

There's No Free Lunch, Even Using Bitcoin: Tracking the Popularity and Profits of Virtual Currency Scams

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SMU, Dallas, TX

Financial Cryptography
January 26, 2015



WHAT IS LEANCY

With LEANCY, investing in startups and crowdfunding projects becomes easier and more rewarding than ever!

Our company specializes in IT industry investment management, including investing in startups as well as crowdfunding and fundraising projects.

LEANCY offers a unique opportunity to make money while helping innovative IT projects come alive!



LEANCY offers a flexible earnings percentage. To clarify, **we guarantee you daily earnings equal to up to 5% of your investment.** But this mean that you cannot make more than 5% daily with us. LEANCY has a system of percentages, which depend on the size of your investment.

- x 1.00** **From \$10 to \$1000.** You get the standard percentage rate
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- x 1.15** **From \$5,001 to \$15,000.** Your daily earnings percentage is the standard rate times 1.15. For instance, if the daily percentage is 4.5%, you earn $4.5 \times 1.15 = 5.175\%$
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The major and most significant advantage LEANCY offers is instant earnings for the entire period of time that your investment portfolio remains active. In other words, the amount available for withdrawal from our system grows not just very day but every hour, every minute, every second, even millisecond.

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Amount of deposit:

\$50

\$

\$100,000



CURRENT BITCOIN PRICES:

BITSTAMP : USD 664.99

BTC-E : USD 648.90



HOME

RESULTS

HOW ARBITRAGE WORKS

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WELCOME TO THE BTC-ARBS!

Arbitrage is one of the most profitable forms of investment, however to the dismay of most investors, arbitrage opportunities are rare, especially in the efficient markets that characterize the global economic system. In 2009, that changed, with the introduction of Bitcoin. Unlike regular investment markets, the Bitcoin exchange market is inefficient, for a variety of reasons, thus creating near daily arbitrage opportunities. Btc-Arbs allows you to take advantage of these arbitrage opportunities, without the need for sophisticated software, large balances on numerous exchanges, or any of the other complicated tactics that are typically required to profit from arbitrage opportunities as they arise.



WHAT IS ARBITRAGE ?

Arbitrage is the act of profiting from inefficiencies on any sort of exchange or economic situation. This is possible when the price of a particular commodity is one value in a particular marketplace and a different value is another marketplace. In the context of Bitcoin arbitrage, the situation occurs when Bitcoins are being sold at one price on one exchange, and a completely different price on another exchange. This allows to purchase Bitcoins the exchange with the lower price, and re-sell those same coins on another exchange, and profit through the difference.[!To learn more about arbitrage, please visit our How Arbitrage Works page.](#)

THE INVESTMENT!



Minimum Investment: \$50 or 0.05 Bitcoins !

Daily Returns: 0.1% to 10% !

Withdraw Principal At Anytime

Groc

Member



Activity: 111



Ignore



[HYIP] BTCROCKET - 3.5% Weekly Return, 182% Annual Return, 910% 5 Y

March 19, 2014, 06:28:52 AM

Hello investors:

This is the official BTCROCKET High-Yield-Investment Product thread.

Contract:

- Minimum investment: 0.02฿ +u#
- No Maximum investment
- Principal investment is not returned to investor
- HYIP will pay 3.5% of your original investment weekly for a minimum of five years,
- The HYIP will halt new investments five years before its termination.
- The Bitcoin network transaction fees are not added to weekly interest payments less
- BTCROCKET reserves the right to raise the interest rate

To invest:

- First find out your u#. You can find this out by clicking on your username from one my u# is 5583: "<https://bitcointalk.org/index.php?action=profile;u=5583>"
- There are currently 8 decimal places in a Bitcoin transaction. For your investment, to 0.02005583 ฿
- Send your investment to **14y5M45LrnjjmeMwjdfj4KvHaJBRkMya1x**
- PM me your investment amount and receiving Bitcoin address
- Please allow 24 hrs for processing
- Payments start 7 days after processing

May we all prosper.

Regards,

Groc



EasyCoin.net

Your *rocket fast* Bitcoin wallet



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Welcome to EasyCoin.net Bitcoin Wallet

Now with free Bitcoin mixer, you will always get new coins back when you withdraw from your EasyCoin.net wallet!

You only pay the Bitcoin transaction fee (0.001 BTC).

