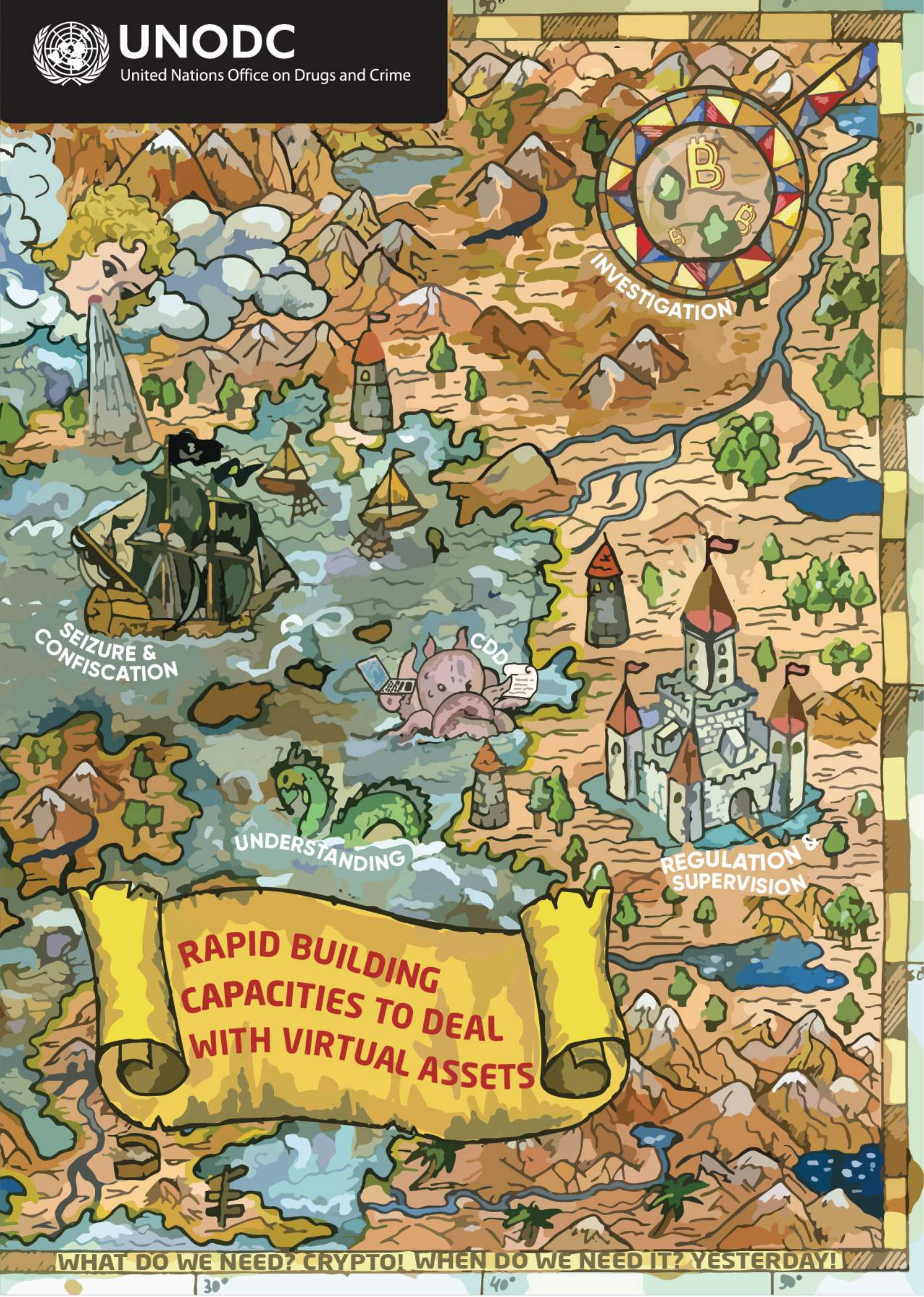




# UNODC

United Nations Office on Drugs and Crime



SEIZURE & CONFISCATION

INVESTIGATION

CDD

UNDERSTANDING

REGULATION & SUPERVISION

**RAPID BUILDING CAPACITIES TO DEAL WITH VIRTUAL ASSETS**

WHAT DO WE NEED? CRYPTO! WHEN DO WE NEED IT? YESTERDAY!

30°

40°

50°

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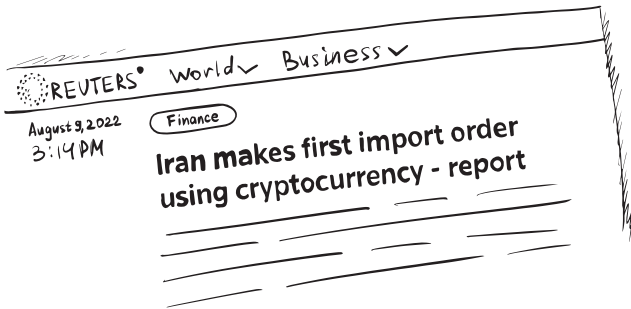
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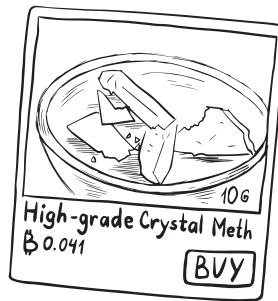
# WHY CRYPTO?

