



Cryptocurrencies: Challenges in Corruption Investigations

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Projeto Ethos Conferência
Lisbon, Portugal
21 September 2018



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***Typical
Transaction***

Challenges

Conclusions



***Typical
Transaction***

What Is Cryptocurrency?

Virtual

Cryptography

Types (over 1600)

Bitcoin

1 Bitcoin = €5300

Using Cryptocurrency

Step 1: Getting a Wallet

Software to "hold" the
cryptocurrency

Download from
Internet

Two key components

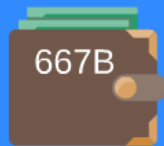
1. Address (unique pseudonym)
2. Private key

E9873D79C6D87DC0FB6A5778633389F4453213303DA61F20BD67FC233AA33262

Step 2: Getting the Cryptocurrency



William



667B

€5300



Cryptocurrency Exchange



Blockchain

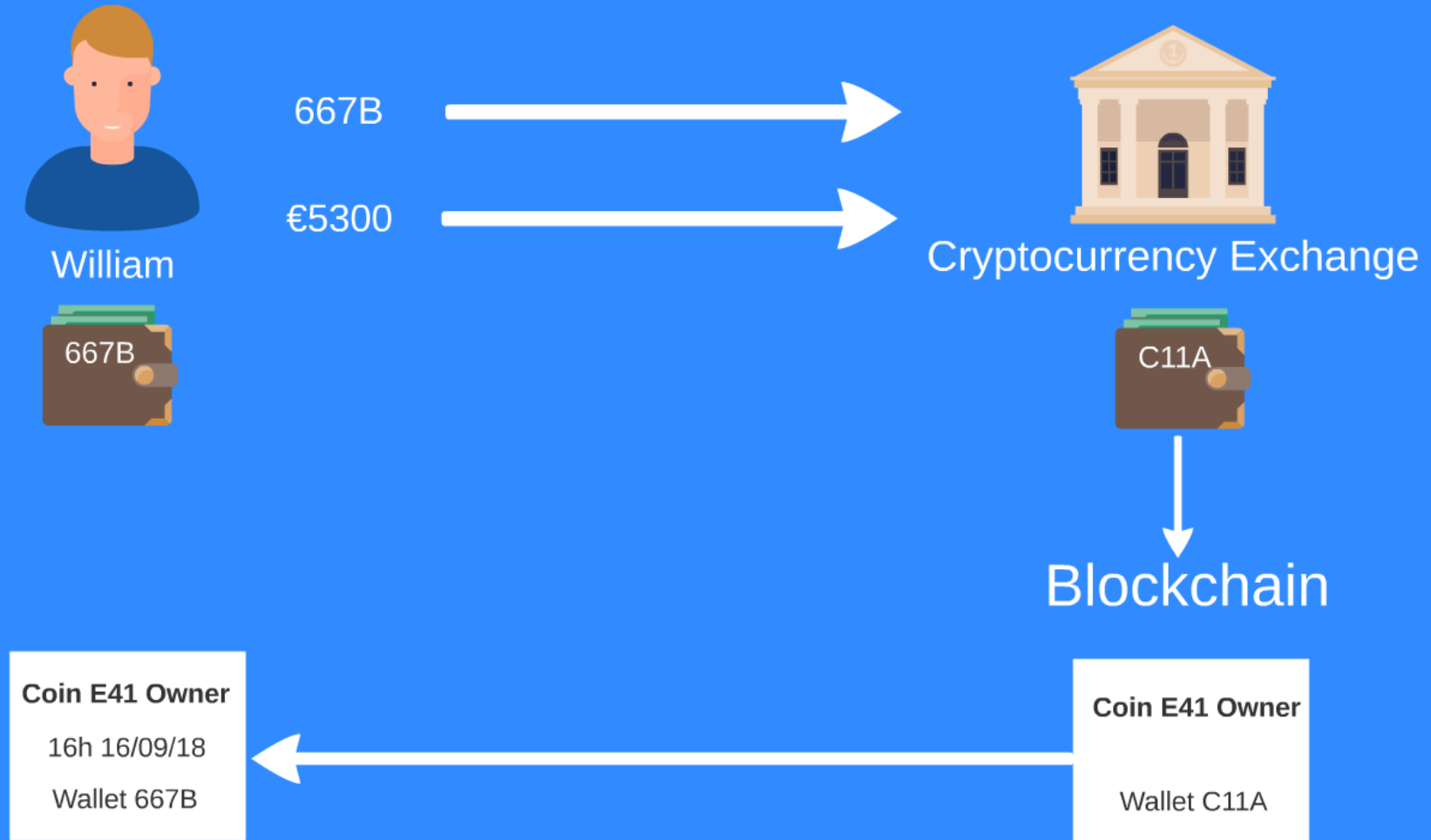
Coin E41 Owner

16h 16/09/18