We also support completely free account to account transfers.

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r/bitcoin

[comments](#)[related](#)[view images \(0\)](#)

Is the Onion Wallet a scam wallet? (self.Bitcoin)

submitted 1 year ago by dmp1ce

I think someone I sent BTC to just had all of their BTC stolen. They were using the Onion Wallet. confirmations after they received my BTC the money was transferred to another address, 1NRMGqPYXwPoAGHiPAMzBgkqCcmgms3hjH

- Here is the website on Tor. <http://ow24et3tetp6tvmk.onion>^[1]
- Here is the thread about the site on bitcointalk. <https://bitcointalk.org/index.php?topic=231>

This is awful that new users are being scammed. I hope that this post can bring some awareness problem. Look at all the people possibly being scammed. It looks like someone new every day. <https://blockchain.info/address/1NRMGqPYXwPoAGHiPAMzBgkqCcmgms3hjH>^[3]

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↑ [-] [losermcfaill](#) 11 points 1 year ago

↓ A hard lesson. Sorry for the persons loss. Hopefully the lesson was learned. I really have to wonder what it is a people that could be so trusting.

Trusting a tor-based onion wallet with the keys to the coins is like asking a junkie to keep your gold bars safe. astonishing that anyone wouldnt realize this.

CRIPTODOUBLE.COM - 1 X

https://bitcointalk.org/index.php?topic=900132.1580

Bitcoin Forum

simple machines forum

January 25, 2015, 09:04:55 PM

Welcome, Guest. Please login or register.

* * Forever Login

Login with username, password and session length

News: ♫ Users of Bitcoin Core on Linux must not upgrade to the latest OpenSSL. [More info.](#)

HOME HELP SEARCH DONATE LOGIN REGISTER

Bitcoin Forum > Economy > Marketplace > Gambling > CRIPTODOUBLE.COM - 100% PROFIT IN JUST 100 HOURS - 5% REFERRAL COMMISSION

< previous topic next topic >

print

Pages: 1 ... 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72
73 74 75 76 77 78 79 [80] 81 82 83 84 85 86 87

Author	Topic: CRIPTODOUBLE.COM - 100% PROFIT IN JUST 100 HOURS - 5% REFERRAL COMMISSION (Read 57505 times)	#1581
crazyearner Legendary  Activity: 840	Re: CRIPTODOUBLE.COM - 100% PROFIT IN JUST 100 HOURS - 5% REFERRAL COMMISSION January 14, 2015, 01:07:13 AM	
	Website down. Coins gone made some small profits. Game over here nothing to see here any more move on find something new to ponzi about with.	
	Something Is Coming Can You Guess What?	
	BIT-X.com ►► New Real-time Cryptocurrency Exchange ◀◀ CREATE	
FortuneJack.com No.1 Online Cryptocurrency Casino	1 BTC Welcome Bonus Up to 1 Day Binary Trading Live Roulette Live Sic Bo Provably Fair Games	
Advertised sites are not endorsed by the Bitcoin Forum. They may be unsafe, untrustworthy, or illegal in your jurisdiction. Advertise here.		
sobitcoin Member  Activity: 98	Re: CRIPTODOUBLE.COM - 100% PROFIT IN JUST 100 HOURS - 5% REFERRAL COMMISSION January 14, 2015, 01:19:31 AM	#1582
	Quote from: itod on January 14, 2015, 12:26:00 AM	
	Quote from: MrFeiLong on January 14, 2015, 12:10:11 AM	
	Guys I lost some money too. Maybe We should work together and try to find those scammers? Maybe We should "rent" someone with good skills and If We would take back our money, We would pay at least a half to him? But the question is: is there a possibility to take back what they stole	

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Roadmap

- Motivation
- Methodology
- Overview
- Scams by category
 - Ponzi schemes (aka high-yield investment programs (HYIPs))
 - Mining scams
 - Scam exchanges
 - Scam wallets
- Scam Comparison and Discussion
- Conclusion

Methodology

- Define scam:
 - Fraudulent by **design**
- Find potential scams
- Refine list down to scams as per our working definition.
- Find *useable* Bitcoin addresses for scams
- Measure money in/out of relevant addresses

Find Potential Scams

The image shows a screenshot of a web browser displaying the BadBitcoin.org website. The top navigation bar includes links for Home, Cryptostorm Tokens, Report a Badsite, Safety Tips, Verify your Site, and Advertise. Below the navigation is a large red banner featuring a yellow Bitcoin logo with a devil's tail and the text "BadBitcoin.org Cryptostorm.i". The main content area displays a search result page titled "Find Potential Scams" with a sub-section titled "Bad Websites Found". The results list several websites, each with a thumbnail image, a title, and a "Report" link. At the bottom of the page is a navigation menu with letters A through R and numbers 0-9, and a footer indicating "12 of 37".

