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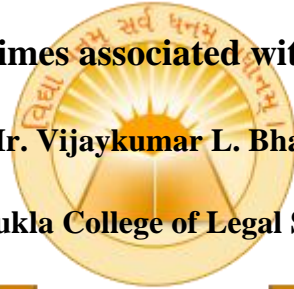
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A study of the Crimes associated with crypto currency

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Abstract

In the digital era our life changing by the digital things. All around us become in digital form like books, share of companies, documents etc. And now the currency also becomes in digital form with this question arise to except it because with these change the crimes also increase. In this paper researcher aim to study nature of crypto currency, kinds of crypto currency, technology behind the invention of crypto currency, economic crime committed by the crypto currency, impact of crypto currency on the economy of world. This research may useful in the investigation of crime committed in the name of crypto currency or by the crypto currency, and also purpose of the Research to examine hypotheses that crypto currency is most powerful weapon to commit various crimes. Criminal investigation in the context of crypto currencies is intensifying with the rising number of crypto currency-related crimes. This led to some countries banning it or making it illegal, while some others remained observant and the rest worked out ways to tax and regulate its operations. The study also tries to analyse the legal status of crypto currency in the world and history of the crypto currency.(1)

Introduction

One of them Bitcoin's history illustrates the complexity of financial crime issues surrounding Virtual Currencies. In October 2008, an unknown individual or individuals using the pseudonym 'Satoshi Nakamoto' published a paper online setting out the idea for Bitcoin.

the history of crypto currency crypto currency is the latest attempt to reinvent the way we exchange money throughout history humans have relied on some sort of payment system to purchase goods and services people initially used a bartering system swapping things like livestock for grain but this proved to be difficult and inconsistent to determine value to remedy the inconvenience of bartering intermediaries such as gold were used as a medium of exchange.

there has been one consistent theme regarding the evolution of payments it's that people prefer payments that are convenient and transactional consequently some economists and historians consider crypto currency the most important payment invention since gold Bitcoin began the crypto currency revolution when it launched in 2008 but it had several earlier ancestors and developments that made it possible the origin of crypto currency is of course related to the beginning of the internet which revolutionized the world like nothing before after all if there was no global system of interconnected computer networks crypto currency wouldn't be able to function david traum is widely regarded as the earliest pioneer in crypto currency in 1983 while



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he was a graduate student at Berkeley he published a research paper that introduced the idea of an untraceable digital cash trauma. sometimes called the godfather of anonymous communication because he invented many of the cryptographic protocols that laid the groundwork for crypto currency he believed that privacy was necessary for an open society in the Internet age, but that government corporations and other faceless organizations couldn't be counted on to provider therefore it was necessary to create and encourage widespread use of strong cryptography and privacy tools.

Objectives of the research

To study Connection of the crypto currency with the black money

To find list of scam committed in the name of crypto currency and related to crypto currency

Impact of crypto currency on the world economy

Is there any Connection of crypto currency with the black money?

Methodology of the paper

This paper based on secondary souse of information like articles and research paper of law journals and journals of other subjects, books, news paper and authentic websites

Research questions

Is it possible to stop the transaction of cryptocurrency and declare it illegal?

Are crypto currencies good or bad for economy?

In future, Crime associated with crypto currency will increase or decrease?

Is that possible to make law on crypto currency and enforce it?

Tom's ideology would help inspire the creation of Bitcoin decades later unfortunately his ideas were way ahead of his time and struggled to gain adoption digit cash the company Tom founded in 1989 to make his vision a reality declared bankruptcy and he abandoned the project initially there was great reluctance to utilize the internet for transactions banks and merchants were deterred by technical difficulties and legal uncertainties. The first true ecommerce transaction didn't happen until the early 1990s when online merchants began listing products on the World Wide Web and accepting credit cards in the mid-1990s the



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dot-com boom began and with it came the first working digital currencies one of the first was e gold founded in 1996 and backed by gold. it was unique compared to traditional payment methods and that it was purely digital in nature and transactions were completely irreversible it became hugely popular and had more than 5 million users although e gold was likely started with benevolent intentions it quickly became a haven for criminals and was subsequently shut down by the US government.

