**Behavioral Trust Layer for Inclusive & Secure DeFi**

This document outlines the technical approach and logic for our project, "Behavioral Trust Layer for Inclusive & Secure DeFi."

Since we are in the initial phase of development, this serves as our Proof of Work. It demonstrates our understanding of the problem and our plan to build the solution.

Technical Approach

Our project uses an AI model to analyze on-chain data and generate a Behavioral Trust Score for every wallet address. This score helps identify and prevent fraudulent activity in the DeFi ecosystem.

1. Data Analysis:

Our AI model will analyze public on-chain data to understand a wallet's behavior. The key data points we will use include:

Transaction History: Analyzing a wallet's total number of transactions and the frequency.

Contract Interaction: Observing which smart contracts a wallet interacts with (e.g., decentralized exchanges, lending protocols, or known scam contracts).

Transaction Volume: Analyzing the value of transactions over time.

2. AI Model Plan:

We plan to use a Classification Model for this task. The model will be trained to classify a wallet as either 'Trustworthy' or 'High-Risk' based on its on-chain behavior.

The model will be trained to look for specific "features" that indicate risk, such as:

Sudden, high-volume transactions to new addresses.

Frequent interactions with multiple new and unverified smart contracts.

Interactions with wallets or contracts that have been flagged as malicious.

3. Final Output:

The final output of our project will be a Behavioral Trust Score stored on the blockchain. This score can be used by any DeFi protocol to make real-time decisions, like blocking suspicious transactions or providing special access to trusted users.