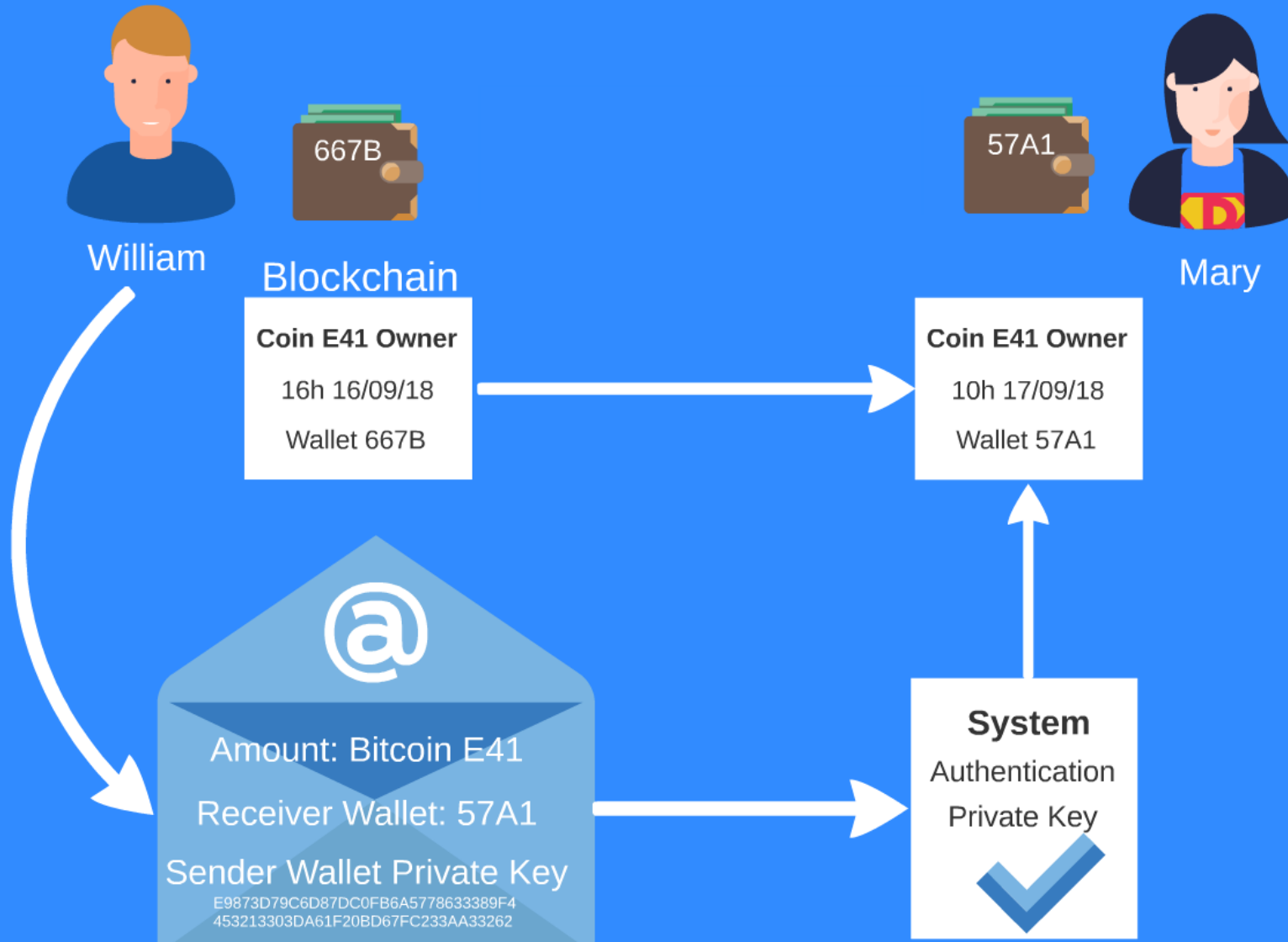
Wallet 667B

Coin E41 Owner

Wallet C11A



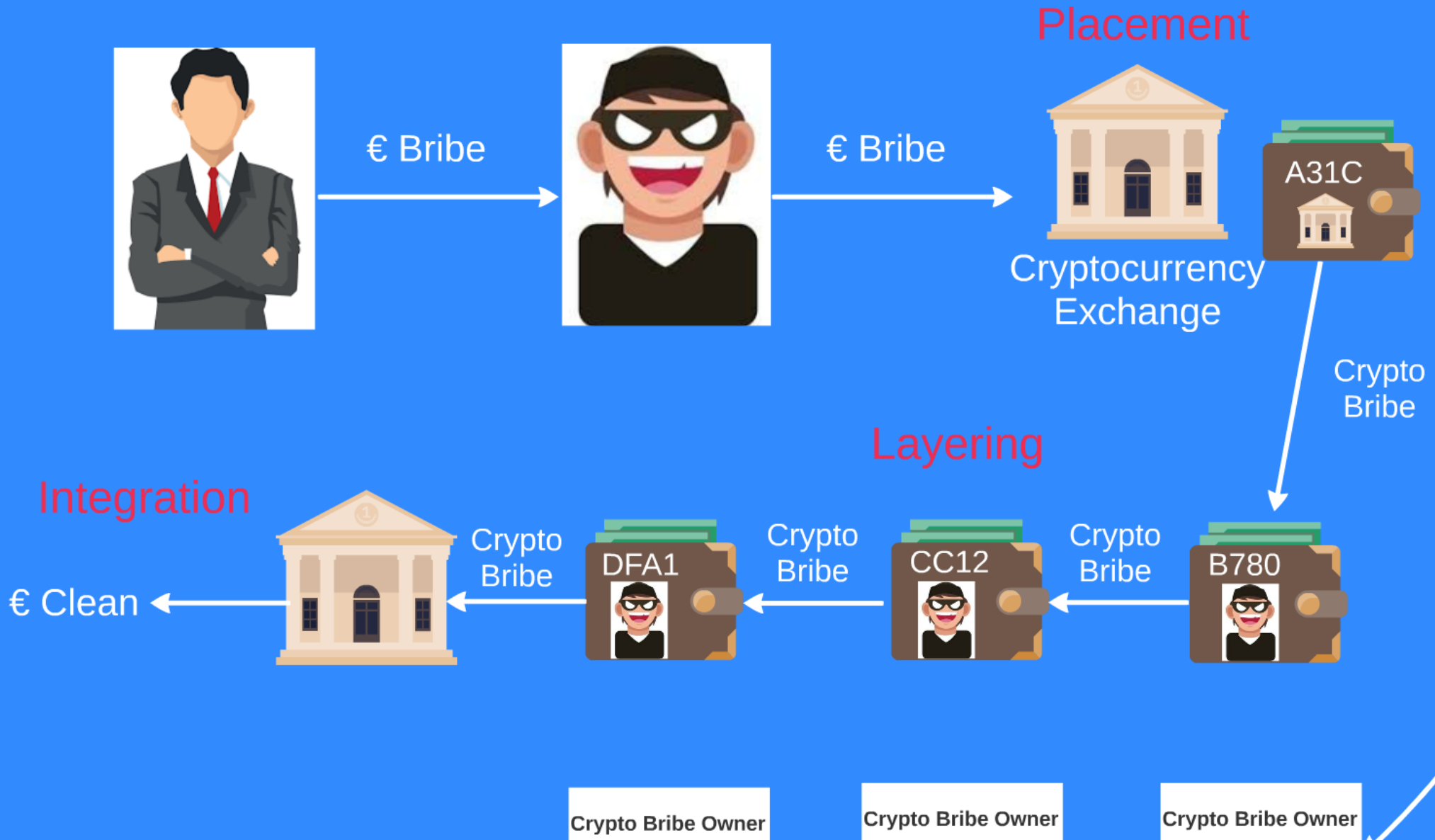
Step 3: Spending the Cryptocurrency



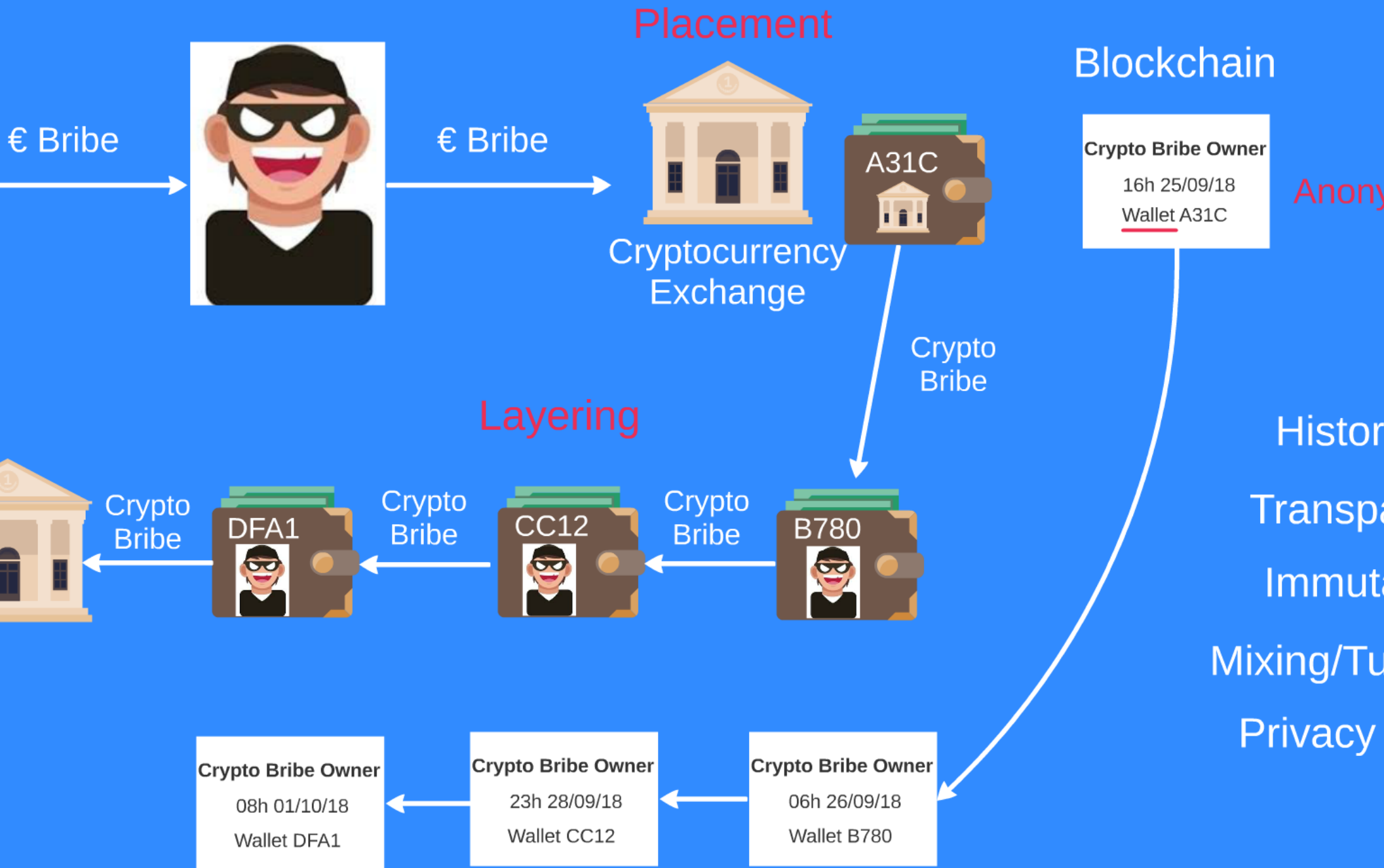


Challenges

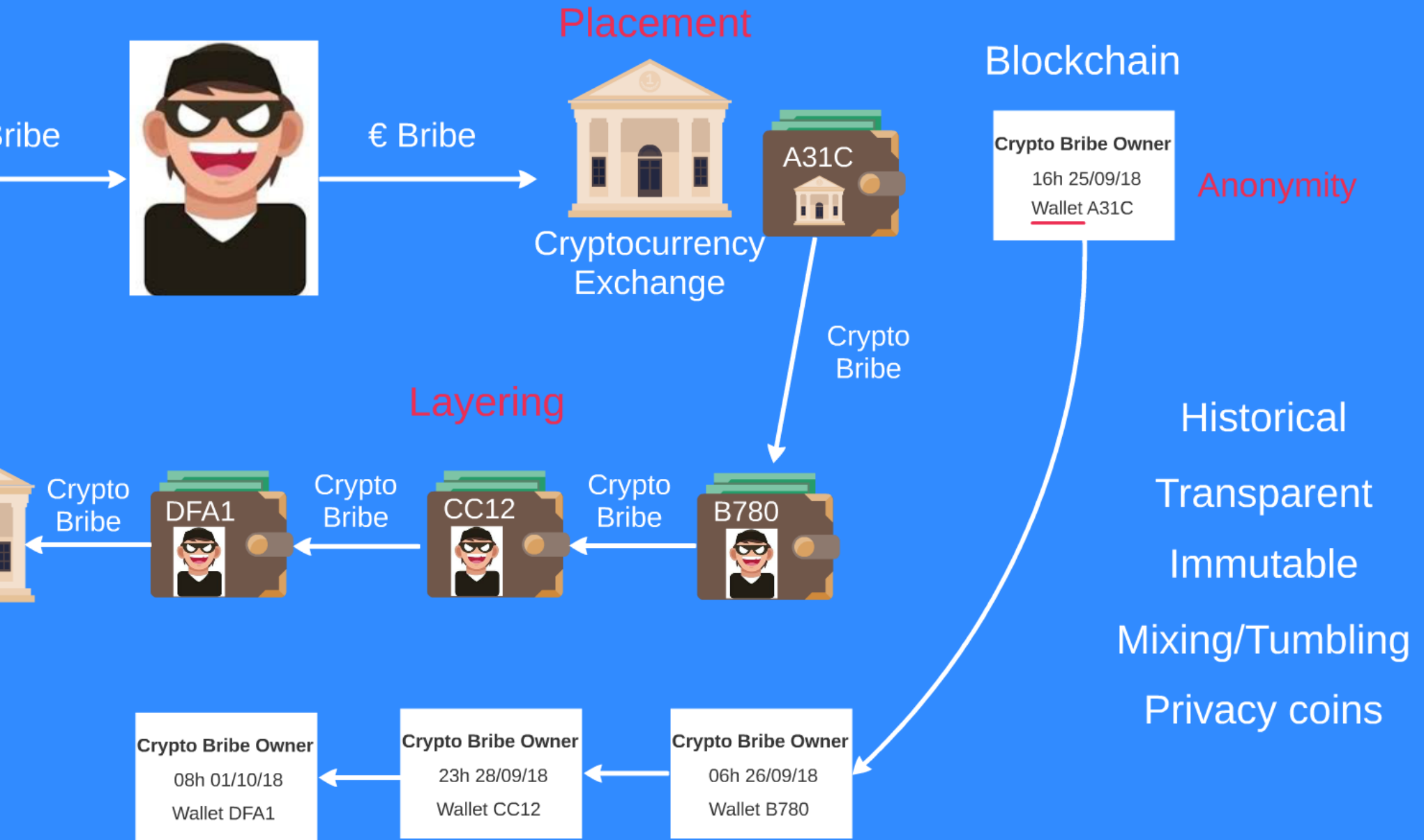
Money Laundering Tracing



Money Laundering Tracing



Money Laundering Tracing



Blockchain

Crypto Bribe Owner

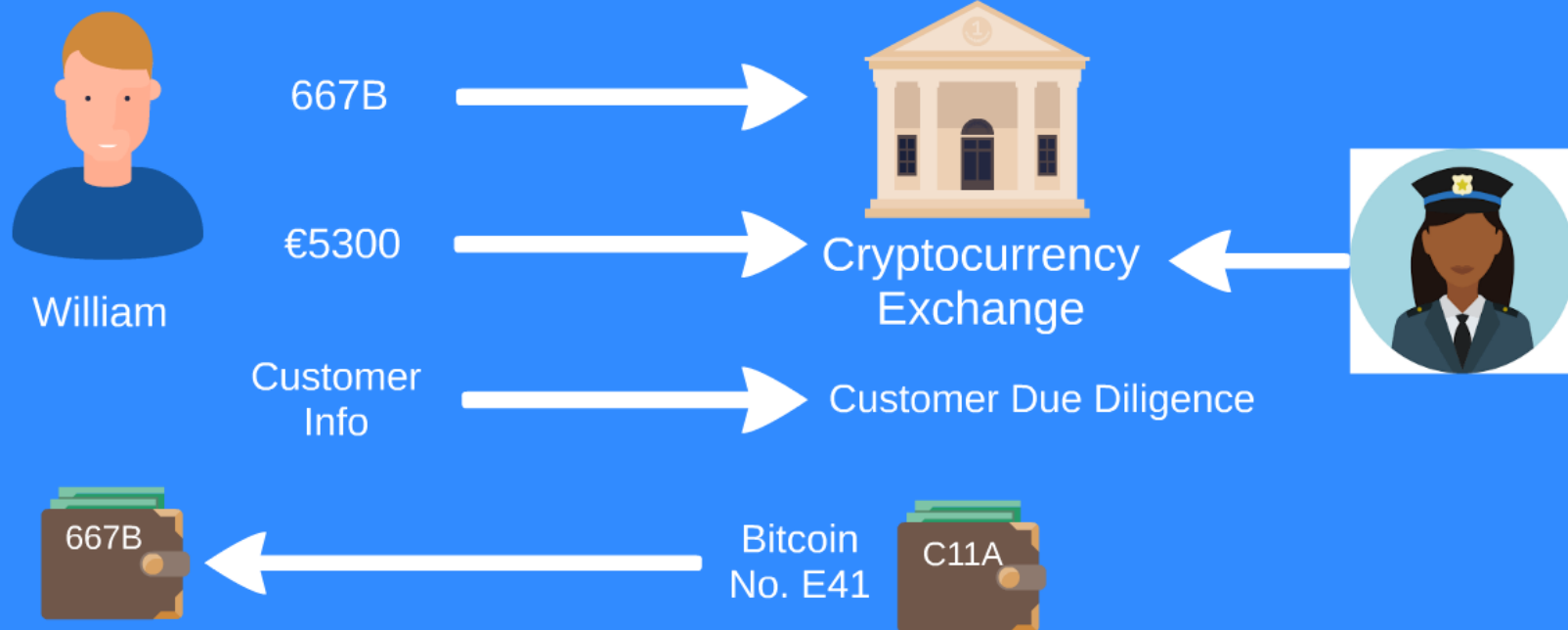
16h 25/09/18