Badbitcoin.org - The Badie

www.badbitcoin.org/thebadlist/index.htm

BadBitcoin.org

Cryptostorm.i

Home | Cryptostorm Tokens | Report a Badsite | Safety Tips | Verify your Site | Advertise

Advertisement

A B/Bit Bitcoin Btc C D E F G H I J K L M N O P Q R
U V W X Y Z 0-9

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Find Potential Scams

The screenshot shows a web browser window with the title bar "List of Major Bitcoin Heists". The URL in the address bar is <https://bitcointalk.org/index.php?topic=576337>. The page content is a forum post by user "dree12" under the topic "List of Major Bitcoin Heists, Thefts, Hacks, Scams, and Losses". The post was made on April 19, 2014, at 01:56:22 AM. A note at the bottom of the post states: "Last updated: November 16, 2014, 12:36:50 AM. (However, some entries remain on the backlog.)". The post itself is titled "List of Bitcoin Heists" and discusses the research results on prior Bitcoin-related thefts, mentioning that estimates are in Bitcoin and major permanent losses are included. It encourages contributions and notes the thread is relatively new. The post ends with a request for detailed commentary on theft descriptions.

List of Major Bitcoin Heists, Thefts, Hacks, Scams, and Losses
April 19, 2014, 01:56:22 AM

Last updated: November 16, 2014, 12:36:50 AM. (However, some entries remain on the backlog.)

List of Bitcoin Heists

Following is the result of research on prior Bitcoin-related thefts. The list strives to be as accurate and informative as possible. Where possible I have provided references for assertions made within. For disputed thefts, I have applied best judgment. Included the ones that were most publicly accepted.

Because of the volatile nature of Bitcoin's exchange price, I have denominated heist estimates in $\text{\$}$. Although not all thefts are permanent, major permanent bitcoin-denominated losses are also included in this list. If I missed any major thefts, heists, or losses, or if you have any other information to contribute to one of these events, please leave a reply in this thread.

Note that this thread is relatively new and was created because of space limitations in the original thread.

Additionally, I would be grateful if contributors write commentary for each theft. Ideally, the theft descriptions should be as detailed as possible. Much of the present commentary is inadequate.

Table of Contents

- Table of Contents
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- Factual Inaccuracies
- Donation
- Scope
 - General

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Refining Scam List

UNCLE CHIEN'S CHINESE

unclechiens.com

3004 34th Street, Lubbock, TX
(806) 795-1148
Mon to Fri: 11am - 8pm
Sat: 12pm - 8pm

*UNCLE CHIEN'S
CHINESE & THAI RESTAURANT*

Dine In / Carry Out

ANNOUNCEMENT

New Items! Pork or Chicken eggroll with peanut sauce \$1.50. Daily Special: Asian BBQ pork, rice, veggie roll & Drink \$7.50.



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Refining Scam List

[SCAM] Leancy Ltd - Bitcoin Investment - 150% Return & 5% Daily Interest

https://bitcointalk.org/index.php?topic=448250

simple machines forum

January 23, 2015, 06:34:56 PM

Welcome, Guest. Please login or register.

Login with username, password and session length

News: ♦♦ Users of Bitcoin Core on Linux must not upgrade to the latest OpenSSL. [More info...](#)

HOME HELP SEARCH DONATE LOGIN REGISTER

Bitcoin Forum > Economy > Marketplace > Gambling > Games and rounds > [SCAM] Leancy Ltd - Bitcoin Investment - 150% Return & 5% Daily Interest

* previous topic next topic

Pages: [1] 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26

Author Topic: [SCAM] Leancy Ltd - Bitcoin Investment - 150% Return & 5% Daily Interest (Read 24310 times)

LeancyBTC Member

Activity: 70

Ignore

**LEANCY HAS NOT BEEN PAYING SINCE 03/11/14. NO ADMINS COULD BE REACHED.
DO NOT DEPOSIT ANY FUNDS INTO LEANCY.**

FortuneJack.com No.1 Online Cryptocurrency Casino

1 BTC Welcome Bonus Up to 1 Day Binary Trading Live Roulette Live Sic Bo Provably Fair Games Start WINNING Now

Advertised sites are not endorsed by the Bitcoin Forum. They may be unsafe, untrustworthy, or illegal in your jurisdiction. Advertise here.