Crypto is not a scientific experiment anymore.  
It's become a part of mainstream finance.



Foreign trade  
can be paid in crypto.

Crypto is also used by criminals –  
to sell drugs online, receive  
ransom payments, etc.



Professional tools for money laundering can now also be used for crypto.



Tornado.cash was the source of \$137.6 million  
of cryptoassets processed by NFT marketplaces  
and the laundering tool of choice for 52% of NFT  
scam proceeds before being sanctioned

It's a high-risk and high-profits market.  
A haven for scammers and scams...

Police in Albania arrested Turkish businessman  
Faruk Fatih Ozer who founded and operated  
the now-defunct crypto exchange Thodex.  
Albanian law enforcement has been trying  
to locate him since he reportedly fled to  
the country with \$2 billion of investors' assets.  
Close to 400,000 people are believed  
to have suffered losses.

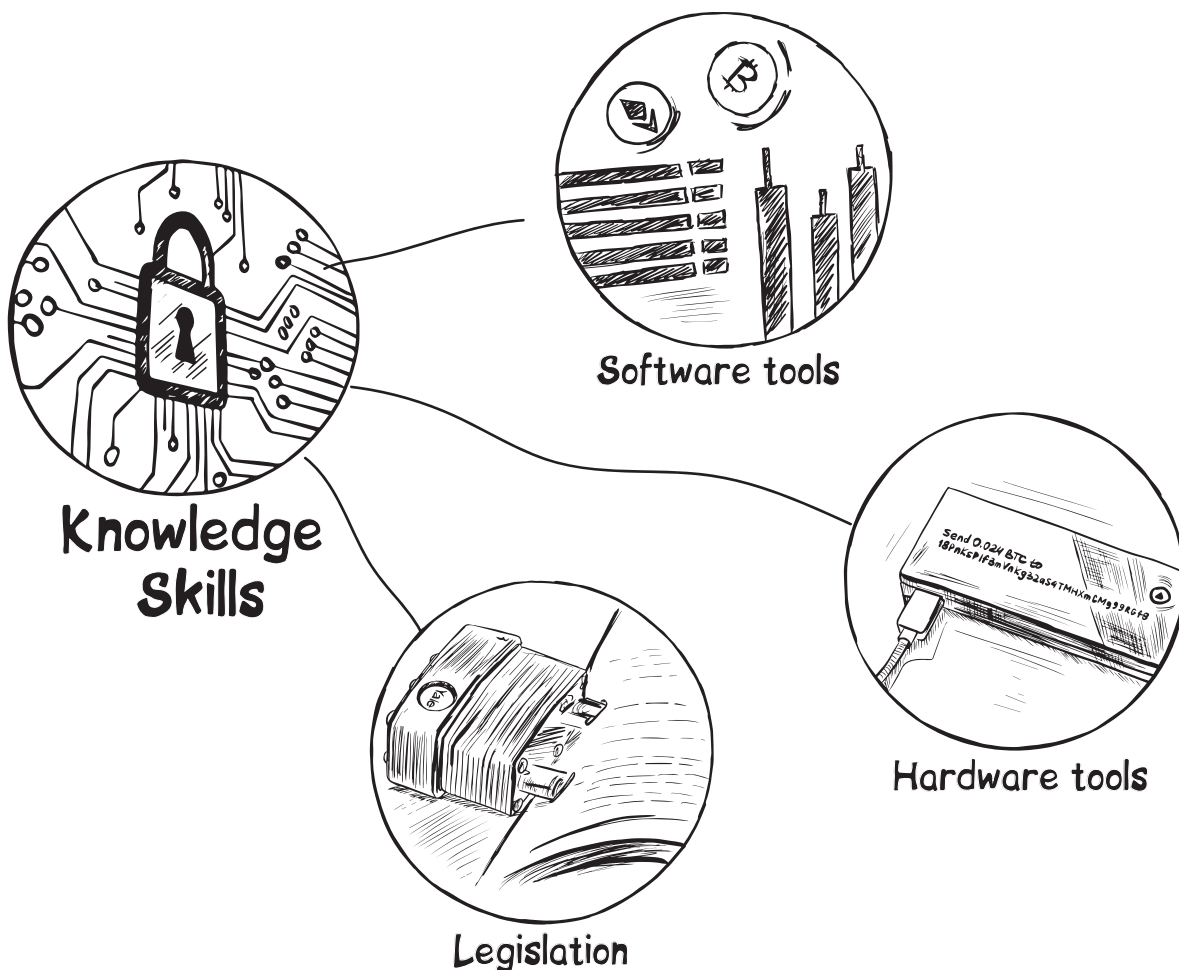


FATF Recommendation 15:  
Virtual Assets must be covered by AML/CFT.