Silicon Valley entrepreneurs look for new ways to improve online transactions major breakthrough came in 1990 when Elon Musk Peter Thiel and others founded PayPal this worldwide online payment system supports money transfers over the Internet and serves as a digital alternative to traditional paper methods like checks and money orders PayPal remains to this day a very popular and successful way of sending money in cyberspace although it now faces growing competition from Google wallet's Apple pay and others while both eagled and PayPal helped facilitate online transactions they lacked many of the characteristics of crypto currency for one thing both represent a claim of value Eagle was a digital representation of gold while PayPal was a digital transfer of fiat or currency

a crypto currency by contrast is a value itself additionally both the gold and PayPal were managed by a central authority coordinating transactions crypto currencies on the other hand are decentralized meaning there's no middleman that coordinates transactions between two parties.

now around the same time that these online payment systems launched a group of NSA researchers published a paper in a law journal that outlined a system very much like Bitcoin in which secure financial transactions were possible through the use of a decentralized network in 1998 two computer scientists took this concept a step further Nick Sabo designed a mechanism for decentralized digital currency.

crypto currency became a reality enter Bitcoin although Bitcoin isn't the first proposed crypto currency it's notable because it's the first working crypto currency equally important is the trailblazing record-keeping technology that it introduced to the world namely blockchain bitcoins history begins on Halloween in the year 2008 October 31st 2008 was the day that Satoshi Nakamoto published his white paper which outlined his vision for this new currency in technology.

Nakamoto offered a forward-thinking way to change long-established Financial protocols using Bitcoin funds could be potentially transferred instantly anonymously and without middlemen fees or government oversight many and buried successful people took notice of this and wanted to be part of it nakamoto's fame spread so far that he was even nominated for the Nobel Prize in Economics in 2015.



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Types of crime associated with crypto currency

Crypto currency such as bitcoin, Ethereum, and, more recently, Monero has become the currency of choice for many drug dealers and extortionists. The criminal activities extend to tax evasion, money laundering, Ponzi schemes, and the theft of crypto currencies to kidnapping for ransom. As the demand for crypto currencies increases, it provides opportunities for criminals to hide behind the presumed privacy and anonymity. Identifying these cryptocurrency-related crimes have posed challenges for law enforcement due to the cross-border nature of transactions, the use of evasion technology to mask the identity of users, and inconsistent regulations.

according to a 2015 Europol [report](#), bitcoin has featured in high-profile investigations involving payments between criminals, and was used in over 40% of illicit transactions in the European Union. It is therefore unsurprising that terrorists and criminals would use digital currencies for illicit transitions, given they offer similar benefits of trust and credibility as the traditionally used *hawala* system of finance.(2)

There has been a growth in the use of technologies which provide anonymity to their users. The Darknet – the vast portion of the Internet which can only be accessed using specialized software – and virtual crypto currencies have many positive benefits, but the focus on anonymity leaves them open to misuse by criminals. The illicit sale of drugs, firearms and explosives; people smuggling; money laundering; terrorist activities; and cybercrime can all be facilitated by these technologies.(3)

The first major crypto currency system, bitcoin, allows users to conceal their real names. But users' transaction amounts and bitcoin account numbers (known as "addresses") are [visible to anyone](#) – even people who don't use bitcoin but know how to read the transaction ledger. This approach offers more privacy than credit cards and bank accounts, even against powerful entities like governments who might try to trace money obtained by criminals. Bitcoin's privacy both attracts users – law-abiding and otherwise – and [raises law enforcement agencies' suspicions](#).

It is true that bitcoin and other crypto currencies create opportunities for tax evasion, ransomware and [illicit marketplaces](#) selling everything from narcotics to illegal arms. Some concerns, though, like the potential uses for terrorists, [are probably overblown](#). (4)

