

Crypto Scams: How To Recover Assets When It's Not Too Late

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According to the Federal Trade Commission (FTC), between October 2020 and April this year, more than 7,000 Americans lost over \$80 million in crypto scams –a median loss of 1,900. This is about 12 times more than the same period a year earlier, with people in their 20s and 30s the most affected.

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How can investors recover from crypto scams? Fortunately, while cryptocurrencies mainstream and potential investors educate themselves on the industry, options similar to Elyt ChargeBack can help people salvage their assets.

Crypto Scams, A Growing Issue

Not all that glitters is bitcoin. As prices go up, so do hoaxes, and cybercrime victims are frequently lured to fake websites that promise huge returns for cryptocurrency investors. There are thousands of different digital currencies, some more legitimate than others.

As the price of cryptocurrencies goes up, so do scams. According to CBC News, crypto scams have skyrocketed 1,000% since the end of 2020, and overall, the average amount of theft ranges from \$500 to \$2,000.

Those who are the worst hit are typically inexperienced people

who risk small amounts to experiment on dubious online trading platforms and apps to see how crypto investments work. And the reality is that the victims of these scams already number in the thousands. These are the people who Elyt ChargeBack can help people the most: those who have been victims of vicious crypto scams.

Emma Fletcher, program analyst at the FTC, says that “All of this plays right into the hands of scammers ... They blend into the scene with claims that can seem plausible because cryptocurrency is unknown territory for many people.”

Further, crypto scams usually have a transnational and clandestine component, since the possibilities of a complaint are few and in some cases impossible due to tax reasons.

Sounding Cases

The world of cryptocurrencies is yet unregulated, which makes it an increasingly mouthwatering option for scammers around the world.

One of the most recent and serious frauds took place when two South African brothers disappeared after allegedly suffering a “hack” on their Africrypt platform.

However, it turned out that the alleged cybercriminals were the brothers themselves: Ameer and Raees Cajee disappeared with 69,000 Bitcoin worth more than \$4 billion during the bitcoin peak in mid-April.

In addition, the company asked investors not to report the cyberattack to the authorities, only slowing down the money recovery process since once transactions were processed, there was no possibility of salvage.

Also, the OneCoin case dazzled many when in October 2017, after the platform had accumulated around \$15,000 million, its founder Ruja Ignatova –known as the “cryptoqueen”–

disappeared.

According to Finance Feeds, the ensuing lawsuit revealed that she holds 230,000 bitcoin worth \$13 billion. The interesting –yet surprising– element of this scam, which lasted almost five years, is that OneCoin never had a blockchain.

Another resounding case was PlusToken, which offered guaranteed monthly payments to users of its cryptocurrency wallet.

According to Reuters, the team behind the firm managed in 2019 to trick investors into delivering more than 180,000 BTC, 6,400,000 ETH, 111,000 USDT, and more, worth more than \$4 billion.

The way PlusToken tricked so many investors is very similar to what Africrypt did this year, thanks to a magical pattern that offers guaranteed returns.

How To Recover Crypto?

Online trading increases people's risk of being scammed as they dive into this decentralized finance market, where everyone has the freedom to crypto-store, manage and move their money from anywhere on the planet.

Still, the increase in crypto prices and scams has brought along an increasing number of crypto recovery firms that specialize in tracking asset movements and initiate legal action.

Victims of crypto scams need to file an FIR and then request the help of cyber experts since the majority of countries around the world do not recognize cryptocurrencies as a legal asset.

These companies can track down the movement of the investor's wallet, and take a look within the thousands of digital assets

and scrutinize each of the transactions to single out the fraudulent ones.

Most of the options available combine modern forensic techniques linked to the blockchain, along with legal investigation and asset recovery tactics.

The recovery process and success rate depends on the type of fraud, but it usually includes searching for evidence of misappropriated funds, contacting other victims, filing a class-action lawsuit, as well as opening investigations of all kinds with the use of technologies aimed at tracking crypto.

These companies work by developing a large structured database of blockchain transactions and off-chain data.

Still, according to The New York Times, Harry Denley, director of security at MyCrypto –a cryptocurrency management company– says that every day between 30 and 50 people get in touch with him, looking for help recovering as little as \$500 to as much as \$1.2 million.

The key for investors is to educate themselves on how the whole crypto world works, and stop the get-rich-quick approach. Besides, they must learn about how malware, phishing, and basic online fraud techniques work.

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