Re: Leancy Ltd - Invest w/ Bitcoins 150% Yields

February 04, 2014, 09:48:58 AM

PORTALS Facebook Group (Leancy Investors) - A place (free of spam) for honest discussions regarding Leancy and other HYIPs and it's illegal operations as well as news and updates regarding any information on those behind scams.

Skype Room - Unfortunately, bitcointalk isn't displaying the link properly so if you want to join, you'll have to add the Skype user: leancybtc and include in the request message you're from btctalk. This chat room has same intent as the FB group above.

Re: Leancy Ltd - Invest w/ Bitcoins 150% Yields

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Member

Activity: 70

Ignore

Refining Scam List

leancy.com - All HYIP Monitors

www.allhyipmonitors.com/details/leancy.com?final=1

For quick access, place your bookmarks here on the bookmarks bar. Import bookmarks now...

ALL HYIP MONITORS

CHECK INVESTMENT STATUS OF HYIP ON ALL MONITORS AT ONCE

NEW we become closer by branding new short domain - www.allhyip.biz

buy banner here for \$45

Install Extension for your browser:

My Favorite Domains | My Favo

OLEKINNIS
Perfect Money • EGO
Investment Business

Crypto Strategy

Massive 19% Representatives commission

NANO 1 YEAR ONLINE

Search Domain: leancy.com

+ Add to Favorites

LEANCY.COM
ADDED TO DATABASE DEC 20, 2013
PROBLEM (7)
NOT PAYING (11)

+ Add to Favorites

Talkgold.com HYIP Forums & Listings

DreamTeam Money forum A Forum

iHYIPS.com All info about hyips now!

SQMonitor All new HYIPS & 200% ROI

HYIPMonitor Income Always

ActiveHYIPs.Com NOT PAYING

Leancy

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NANO 1 YEA

BIOFUELIO 50% PER 20 DAYS

BIOFUELIO 50% PER 20 DAYS

BIOFUELIO 50% PER 20 DAYS

Earning Fund

Scams – Summary Statistics

- 349 potential scams
- 192 fit our scam definition
- 39 had findable, useable addresses
- Categorized scams in 4 categories:
 - Ponzi Schemes (HYIPs)
 - Mining Scams
 - Exchange Scams
 - Wallet Scams

Scams – What Can Be Observed

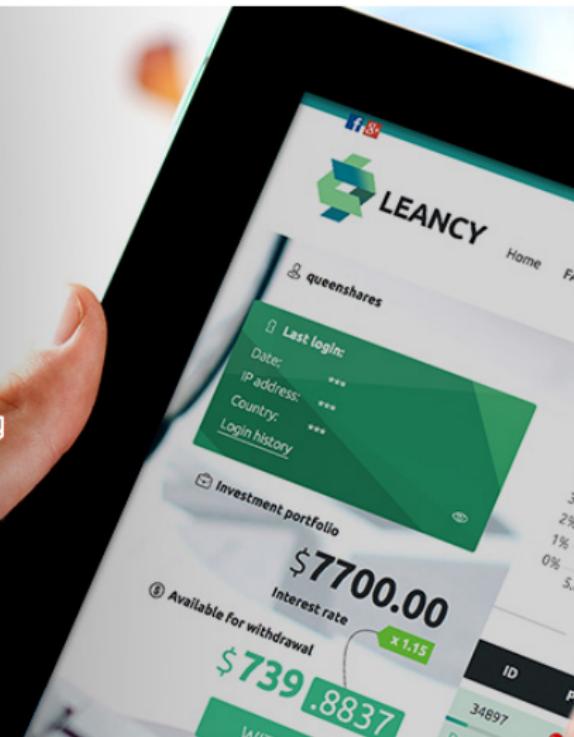
	Victim Pay in	Victim Payout	Scammer Payout
HYIPs	✓	✓	derived
Mining scams	✓	derived	derived
Scam wallets			✓
Exchange scams			✓