# WHAT TO DO?

Governments must address Virtual Assets. The risks of not doing so are too high. The solution includes 4 components:

- We need to train enough experts – both policy makers and practitioners, who understand how Virtual Assets work. Who understand what is feasible, and what is not realistic. And who know how to find a balance between making a market safe, but not squeezing it too tight.
- We need to be able to trace Virtual Assets. This requires trained investigators and professional tools.
- We need to be able to seize and confiscate Virtual Assets. We need trained officers, legal frameworks and standard operation procedures. And some luck (or good intelligence sources).
- We need to have sound legislation and regulations. Supported by strong supervision.



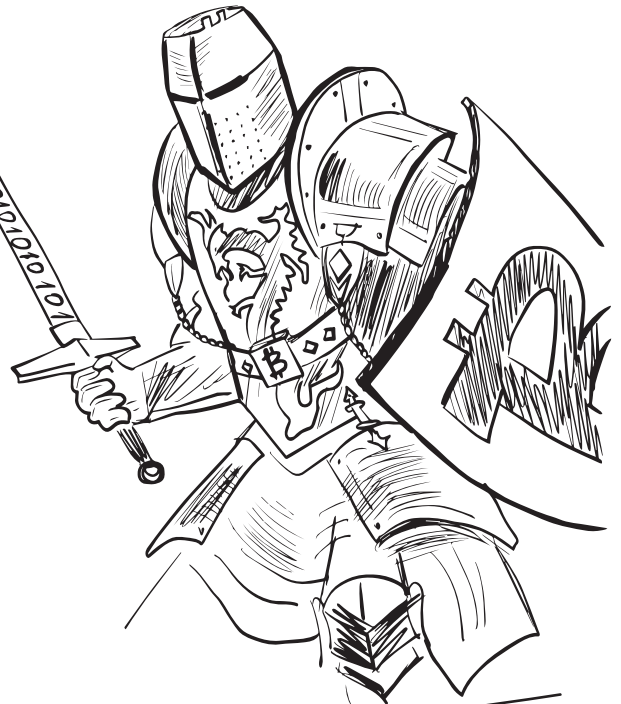
# HOW TO DO IT

## ✗ **First the bad news:**

most countries are under strong pressure. On the one hand, criminals are already using crypto and are very happy with it. On the other hand, a significant financial market already exists, and we need to protect our citizens and companies. This market needs to be regulated. Finally, there is international pressure – FATF Recommendation 15 has to be implemented.

## ✗ **More bad news:**

this should have been done yesterday. Or at the very least today and quickly.



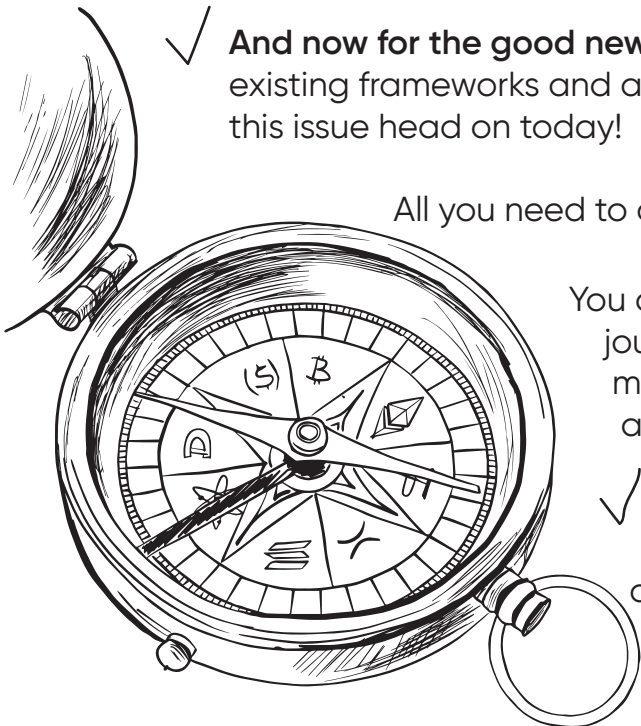
- ✓ **And now for the good news:** you can do it! You can use existing experts, existing frameworks and all your skills and common sense to tackle this issue head on today!

All you need to do is adjust to the new technologies. Easy, right?

You can do it yourself by embarking on an exciting journey of learning and discovery. And making mistakes all along the way. You can surely become an expert within 5 years.

- ✓ **And the best news yet:** you can do it much faster than that and even avoid mistakes!

UNODC has been collecting best practices (and epic failures) for over 6 years. You can get all our distilled knowledge and build skills quickly. All you need to do is sign up for the UNODC Project on Rapid Capacity Building for Virtual Assets.



