising & more

OpenBazaar

Send texts worldwide and pay with Lightning

Paywall.Link

nodl cloud

BetChain
ONLINE BITCOIN CASINO

tallycoin

host4coins

Bitrefill
Live on crypto. Lightning fast.

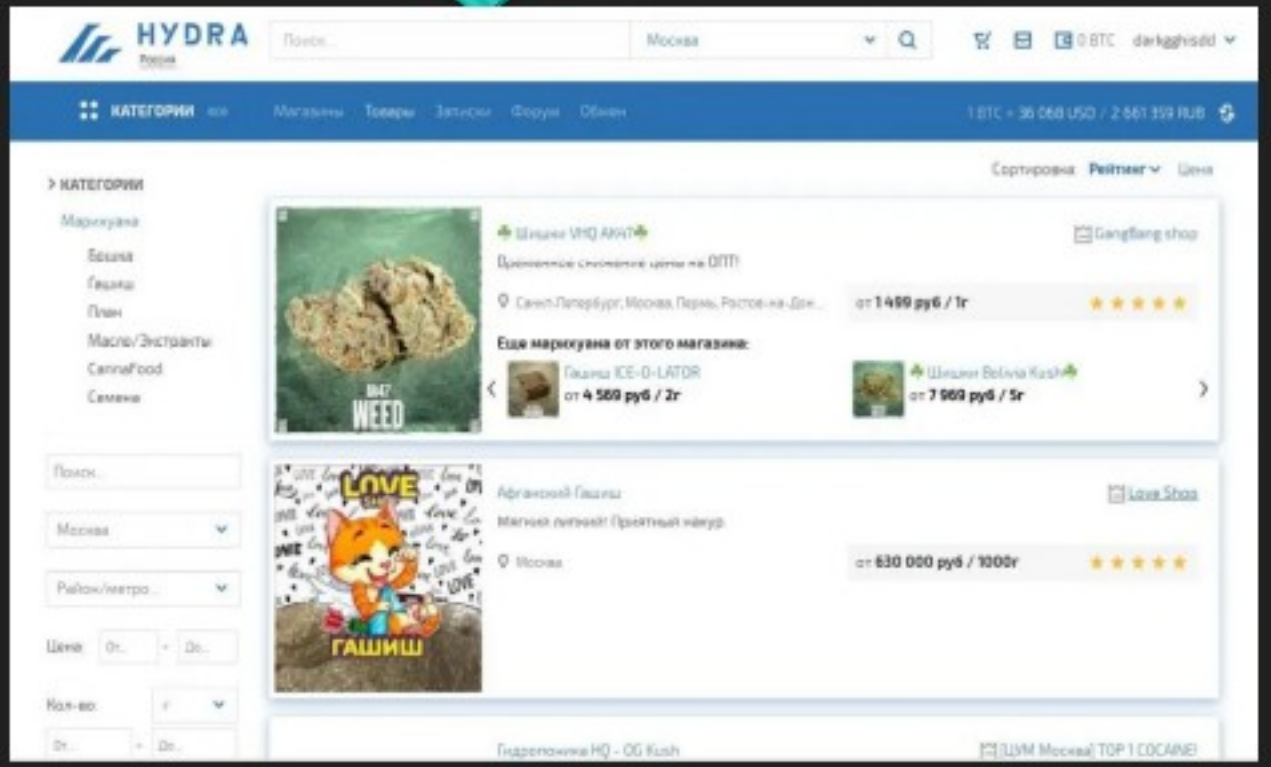
Credential Stuffing, Carding and scams

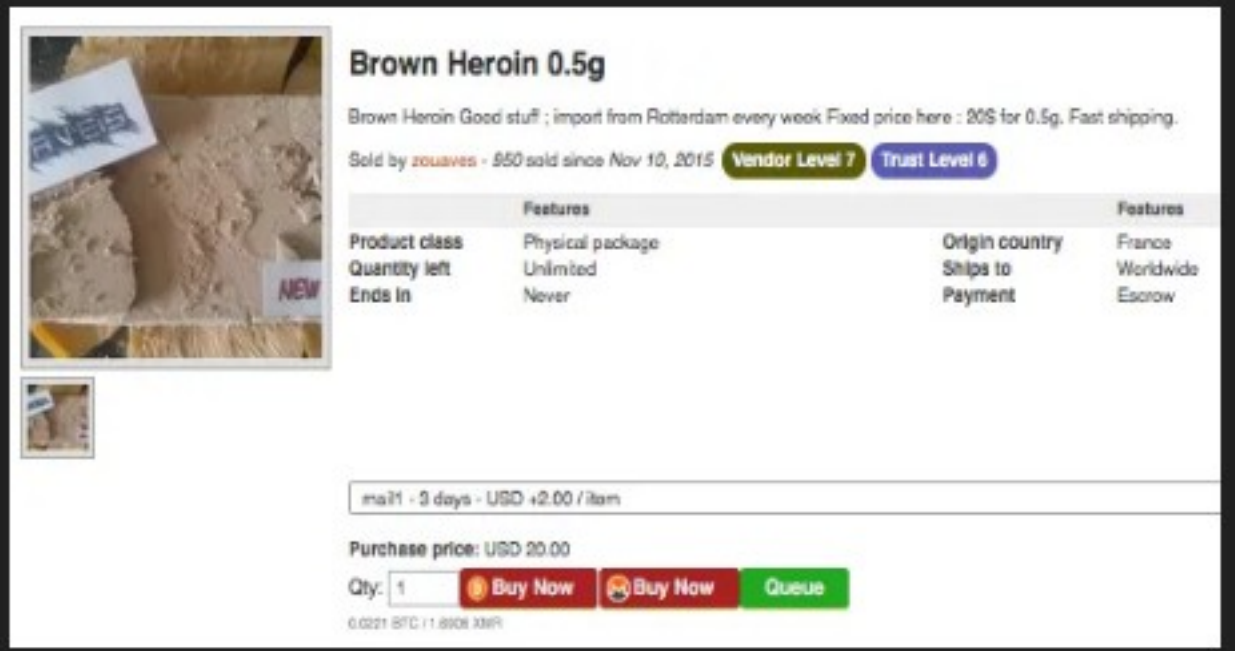
Cybercriminal 'Bitcoin Billionaire' JokerStash Retires

"Through the identification of UK customers of WeLeakInfo, we were able to locate and arrest those who we believe have used stolen personal credentials to commit further cyber and fraud offences," Paul Creffield from the NCA's National Cyber Crime Unit was quoted as saying.

"Of those 21 arrested – all men aged between 18-38 – nine were detained on suspicion of Computer Misuse Act offences, nine for Fraud offences and three are under investigation for both," said the agency. Some £41,000 (US$55,000) worth of bitcoin was seized.

Dark net marketplaces





Non fungible tokens (NFT's)

First NFT by Terrorist sympathizer spreading Terror Message

According to Mario Cosby, a former federal intelligence specialist who specializes in blockchain currencies, "it's as censorship-proof as you can get." The NFT cannot really be removed, according to Mr. Cosby, who is currently working for blockchain analytics company TRM Labs.