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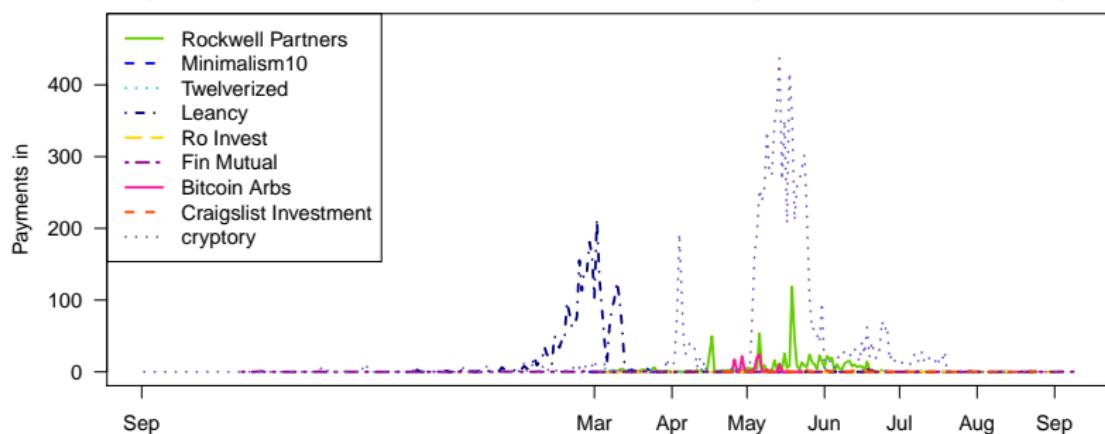
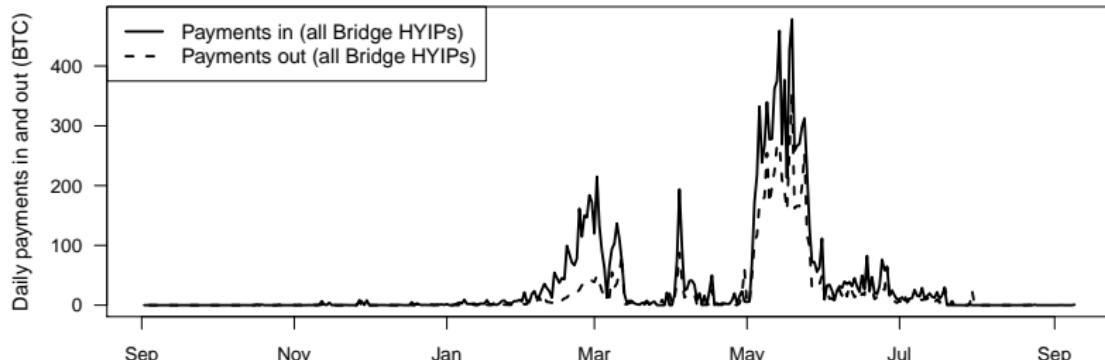
Three Types of Ponzi

1. Traditional HYIP (see Moore, Han, and Clayton – FC '12)
2. Bridge HYIP
3. Bitcoin-only HYIP

HYIPs – Summary Statistics

	Bridge HYIPs	Bitcoin-only HYIPs
# Scams	9	23
Median lifetime (days)	125	37
Victim pay in		
# address groups (total)	9 410	3 442
# address groups (median)	298	157
Amount paid (total)	\$6 456 593	\$842 909
Payout to victim		
Amount paid (total)	\$3 464 476	\$802 655
Payout to scammer		
Amount paid (total)	\$2 992 117	\$40 254

Daily payments into and out of Bridge HYIPs





We are hiring! If you are skilled in IC design / HDL optimization, shoot us your CV at info@labcoin.com

Note: All images displayed may be subject to significant changes.

