Red Flag

TRISA Hackathon Project

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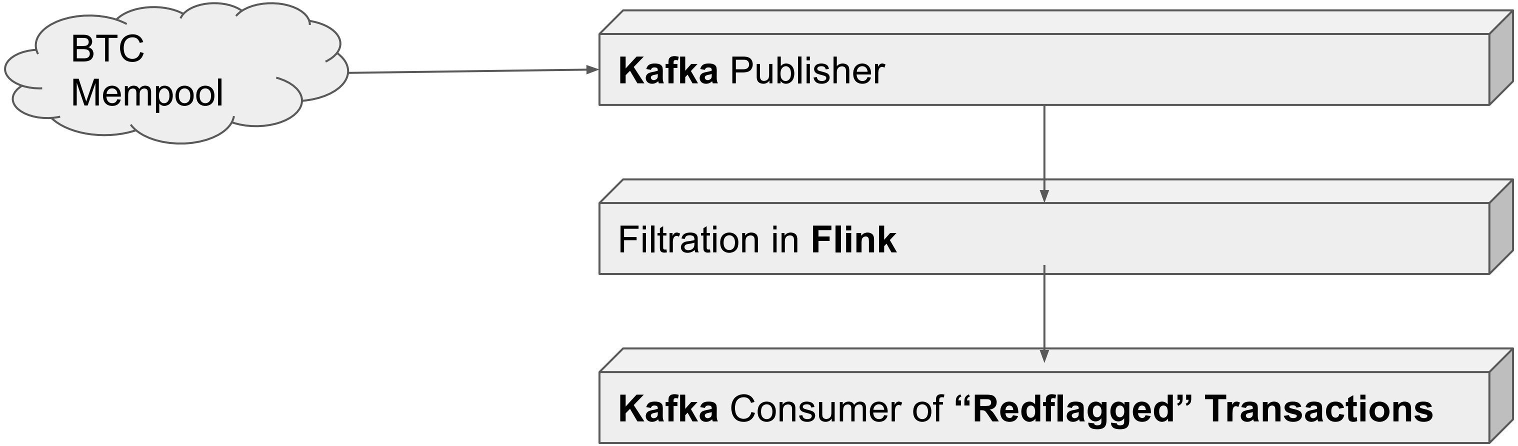
Crypto can easily Skirt the Spirit of Travel Rule

- Fan-in / Fan-out
- Time-delaying large transactions
- Use of non VASP address as a middleman

“Redflagging” Prototype Architecture



BTC Mempool

Kafka Publisher

Filtration in **Flink**

Kafka Consumer of **“Redflagged” Transactions**

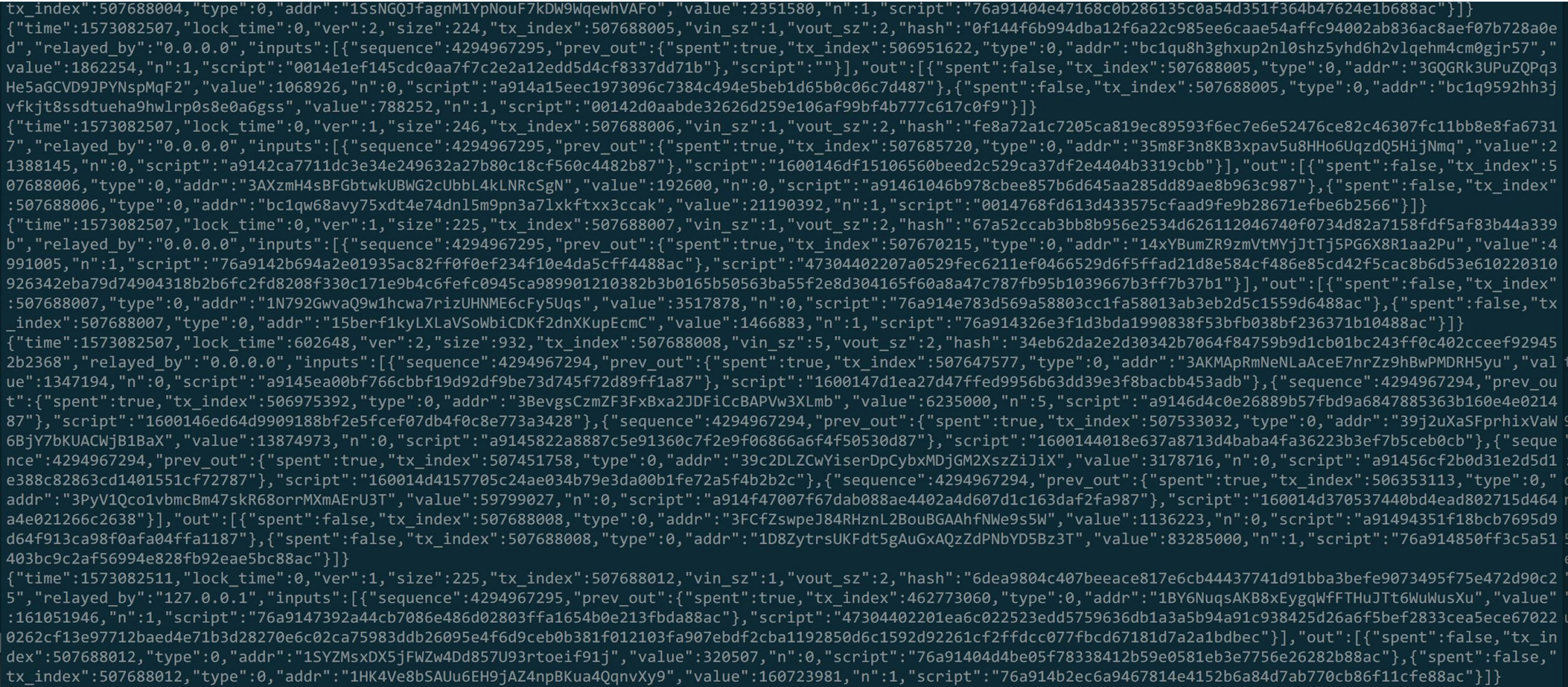
Proposed Filter Logic

- Time-based **“look back”** for a set of transactions that breaks the spirit of TRISA.