Online illegal Gambling

Online Illegal Gambling and app



Illegal share Trading

Financing terrorism

Use crypto currency to store Black money

Illegal investment

Selling purchase drugs online

Pornography

Illegal selling of prohibited body parts of Human Being

Illegal selling of prohibited body parts of animal

Selling of Fake products on dark web

Money laundering

Any many other economical and cybercrime associated with the crypto currency



Crypto currency and law

In the definition of the legal nature of crypto currency, there are two possible approaches: 1) to equate it with the already existing objects of legal regulation (non-documentary securities, foreign currency, commodity, etc.), which implies the need to create only certain regulations that take into account the specifics of crypto currency as a variant of the corresponding object; 2) to introduce the concept of "crypto currency" into the legislation, recognizing it as a fundamentally new object of legal regulation, and, consequently, to create the crypto currency legislation from scratch. To date, most countries in the world are trying to regulate the crypto currency relations and settle them, focusing mainly on the issues related to licensing operations with , taxation, as well as countering the legalization of proceeds from criminal transactions and financing of terrorism. At the same time, state authorities often fail to have a clear position on the legal nature of crypto currency, and therefore, try to regulate its turnover "blindly." As S. A. Timofeev notes, attempts to somehow regulate legal relations related to crypto currency are meaningless until digital rights, money and contracts become objects of civil rights(5)



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Scams of bitcoin

Here examples of fake wallets that have been uploaded on to centralized app stores case in point you had the recent examples of a fake meta mask wallet that was uploaded on to the chrome browser store the scammers will also produce fake reviews and comments to make the browser wallet look legit.

basically hackers were able to get access to the data emails names phone numbers etc of almost 200 000 ledger users. this was not a hack of the physical ledger device and there are no vulnerabilities in those however the information could have been used to launch a phishing attack on users of ledger devices the hackers sold the data on the dark web.

scammers bought the data and it was only inevitable that we would start to see those targeted phishing attacks called spear phishing over the past two weeks users have been getting emails and text messages telling them that they needed to either update their ledger firmware or ledger live of course they'll direct the user to a fraudulent domain similar to the ones.

View of the economists Businessman on crypto currency



Bill Gates

Bitcoin is exciting because it shows how cheap it can be. Bitcoin is is better than currency in that you don't have to be physically in the same place. And, of course, for large transactions currency can can get pretty inconvenient. The customers were talking about aren't trying to be anonymous, you know, they're willing to be known. So it Bitcoin technology is key. And you could add to it, or you could build a similar technology, where there's enough attribution, that people feel comfortable. This has nothing to do with terrorism or any type of money laundering.

Warren Buffett

It's not a currency. I mean, it does not meet the definition for currency. I wouldn't be surprised if it's not around in 10 or 20 years, Because people say, "Well, I'll sell you goods in bitcoins." But they change the price of those every time the price changes in relation to Their pricing off the dollar. They can say, "Well, sell it to you in barrels of oil". But if they change every time the price of oil changes, they change the number of barrels you have to have, your oil was not the currency.

Elon Musk

my opinion Bitcoin is that I think Bitcoin is probably a good thing. But it's, it's essentially, it's main I think



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the thing we'll be able to probably get quoted in there but it's, it's I guess, primarily going to be a means of, of doing illegal transactions. But that's not necessarily entirely bad. Something should be maybe shouldn't be illegal. it will be useful for legal and illegal transactions otherwise would have no value as a use of for legal transactions. You have to a legal to illegal bridge. I don't own any Bitcoin.

Richard Branson

I think it is working. And there will be other currencies like it that may be even better. But In the meantime, there's a big industry around Bitcoin. You know, people have made fortunes out of Bitcoin, something for the lost money out of Bitcoin know.

Conclusion

Nakamoto proposed a purely pure to pure vision of electronic cash that would allow online payments to be sent directly from one party to another without going through a financial institution only eight pages long and distributed for free online this white paper began the whole crypto currency and blockchain frenzy the launch of Bitcoin occurred in the midst of the global financial crisis of 2008, and that's probably not a coincidence the public had become very distrustful of the government and big banks to manage their money which opened the door to a new way of doing things.. crypto currencies such as Bitcoin has become all the rage some historians see it as the latest phase in the evolution of money many technologists are intrigued by the potential of its innovative blockchain technology for numerous entrepreneurs especially early adopters crypto currency represents a once-in-a-generation wealth opportunity. Cryptocurrency user and investor losses due to fraud and misappropriation in 2019 increased by more than five times, while hacks and thefts fell by 66%, the report showed. Since bitcoin's launch more than 10 years ago, governments and regulators around the world have grappled with the opaqueness and lack of transparency in the cryptocurrency market that has led to massive losses for investors. So need powerful law to regulate before to declare crypto currencies legal. In the current situation take steps to protect people from the various scam.



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