Proprietary Bitcoin mining ASIC technology



Launch est. Aug./Sept. 2013 - Learn more

Mining Scams

Name	Source	Income (BTC)	Income (USD)
Labcoin	Blockchain	241	48 562
AMC	BitFunder	18 041	1 327 590
Ice Drill	BitFunder	14 426	1 558 008
Asic Mining	Blockchain	12.6	5 532
Dragon Miner	Blockchain	1.63	1 019

MARKETS	PRICE	CHANGE
BC / BTC	0.00023488	0%
ADN / BTC	0.00001320	-5.71%
888 / BTC	0.00000286	23.81%
CAI / BTC	0.00034628	0%
NOTE / BTC	0.00000148	-29.52%
FAC / BTC	0.000000448	-3.24%
FCK / LTC	0.000000002	100%
FLAP / LTC	0.000000018	-5.26%
GIVE / BTC	0.00000191	-19.41%
GRS / BTC	0.000000318	-13.35%
ISR / BTC	0.00012640	-84.07%
LGC / BTC	0.000004238	-0.54%
LIM / BTC	0.000002012	-12.29%
MUN / BTC	0	0%
MVR / BTC	0.000000557	-8.99%
NLG / BTC	0.000000506	23.41%
PTC / BTC	0.00002163	35.1%
RT2 / BTC	0.00231568	-4.27%
TWE / BTC	0.000001256	-0.95%
ZET / BTC	0.00003779	0.35%
LTC / BTC	0.01634128	-8.91%
AC / BTC	0.000000577	-6.79%
COMM / BTC	0.000000054	-15.63%
HIRO / BTC	0.000000704	-1.4%
NOBL / BTC	0.000000035	-10.26%
WC / BTC	0.000000850	-6.59%
FLT / BTC	0.000000832	5.18%

BC / BTC

BlackCoin / BitCoin

Last Price:

0.00023488

24 Hour High:

0.00040312

24 Hour Low:

0.00019145

24 Hour Volume:

100.76690101 BTC

5 Minutes 1 Hour 1 Day

**buy (BC)**

Available 0.00000000 BTC

Max BTCPrice Per BTCAmount BCTotal BTC

submit Buy Orders (BC)

Top Buy Orders (BC/BTC)

PRICE (BTC) BC

sell (BC)

Available 0.00000000 BC

Max 00000000 BCPrice Per BTCAmount BCTotal BTC

Submit Sell Orders (BC)

Top Sell Orders (BC/BTC)

PRICE (BTC) BC

Exchange Scams

Scam	Lifetime		Payout to scammer	
	Days	Alive?	BTC	USD
BTC Promo	98	yes	44	\$22 112
btcQuick		no	929	\$73 218
CoinOpenD	29	no	575	\$264 466
Ubitex	91	no	30	\$96



EasyCoin.net

Your *rocket fast* Bitcoin wallet



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Welcome to EasyCoin.net Bitcoin Wallet

Now with free Bitcoin mixer, you will always get new coins back when you withdraw from your EasyCoin.net wallet!

You only pay the Bitcoin transaction fee (0.001 BTC).

We also support completely free account to account transfers.

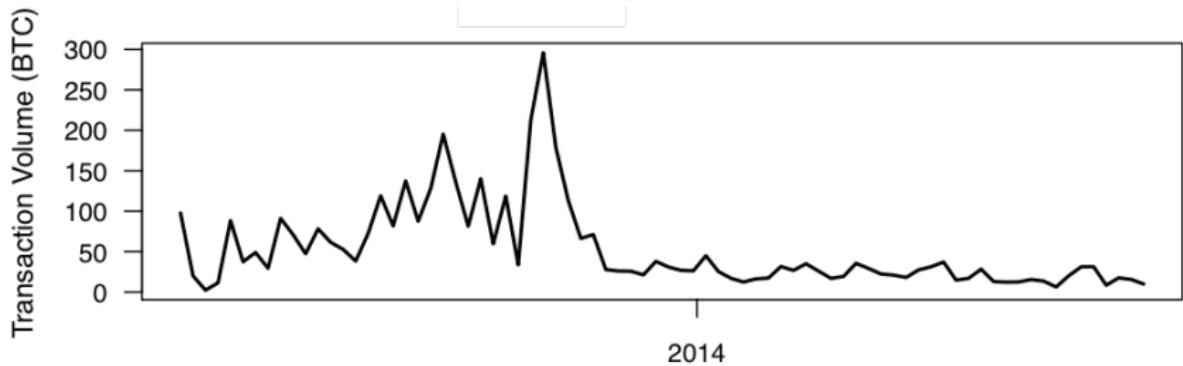
→ [Click here to sign up now!](#)