- Detection of Fan-out-Fan-In pattern for UTXO’s sent to a VASP.

- Detection of simple “man-in-the-middle” between VASP1 and VASP2.
    - (**Using Ciphertrace Analytics to identify VASPs.)**

Prototype Inputs - Excerpt



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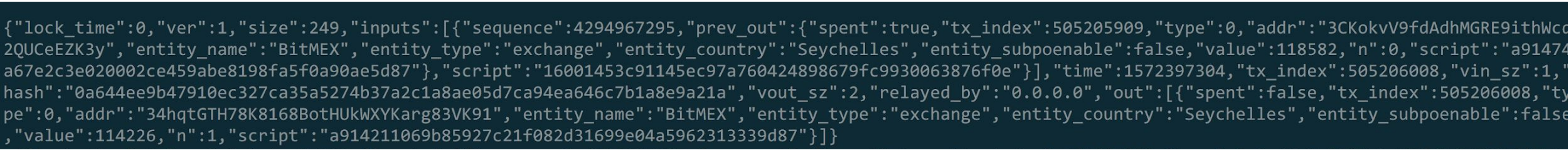
Prototype Outputs



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Our Prototype Caught this TX (Fan-out-Fan-in)

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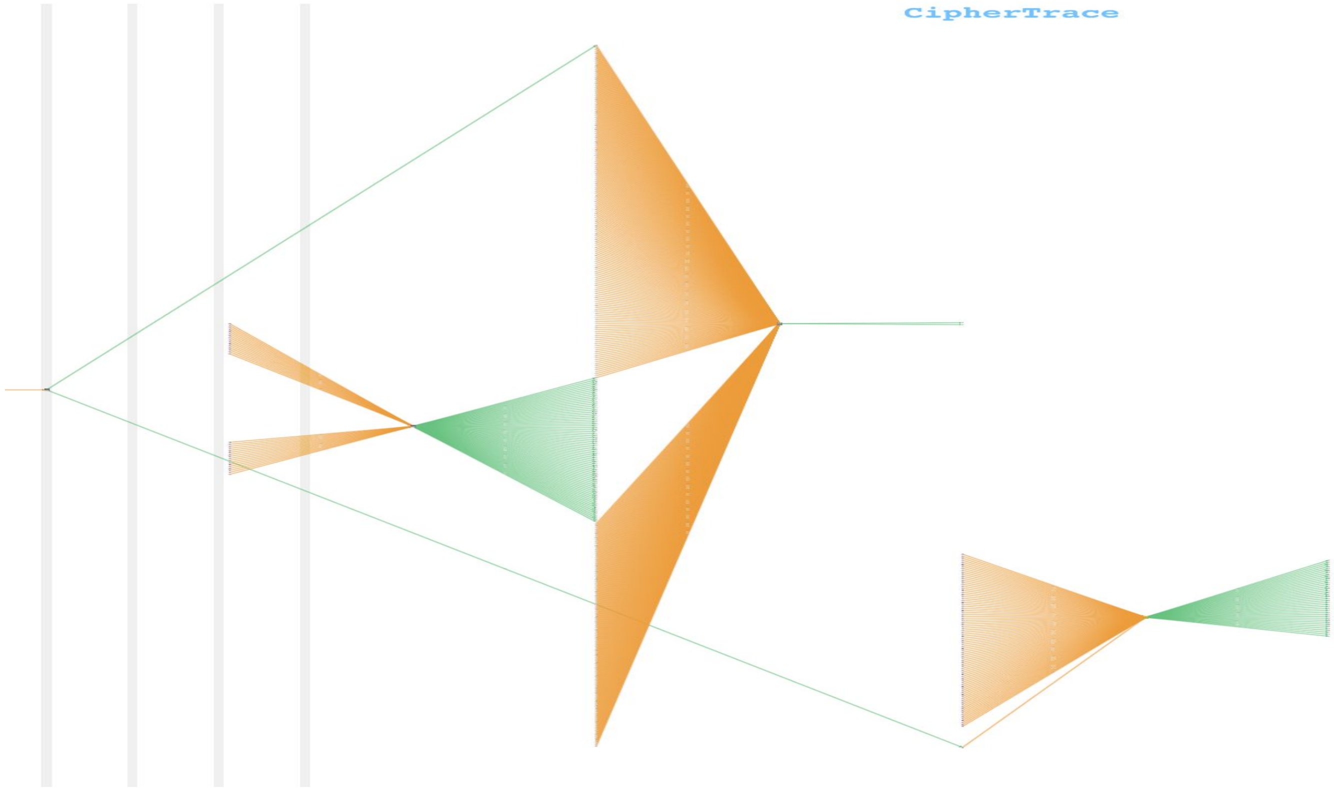
Our Prototype Caught this Fan-out-Fan-in



Potential Use Cases

- Detect Mixers and other obfuscators in the network

- Detect parties using these obfuscation methods
    - Multiple degrees of separation

- Score obfuscation in the blockchain

Thank you.