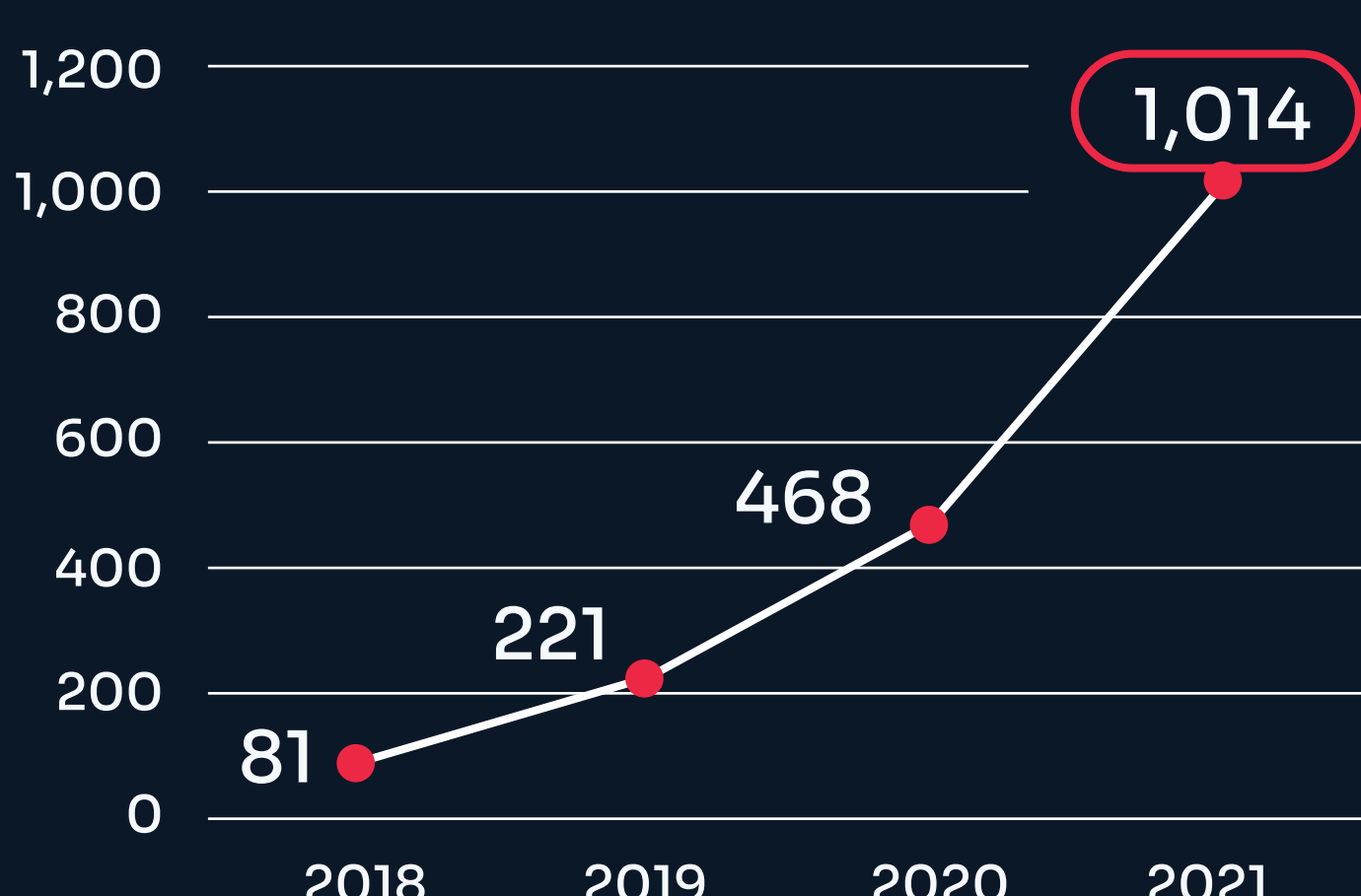




THE ROLE OF CRYPTOCURRENCIES

in the Commercial Sexual Exploitation of Children

Dark web marketplaces that accept cryptocurrency payments for child sexual exploitation images and videos have doubled nearly every year since 2015 (Internet Watch Foundation, 2022).



Dark Web sites using cryptocurrencies facilitate and encourage offenders to engage in content production, distribution, and commercial sex acts of minors.

What are Cryptocurrencies?

Virtual currencies: Digital representations of value and means of payment which can be transferred, stored, and traded electronically.

Bitcoin is the most known example of cryptocurrency.

Blockchain technology provides transparency to transactions: Users do not have to disclose who they are, thereby providing a certain level of anonymity.

Cryptocurrencies facilitate anonymous illegal transactions by preventing the identification of users.



Cryptocurrencies are increasingly the payment system of choice for those who trade child sexual abuse material (CSAM) and child sexual exploitation material (CSEM) and engage in the livestreaming of child sexual abuse.

Obstacles that Cryptocurrencies Create for Law Enforcement

The (pseudo) anonymous nature:

Difficulty locating or identifying the currency users; offenders are typically caught only when they make mistakes.



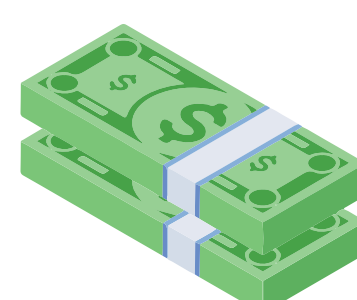
New cryptocurrencies offer more layers of anonymity:

The anonymity these decentralized cryptocurrencies provide to users allows traffickers to make transactions online for the commercial distribution of CSAM/CSEM.



Cyberlockers:

Offenders pay content providers for each sign-up (in cryptocurrency) and then access or download the illegal content of minors.



Money laundering services:

Cryptocurrencies help criminals move illicit funds within and across borders and eventually cash them out.



Cryptocurrencies are not centrally monitored or do not have a central authoritative body, such as a bank or government:

1. No accountable point of contact/entity for the use of their services for illegal purposes.
2. No central database or point of information for criminal investigators.
3. No possibility to impose financial sanctions and seizures of assets (embargoes).
4. No central intermediary that is required to notify law enforcement of suspicious transactions for illegal purposes.
5. Transactions are by nature irreversible: When the transaction enters the blockchain record, it cannot be changed.



Traffickers exchange CSAM involving the most severe cruelty against infant/nonverbal children for profit on the Dark Web.

Recommendations to Governments

1. Improve international collaboration and alignment to increase the effectiveness in preventing, investigating, and prosecuting online child sexual exploitation.
2. National measures are needed that recognize the core features of virtual currencies and cryptocurrencies to prevent their illegal use by criminals such as child sex offenders.
3. Multi-stakeholder collaboration is needed to more effectively coordinate effective action with other stakeholders (e.g., financial institutions).
4. Train law enforcement and the judiciary (prosecutors and judges), specifically focusing on child sex trafficking and child sexual exploitation in cyberspace.



Report suspicious contacts to the National Center for Missing and Exploited Children's CyberTipLine or 1-800-843-5678.



Human Trafficking Front

Campaign Putting an End to the Online Exploitation of Children:
Preventing Victimization and Strengthening Child Protection Systems



This program is funded in part by The Children's Trust. The Children's Trust is a dedicated source of revenue established by voter referendum to improve the lives of children and families in Miami-Dade County.

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