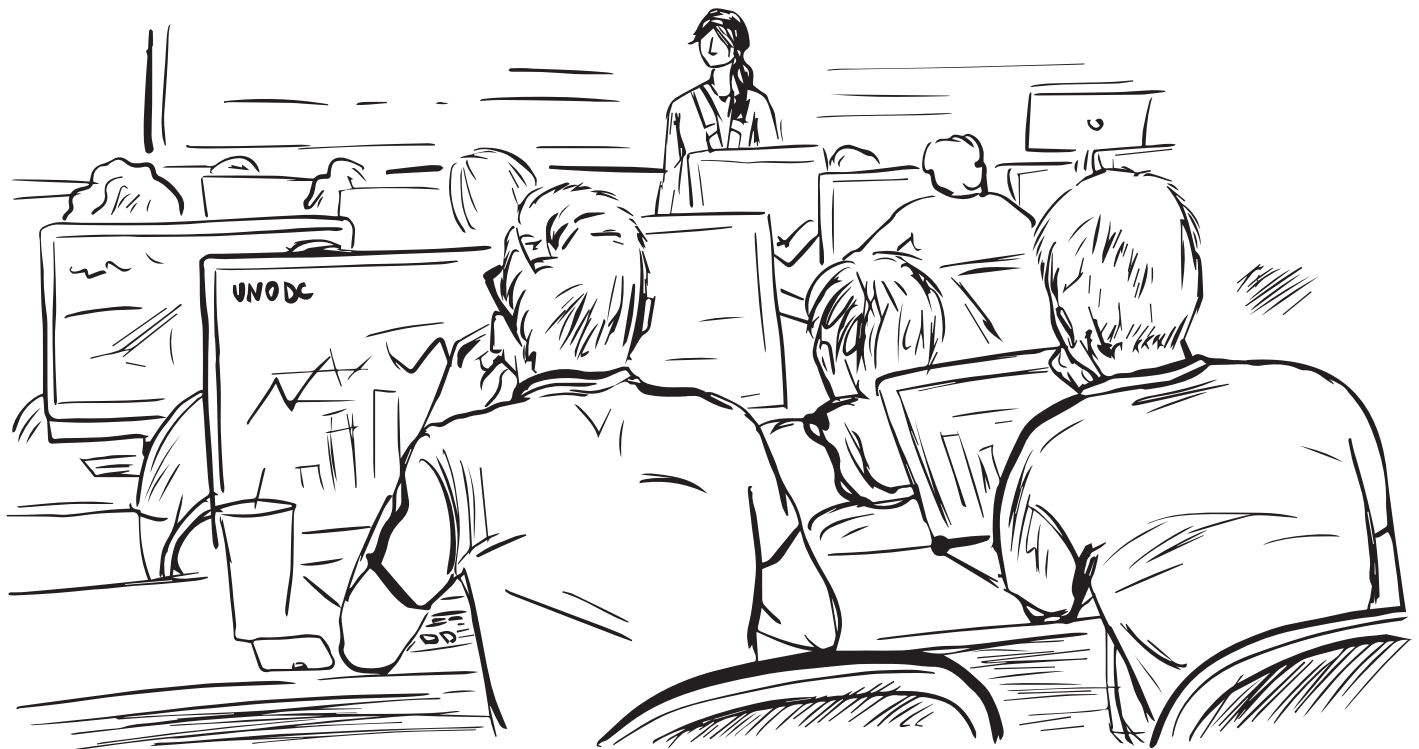
# WHY UNODC?

UNODC stands for United Nations Office on Drugs and Crime. It has its HQ in Vienna and offices around the world. We work in the Cybercrime and Money Laundering Section.

## What you need to know about us:

### Experience

- We have been running the Virtual Assets trainings since 2016.
- We are extremely good at one thing: getting the best practitioners, extracting knowledge from them, turning their expertise into neuroscientifically proven training methods that can be delivered to you in a compact and sustainable way.
- UNODC has been training-the-trainers for more than fifteen years; we use adult learning methodologies that are proven to work.
- UNODC is also running a project on the Early Warning System to detect new drugs (especially opioids) in the Darknet, so we know "a thing or two" about drug markets and crypto money laundering.



## No-nonsense practical things

- ✦ Our courses are highly practical – over 3 days you get only 2 hours of theory and powerpoint slides, the rest is ... practical exercises!
- ✦ We work with real life cases. Some are still ongoing (we have to check exercises the night before each course. Literally. Sometimes the money launderers make their next move, sometimes the darknet market is taken down).
- ✦ You can bring your own real cases and try to solve them with our tools.