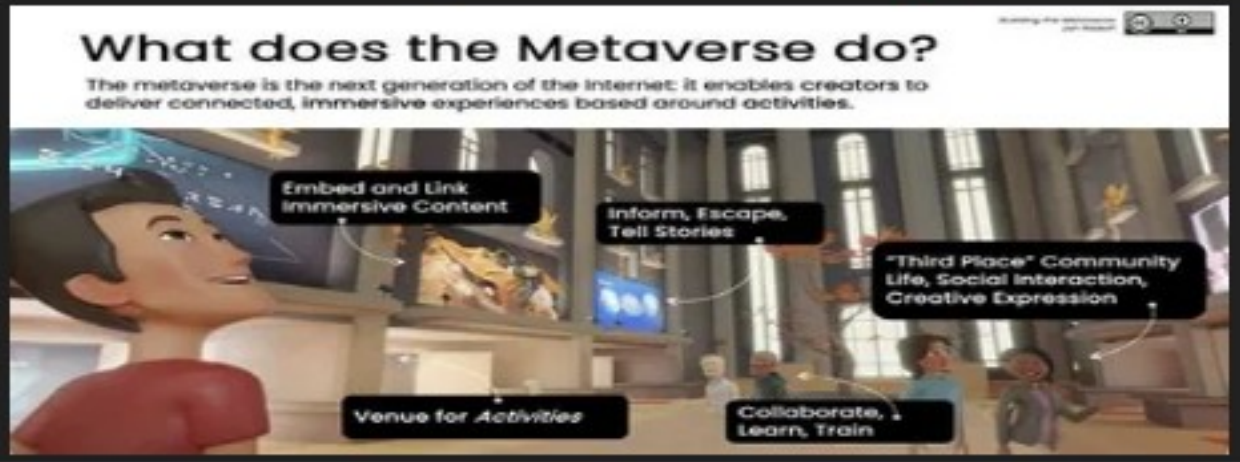
TRM | Talks

On NFTs: Opportunities and Risks

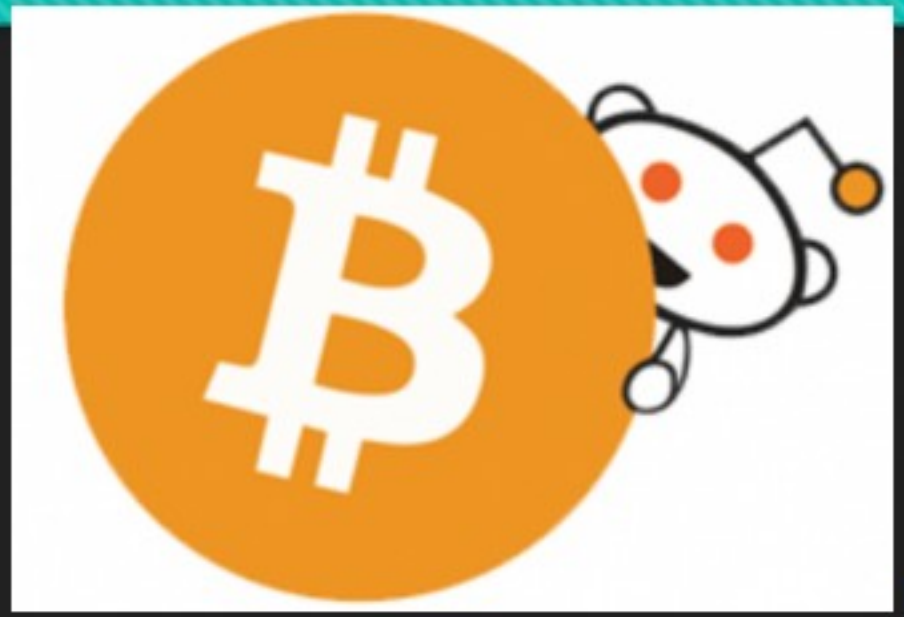
REGISTER NOW

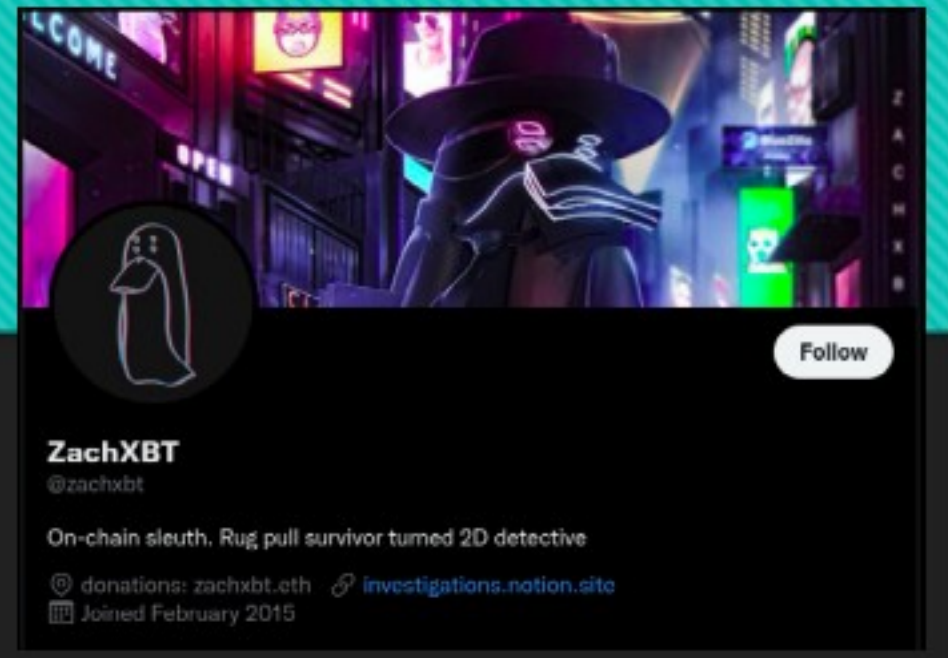
Thursday, December 16
12pm ET | 5pm GMT

Cody Berlin
Chief Technology Officer, Autograph



Forums & Social media





Remittances and Bitcoin economies

Bitcoin and Gift Cards Are Powering a Million Dollar Remittance Market in Africa

Ahlborg dove into the complexities of the use case in his article "Paxful is the Most Important Bitcoin Company You Aren't Paying Attention to." It typically works like this: An African immigrant will purchase gift cards out of the country (typically from the U.S.) for cash; they will send a picture of this gift card and proof of purchase to a friend or family member back home; the recipient makes a trade on Paxful, selling the gift card (typically at a discount) for bitcoin; they then take this bitcoin and trade it for their local currency and transfer this into their bank account.

Bitcoin Beach

El Zonte * Punta Mango * El Salvador * C.A.

Lunch

Uncategorized / By BBadmin

El Zonte river cleaning team got paid in Bitcoin and learned how easy it is to use spending it on pupusas at Mama Rosas Pupusaria. Mama Rosa's pupusas are amazing. Bring your appetite and bring your Bitcoin because they don't take credit cards. #bitcoinpupusaria

Initial Coin Offerings

- These are commonly referred to as ICO’s. They are a fundraising mechanism in which new projects sell their underlying crypto assets in exchange for bitcoin or Ethereum. It is somewhat similar to an Initial Public Offering (IPO) in traditional financing where investors purchase shares of a company.
- The first ICO was held by Mastercoin in July 2013 and Ethereum also carried out an ICO a year later in 2014. It was however in 2017 that the concept really took off with huge sums of money being raised in very short time frames. In May, the ICO for a new web browser called Brave generated about $35 million in under 30 seconds.
- All of this activity was unregulated and unlicensed. Anyone and everyone could announce an ICO and cheaply put the infrastructure in place using the Ethereum platform. As a result this became a hotbed of activity for fraudsters.
