Economic Crimes and Corruption in Cyberspace

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Key Points to Consider

Financial crimes & corruption are at the crossroads of most crime areas

Essential to the survival of any criminal or terrorist network

Technology has increased the ease and speed of funds
Approximately 1170 Crypto Currencies
Challenges:

• Enormous speed of evolving technologies and new complex implementations;

• Absence or variety of regulations regarding cryptocurrencies & stakeholders among nations;

• Existence of anonymous/pseudonymous peer-to-peer transaction in a digital universe entirely outside the reach of any country;

• Tracing, seizure and confiscation of cryptocurrencies poses particular challenges for LE community and prosecutors;

• Darkweb
Fraud case example

OneCoin

Summary of facts of the case
In early 2015, criminal suspect Ngai Hin Man developed Cao Yuhui, Liao Bihuan and Bie Shijie (have been arrested) to take charge of the spread and promotion of Onecoin, an overseas virtual currency in mainland China. They claimed that Onecoin is the second generation of virtual currency with a great opportunity of appreciation and enticed victims to invest huge amounts of money into the website with the purpose of high investment returns. Victims obtained the membership by investing a certain amount of money and were ranked on the basis...
Cyber Attack Example:

Cryptocurrency start-up was attacked during a 15-minute window period in which “whitelist contributors” were offered to invest prior to the public ICO.

The offenders successfully compromised CoinDash’s website and fraudulently replaced the official Token Sale address with another address, supposedly under the perpetrators’ control.
Crime as a Service

Cyberspace as meeting place
Possibilities (for LEA):

• Combination of open source research, commercial tools and information provided by private sector can lead to identification of suspects and their criminal activity;

• Forensic tools already available and provided by private sector;

• Underground investigations and observation of the activities in the Dark Net Markets

• The role and information source of VC exchanger as points of intersection can’t be overestimated by governments, policy makers and LEA
Thank you

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