## The best tools you can get

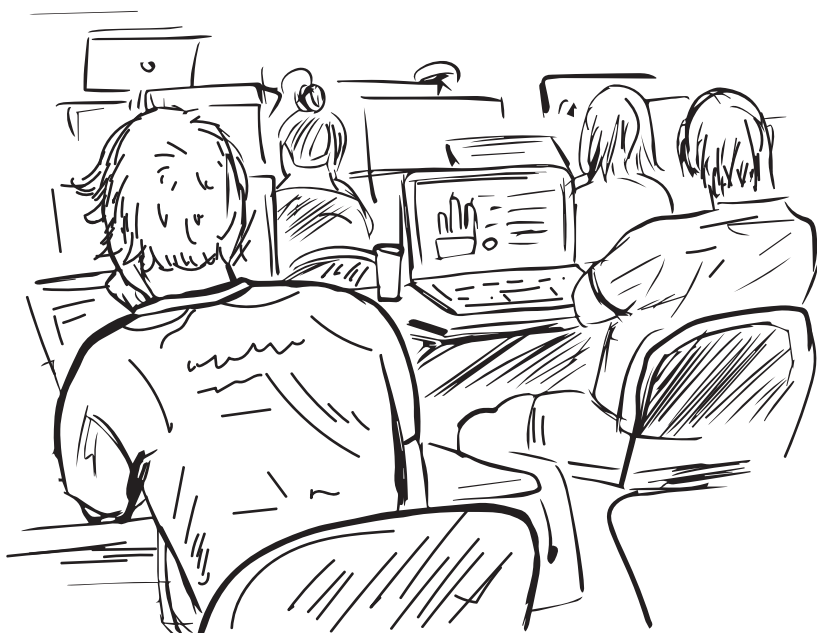
- ✦ UNODC has working arrangements with 8 major providers of blockchain analysis software. You will get free access to these tools for the duration of the training.

## Scalability

- ✦ With our train-the-trainers approach, you can train as many national experts as necessary in an extremely short time. And train new experts yourselves.

## It does work

- ✦ After the 3 days of training, your experts are able to do investigations themselves.
- ✦ Example 1: after a UNODC training, the FIU successfully investigated a case of 1000 BTC laundering.

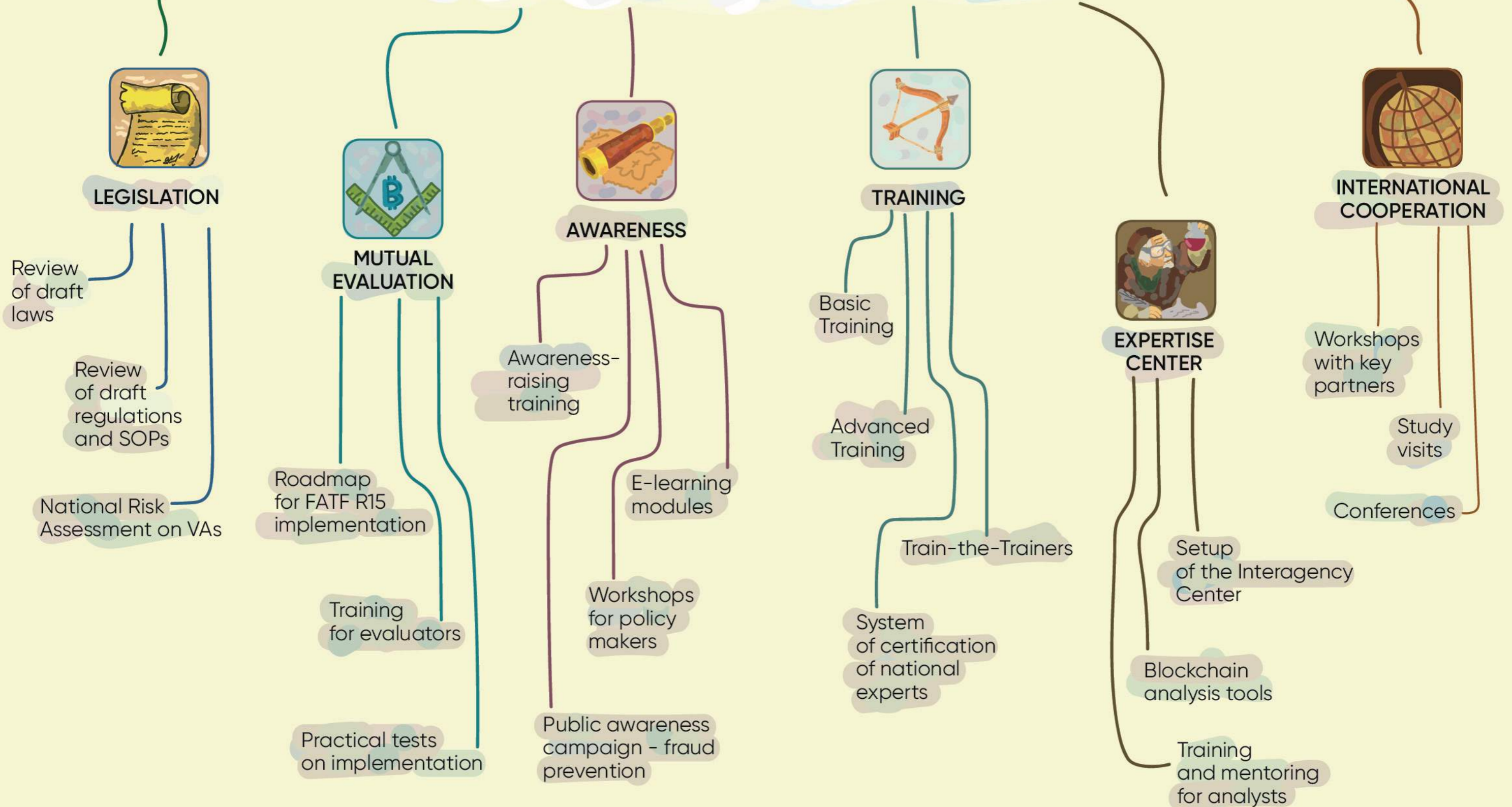


- ✦ Example 2: during a training, one of the participants (police) solved his case and recovered \$26 000 of cryptocurrency to the victim of fraud. This amount was more than the total budget of the training.

