

“How To Investigate a Cryptocurrency Scam”

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Introduction

The cryptocurrency market is evolving at an exponential rate, with growth, innovation, and margin for many scams. Yes, the exciting future of cryptocurrencies creates positive opportunities, and options for scam artists to capitalize on an international level. The research presented contains the findings of one participant, applying to a (virtual) Administrative Assistant position. The research presented details the participants personal investigation, conclusion, and practical questions to reference. Specific names have been modified accordingly.

Methods

Participants

- One participant; the applicant seeking employment
- Two cryptocurrency organization representatives

Instruments

- A laptop computer with internet access
- A freelance networking profile

Procedures

The participant met the first representative while applying to an “Administrative Assistant” position in the U.S; posted on a reputable freelance networking platform. Communication via (personal) e-mail began, between the first representative and the participant. The participant was given vague information about the cryptocurrency platform, day-to-day work expectations, and the organizations background. The first representative consistently implied an urgency to begin work immediately. The first representative provided contact information for a second representative based in the United Kingdom. The participant was instructed to connect with the second representative via WhatsApp -- to obtain further instructions. The first representative sent a (.docx) employment agreement via e-mail, for the participant to review, sign, and return. The second representative assured the participant would receive the assistance required to complete each task. Listed below are the Administrative Assistant work instructions, (received via WhatsApp) from the second representative:

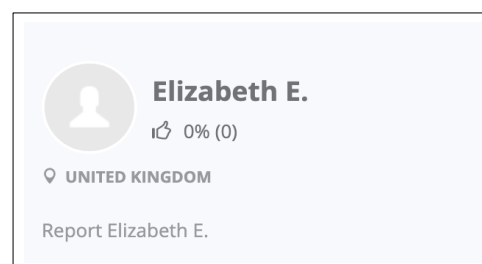
1. I'll contact one of our clients, and they will send funds to you – using Zelle or wire transfer.
2. You receive funds to your Zelle account and confirm the receipt.
3. You exclude your bonus percentage, and we log-in to localbitcoins.com to find a bitcoin seller.
4. We'll find a seller who accepts cash deposit to a bank account. We'll be doing cash deposits at the beginning, as this is the fastest/easiest way to make transactions; so you can understand the procedure. Alternatively we will send funds to bitcoin sellers as wire transfers.
5. You'll go to your bank branch, withdraw cash, and place the deposit into the seller's account. Wire transfer are also okay for exchanging. I'll guide you on how to do this.
6. The seller will receive funds and release bitcoins to your localbitcoins.com wallet.
7. You will send bitcoins to the organization wallet, and this will be the end of the deal.

Investigation

Using the second representatives instructions, organization info, and colleague feedback; the participant began investigating.

Freelance Platform Profile

- The first representative's profile includes a first name, last initial, displays 0% feedback, and no profile photo



Website

- The organization is described as a crypto gaming platform, applying blockchain technology to online gaming/gambling with specific tokens available
- The website ends with a “.me” URL extension
- The website was temporarily suspended
- The website content reflects a poor use of grammar
- The website content describes the technology using vague terms, and repeats one phrase twice. Example: “[meaning no need for your actions in game to be validated by a human.](#)”
- The contact info listed on the website includes a Hong Kong mailing address, and unverified phone number the participant could not dial successfully

Social Media

- The organization includes multiple social media account links; but each social media account contains minimal content, and no recent posts
- Multiple twitter posts from the same date/time
- YouTube animated videos contain repeated info
- The organization team members LinkedIn profile(s) do not mention affiliation with this organization

Partners

- None of the listed partners appeared to be verifiable

White Paper


- The White Paper (.pdf) contained grammar errors, formatting issues, and typo mistakes
- The White Paper also included false claims related to casino/gambling regulations


Employment Agreement

- The Position Title contained grammar errors, broken sentence structure, and vague language
- The agreement also contained a poorly altered (fuzzy) image of the organization name added to valid business license; in a foreign language

a platform based on blockchain technology, absolutely transparent and accessible to anyone for public verification. Smart contracts provide all players with instant payments, irrespective of the amount of their winnings or their location.

 Account Suspended

 This Account has been suspended.
[Contact your hosting provider](#) for more information.

 **INSTANT PAYOUTS**

Our technology allows for instant payouts, meaning no need for your actions in game to be validated by a human. We trust our technology to manage and create a smooth gambling experience for players. Our technology allows for instant payouts, meaning no need for your actions in game to be validated by a human. We trust our technology to manage and create a smooth gambling experience for players.

Partners

2. Position Title.

As a Administrative Assistant, the Employee is required to perform the following duties and undertake the following responsibilities in a professional manner.

- (a) - Process the orders, process payables (incoming money transfers, incoming [bitcoin/ethereum](#) transfers)
- (b) - Manage exclusive listings and their necessary updates.
- (c) - Maintain all office records and files (transaction files, agent files, etc.).
- (d) - Keep records concerning these transactions;
- (e) - Other duties as may arise from time to time and as may be assigned to the employee.

Conclusion

The participant was frustrated with the cryptocurrency organizations attempt to use his name, Zelle account, U.S citizenship, and time to participate in a potential money laundering operation. The participant contacted the freelance networking platform with a problem ticket, summarizing his investigation. Staff promptly replied to the participant with confirmation, the suspected profile was promptly removed from the freelance platform.

Questions

The participant shared practical questions to reference, for those interested in the cryptocurrency market.

- Do representative message(s) contain poor grammar, broken sentence structure, and/or typos?
- Do organization representative(s) use only written communication and/or ignore verbal communication?
- Does the organization website speak in vague terms, without clearly presenting their goals?
- Are the organizations social media accounts updated with recent posts/comments? If not, why?
- Do organization representative(s) conduct business with a personal e-mail addresses? If yes, why?

Example: john@gmail.com vs. john@organization.com

- Do team member(s) list the organization name on their CV/resume, personal website, LinkedIn profile, or blog? If the team members claim no public affiliation with the organization, should you?