Darell Martinez

Professor Vaish

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**Research on Kraken and Fraud Detection**

Kraken is a cryptocurrency exchange based in San Francisco where market participants can trade various cryptocurrencies bought or sold with fiat currencies. As of March 2024, Kraken was the world's sixth-largest cryptocurrency exchange, with an average daily trading volume of roughly $965 million. Kraken is also one of the oldest and most reputable cryptocurrency exchanges with a strong emphasis on security and regulatory compliance. Cryptocurrencies available on Kraken include Bitcoin (BTC) and Ethereum (ETH), and other tokens that have gained traction among specific communities, like EOS (EOS), Solana (SOL), and non-fungible tokens (NFTs). Kraken also offers a wide range of products and services, making it a one-stop shop for many cryptocurrency traders and investors, including spot trading, margin trading, futures trading, over-the-counter trading, staking, perpetual, and an NFT marketplace. Kraken was established in 2011 and formally launched trading operations in 2013, under the ownership of Payward Inc.34 The current CEO is David Ripley, who replaced co-founder Jesse Powell in 2022. Before Kraken became a leading crypto exchange, it primarily served European customers through a partnership with Germany-based Fidor Bank and had just started operating in Japan. Kraken follows stringent AML and KYC procedures to comply with the regulations in the jurisdictions it operates. This includes collecting and verifying personal information from its users before allowing them to trade. This process helps in preventing illicit activities by ensuring all users are appropriately identified. Kraken also utilizes advanced technology and monitoring systems to detect and prevent fraudulent activities. Its security measures include constant surveillance of transactions for signs of suspicious activities, employing encryption, and using secure wallets for storing cryptocurrencies. A private or permissioned blockchain might be more suitable for a sovereign cryptocurrency than a public blockchain. This is because it can be designed to support AML, KYC, and fraud detection more effectively by controlling access and ensuring that all participants are verified entities. The platform should support smart contracts to automate compliance with AML, KYC, and fraud detection regulations. This could include automatically verifying transactions against blacklists, enforcing transaction limits, or requiring additional verification for large transactions. The platform must be able to handle a high volume of transactions quickly and efficiently to serve the needs of a national economy. While leveraging blockchain for transparency and security, the platform should also support some level of centralized control by the sovereign entity for regulatory and monetary policy purposes.

<https://www.investopedia.com/tech/what-kraken/>

<https://onfido.com/blog/crypto-fraud-is-rising-heres-how-to-protect-your-business/>