# RAPID CAPACITY BUILDING

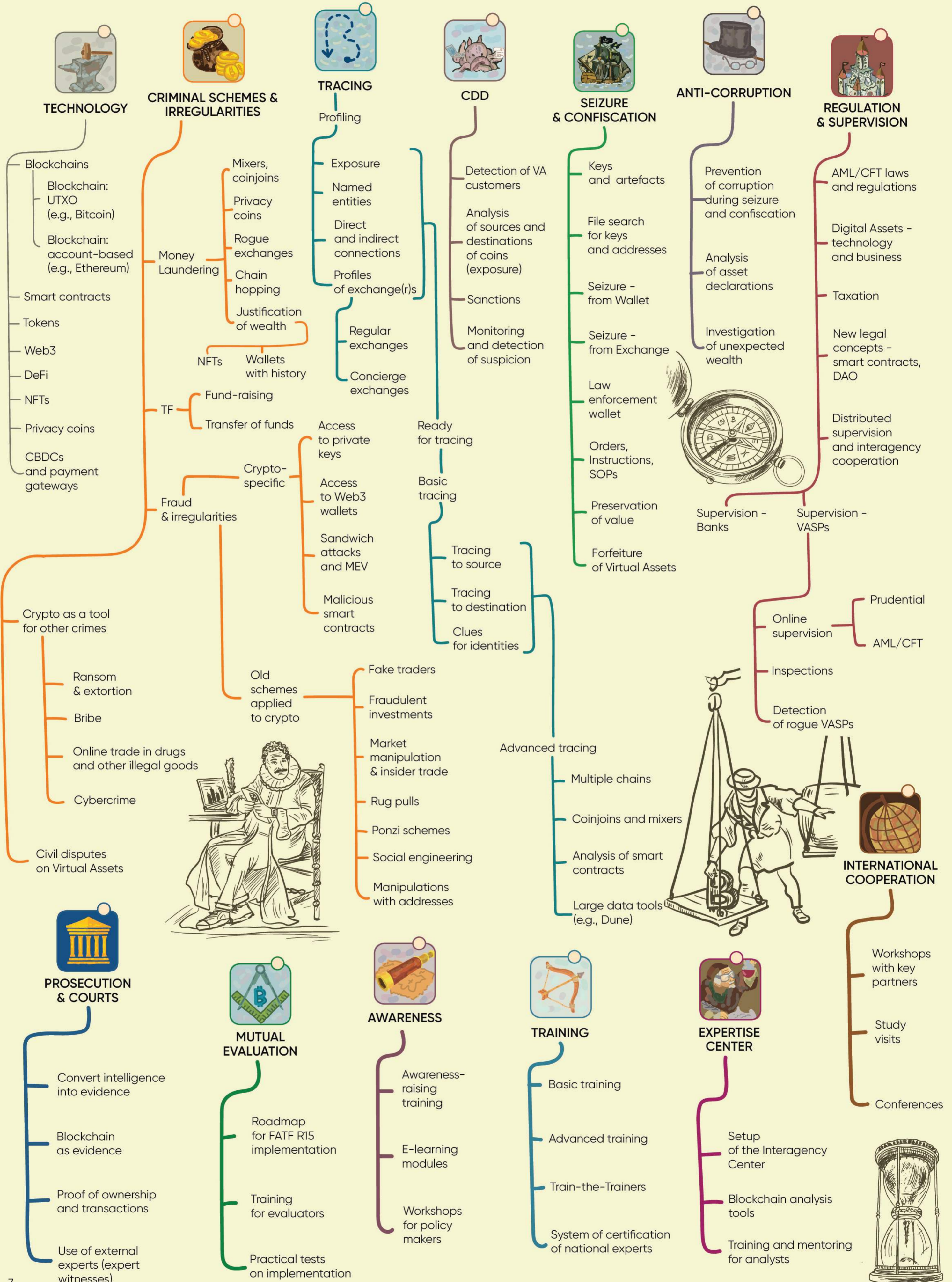
The project has several components; you can select them all or just what you need.

