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CRYPTOCURRENCY: LOSSES & CRIMES

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OVERVIEW

This is a review of the FBI Internet Crime Report of 2024, highlighting cryptocurrency crimes. Virtual currencies or cryptocurrencies are (1) digital assets used as a medium of exchange (Young, Donley, and Kneller [134]); (2) stored electronically in "digital wallets" and transacted on the internet through a direct peer-to-peer system; and (3) called "cryptocurrencies" because they use "cryptographic protocols to secure transactions" recorded on publicly available decentralized ledgers called "blockchains" (CFTC v. McDonnell [34]:218). In this unregulated market, crimes have increased, and millions of dollars have been lost due to the consequences of cryptocurrency crime. A division of the FBI, the Internet Crime Complaint Center or IC3 has measured cybercrimes since its inception in 2011. Annual crime reports regarding internet based incidents summarize their data. In 2023, they included reports specifically on cryptocurrency aggregated by state.

ANALYSIS

- New York has the 3rd highest per capita rate for cryptocurrency victims of crime, but claims the greatest financial losses per capita at $7 million.
- The state with the highest number of victims per capita is California (37) but the amount of money lost is second to New York by nearly $2 million.
- While people 60+ years old are the group most likely (29.5%) to be the victims of cryptocurrency crimes, combining all groups under 40 years old exceeds this at 33.3%, indicating that those under 40 are more likely to be victims than are those over 60.
- The top 3 types of cryptocurrency crimes are: Extortion (31%), Investments (28%), and Personal Data Breaches (8%). While Malware (0.04%) and Crimes Against Children (0.03%) are the bottom two.

CONCLUSION

Between 2023 and 2024 the amount of money lost in cryptocurrency crimes increased by a drastic $5 billion to $9.3 million, the highest in history. More knowledge and training should reach the general public to be better aware of cryptocurrency and its uses - both the benefits and the dangers. Deeper research is needed to better analyze the variation in data.

REFERENCES **LINKEDIN**

FINDINGS

Figure 1: Victims of Cryptocurrency Crimes Per Capita (out of 100k):

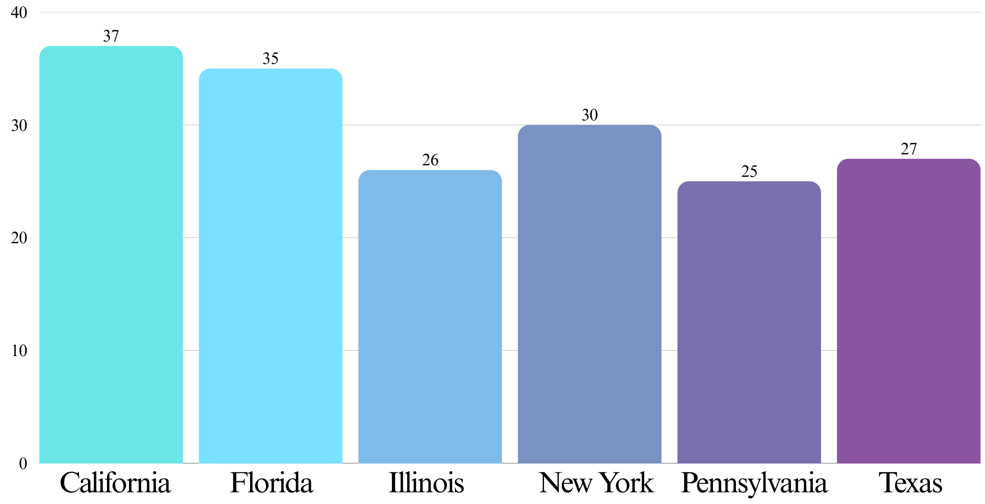


Figure 2 : Cryptocurrency Losses (in millions) Per Capita (out of 100k):

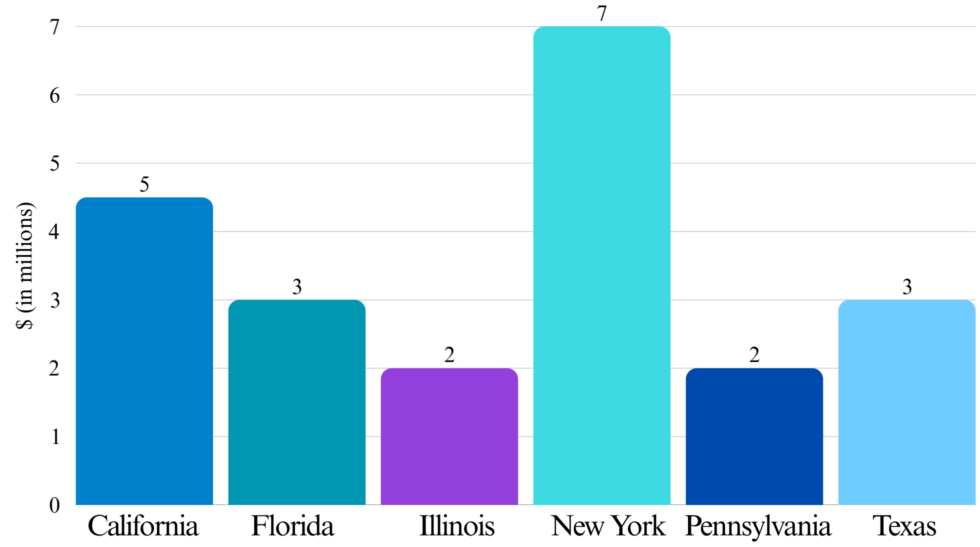
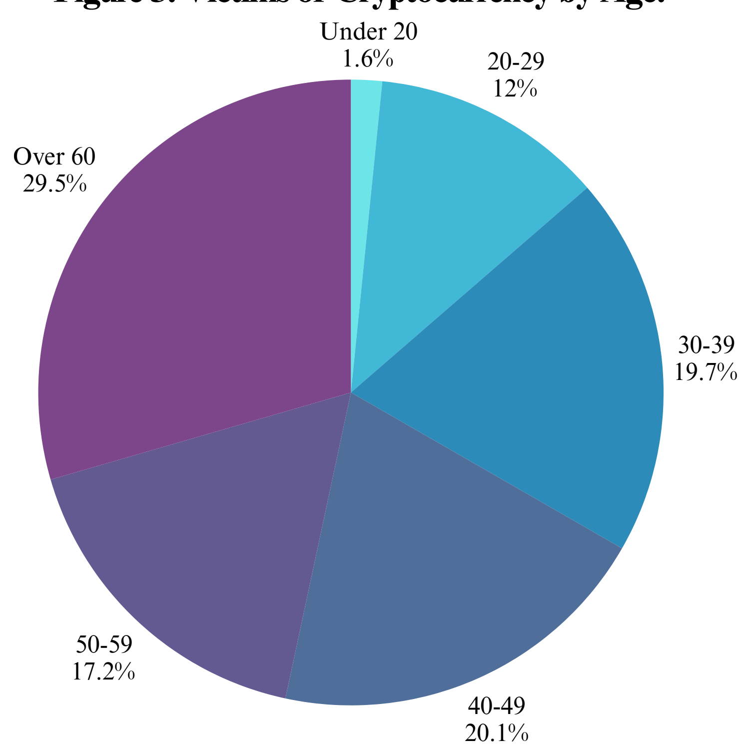


Figure 3: Victims of Cryptocurrency by Age:



Source: Federal bureau of investigation. (2024). Internet crime report, 2024. https://www.ic3.gov/AnnualReport/Reports/2024_IC3CryptocurrencyReport.pdf