- Many used social media to generate interest and then carried out exit scams to steal investments. Others promised the world and pumped the price of their asset (of which they were a majority holder) before cashing out. The price then crashed and investors were left carrying the now worthless asset. Testament to this can be seen in the fact that almost half of all ICO projects from 2017 had failed by February 2018.

Initial Coin Offerings cont.

- Since this time a significant crackdown from certain jurisdictions has marginalised the ICO concept. The SEC in the USA classes them as Security sales and has took legal action against a number of projects who raised money through ICO’s.
- Social media platforms such as Facebook and Twitter have also banned adverts relating to ICO’s and in some cases cryptocurrency all together.
- There are now alternative vehicles which fit within regulations that provide a similar means of fundraising. These are Security Token Offerings (STO’s), Digital Security Offerings (DSO’s), tokenised IPOs.
- Another form of fundraiser called an Initial Exchange Offering is also becoming an option. This is operated by an exchange on behalf of a project and potentially provides a number of benefits. If it is a well known and reputable exchange then prospective investors have some assurances that an exit scam will not take place.
- The exchange also implement background checks on the projects seeking an IEO and take payment for listing a project. Investors will also go through a KYC/AML process with the exchange which provides compliance. Further to this projects can be listed immediately on exchanges improving liquidity.

DeFi Tokens

- Efforts have been made to replicate fair/decentralised issuance of tokens. These have revolved around rewarding contributors, airdrops, open sale with no premines. Some tokens are also released to those utilising platforms to “stake” or provide liquidity.

- In these instances it is unlikely that any KYC/AML process will have been completed. The use of decentralised exchanges (DEX’s) also allows for the unregulated trading of such tokens. For many projects the token will provide access to certain features or be used in governance decisions.