## VIRTUAL ASSETS CAPACITIES



# VIRTUAL ASSETS SKILLS

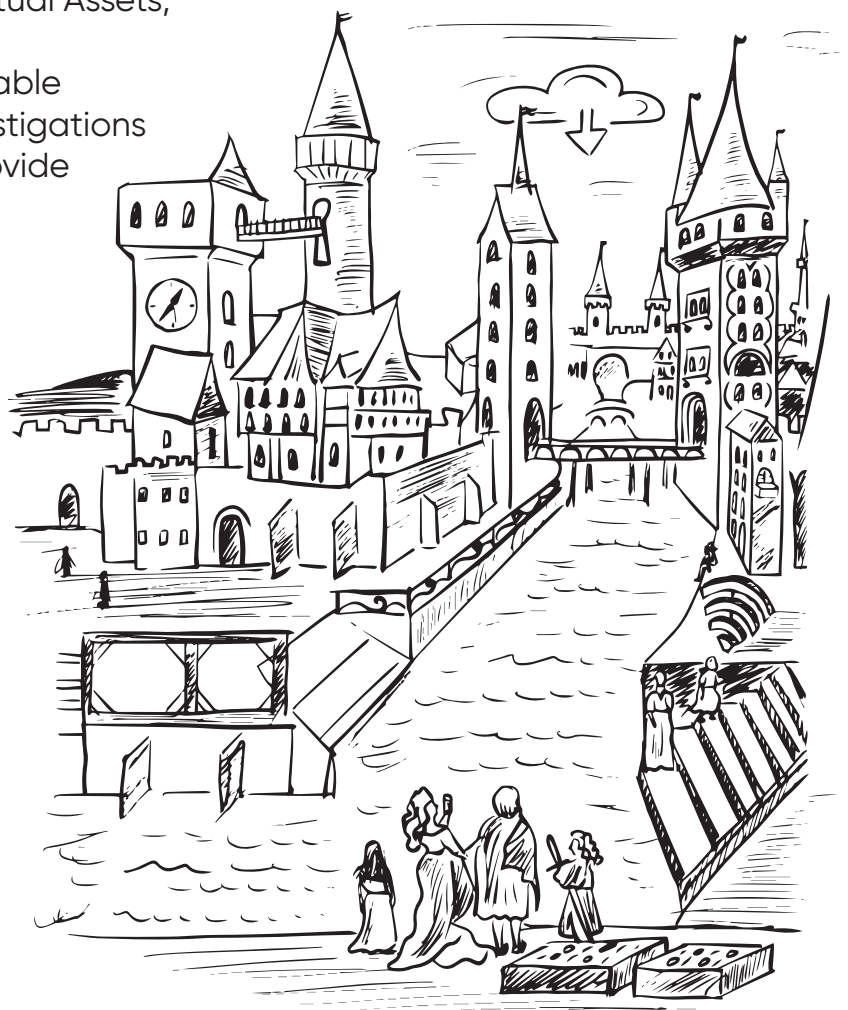
Depending on the agency and tasks, you may need to develop various skills.



# WHAT YOU GET? <sup>(1)</sup>

As a result of the project, you get one or more of the below:

- Legislation and regulation on Virtual Assets;
- A core team of experts trained;
- Law enforcement capable of investigating, seizing and confiscating virtual assets;
- Supervisors capable of maintaining order on the market and protecting investors;
- Country ready for FATF evaluation on Recommendation 15;
- VASPs and banks able to do customer due diligence for Virtual Assets;
- General public aware of Virtual Assets risks and precaution measures;
- Your own national training system ready for large scale training of experts on Virtual Assets;
- National expertise centre capable of conducting blockchain investigations and analyses and ready to provide services to various national agencies;
- National system able to certify blockchain experts that can testify in courts in criminal and civil cases.

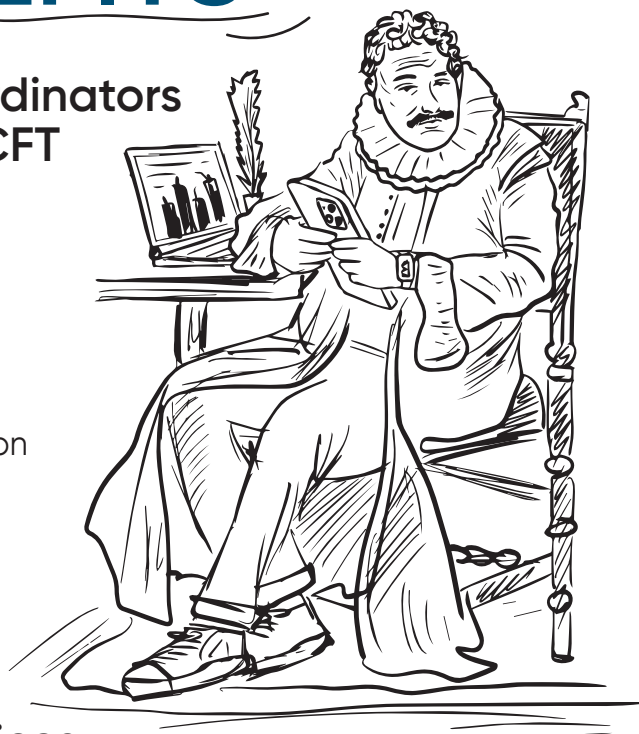


<sup>(1)</sup> country level

# PROJECT BENEFITS

## **Policymakers, interagency coordinators on Virtual Assets and on AML/CFT**

- Awareness-raising and basic knowledge;
- National risks assessment;
- Roadmap for development of Virtual Assets national system, including implementation of FATF Recommendation 15;
- Legislation and regulations;
- Streamlined interagency cooperation;



## **FIU, Law Enforcement, Tax Services, National Security and Intelligence**

- Basic tracing and seizure/confiscation skills for officers that may have cases related to Virtual Assets;
- Guidelines for first responders – how to detect Virtual Assets and artefacts;
- Advanced investigation skills for a core team of experts;
- Blockchain analysis tools;
- National centre of expertise for blockchain investigations;
- SOPs and infrastructure (incl. "law enforcement wallet") for seizure of Virtual Assets.