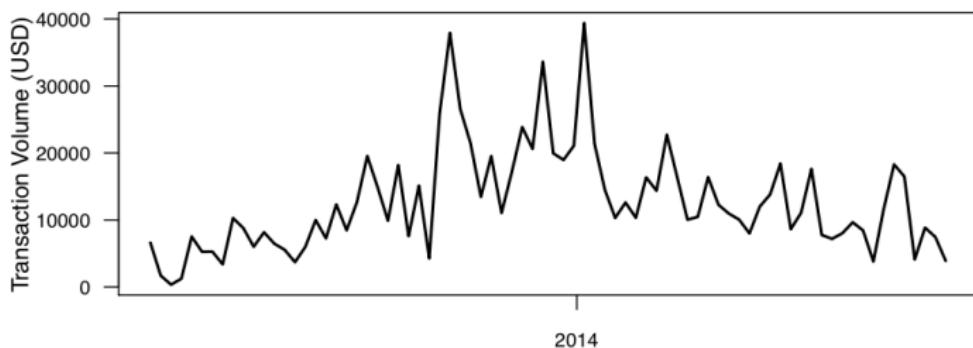
Typical Wallet Ruse

1. Victim deposits bitcoin into scam wallet.
2. If the amount of money falls below the threshold, the money stays.
3. If the amount of money is above the threshold, the scammer moves the money into her own wallet.

Wallet Revenue (BTC)



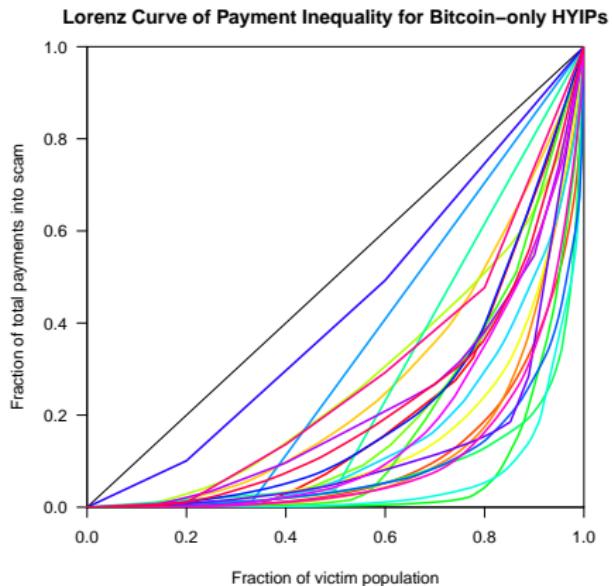
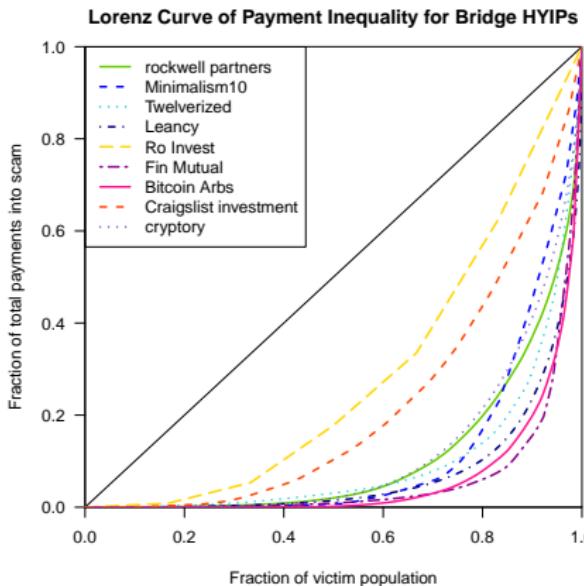
Wallet Revenue (USD)