Wallet A31C

Anonymity

Tackling Anonymity

Step 2: Getting the Cryptocurrency



Cryptocurrency Exchanges



By Number

UK
US
Hong Kong

Where Are They?

Singapore
Russia
Cayman I.
Bahamas
Vanuatu
Ukraine

By Volume

Malta
Belize
BVI
Seychelles
Korea

Co-ordinated Global Regulation

FATF (GAFI), EU

Mutual Legal Assistance

Freezing & Confiscating



Blockchain
Immutable!

Coin E41 Owner
Wallet B780



Coin E41 Owner
22h 24/12/18
Wallet F117



System
Authentication
Private Key

Computer
Phone
USB Key
Locked
Encrypted
Jump the suspect!



Paper
(modified)



Computer

USB
Key

Phone

Locked
Encrypted

Jump the
suspect!

Amount: Bitcoin E41
Receiver Wallet: F117
Sender Wallet Private Key

E9873D79C6D87DC0FB6A5778633389F4
453213303DA61F20BD67FC233AA33262

Paper
(modified)



Conclusions

Advantages

Transparency

Traceability

Economic
Advantages

Challenges

Anonymity

Seizure &
Confiscation

Technological
Advancements

Start Worrying?

Limited Use in
Criminal Activity

Darkweb
Transactions

Ransomware

Corruption:
Not Bribes
But Maybe
Proceeds of Bribery

Theft

Limited Use in
Economy

Technological
Limits

Fluctuating Value

Thank You

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www.oecd.org/investment/anti-bribery

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