Revisiting Scam Categories

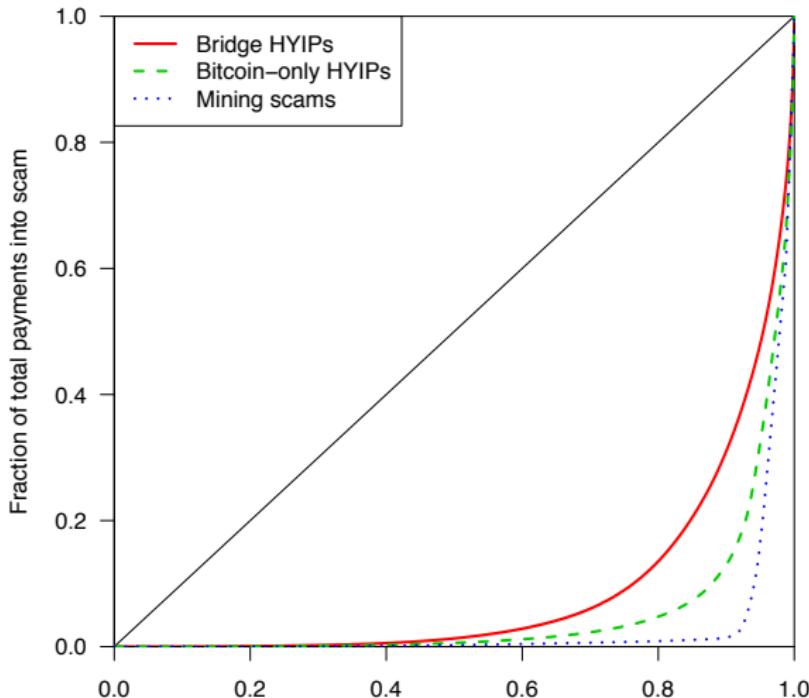
Scam category	Scam \$\$	Hook
Bridge HYIPs	\$6.5M (in/out)	Greed
BTC-only HYIPs	\$840K (in)	Risk appetite, greed
Mining scams	\$2.9M (in/out)	Advanced-fee fraud
Wallet scams	\$360K (out)	Information asymmetry
Exchange scams	\$455K (out)	Information asymmetry

HYIP Inequality

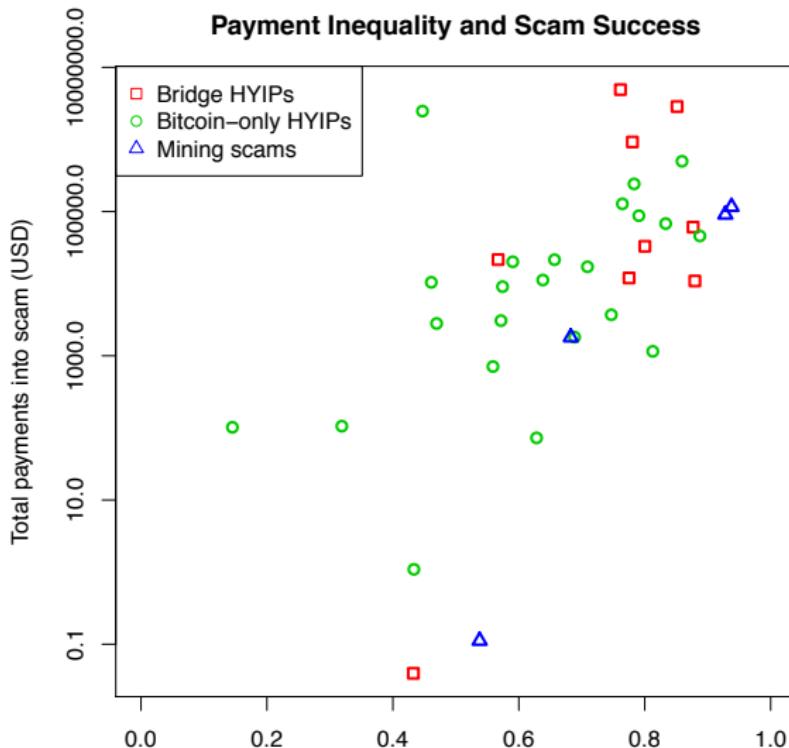


Scam Inequality

Lorenz Curve of Payment Inequality by Scam Type



Scam Inequality



Policy Options

Why do scams matter?

- There are many victims
- Substantial amounts of money is being lost
- Scams undermine trust in the ecosystem

What should we do?

- The scams are clearly illegal
- The choice is whether to invest more resources in enforcement

Conclusion

- We studied four types of scams: Ponzi schemes, mining scams, scam wallets and fraudulent exchanges.
- Block chain enables us to quantify the lower bound of harm
- \$11 million from at least 13 000 victims over 42 scams
- Indirect harm – undermines trust

Questions?