## **Supervisors of VASPs, Financial Supervisors, Central Banks**

- Awareness-raising and basic profiling and tracing skills;
- Regulations on Virtual Assets;
- Advanced skills for a core team of experts (dedicated group of supervisors);
- Step-by-step instructions for supervision;

## Anti-corruption Agencies

- Awareness-raising and basic profiling and tracing skills;
- Advanced skills for a core team of anti-corruption experts;
- Step-by-step instructions for checking assets declaration of public officials;
- Guidelines on investigation of unexpected wealth with Virtual Assets.

## VASPs and Bankers – Professional Associations and Compliance Officers

- Awareness-raising and basic profiling skills;
- Step-by-step instructions on CDD with Virtual Assets;
- Advanced training and blockchain analysis tools for the national centre of expertise for compliance check of Virtual Assets.

## National Training Institutions

- Group of national trainers on Virtual Assets (from different agencies and private sector);
- National training curriculum for Virtual Assets;
- E-learning modules;
- Electronic learning management system for trainings (LMS);
- Advanced tools for distance/hybrid training (telepresence robots, metaverse training environment).



## Judiciary System

- Awareness-raising and basic knowledge;
- Advanced training for dedicated group of prosecutors;
- Specialized course/guidelines on Virtual Assets for judges;
- National system for training and certification of blockchain forensic experts that can testify in court.

# WHAT'S INSIDE? THE LIST OF ACTIVITIES

## Awareness-raising workshop

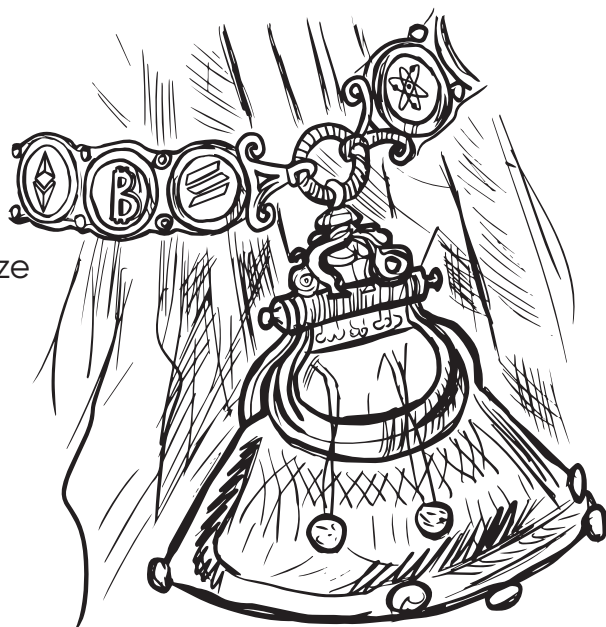
A half-day workshop:

- We do practical exercises with crypto wallets to explain blockchain technology;
- Main criminal risks of Virtual Assets;
- Tools to mitigate the risks and investigate/seize /supervise Virtual Assets;
- Most important: what is feasible with crypto regulation and what is not possible.

**Format:** online/hybrid/classroom.

**Number of participants:** unlimited.

- ! **Pro tip:** You will learn after a 5-minute exercise, that there is only one way to prohibit Virtual Assets. And that is to switch off the internet in the country.



## Awareness-raising – e-learning, guidelines, educational materials

We compiled information from the awareness-raising workshop and some more detailed information in an electronic or printed format. You can distribute as necessary.

Another special resource: information materials for citizens on how to not fall victim to fraudsters.

- ! **Pro tip:** whoever knows a private key (recovery phrase), owns the coins. Do not give your private key to anyone else (like a PIN-code from a credit card).
- ! **One more pro tip:** if something is too good to be true – it probably is. Use your common sense, do your own research, do not trust offers that promise you'll get rich in a short time with zero efforts just by giving your money to some "crypto company".

## Basic training

A three-day practical training:

- How blockchain (UTXO) works;
- Investigation, seizure, confiscation, regulation and supervision – basic skills;
- Lots of practical exercises with real crypto;
- All participants get free access to professional software for blockchain.

The course is adjusted for specific audiences (e.g., for law enforcement we expand on seizure/confiscation but reduce supervision; for supervisors – vice versa; compliance officers concentrate mostly on CDD).

**Format:** in-person classroom format is the best, hybrid/online are also possible but require smaller groups and take more time.

**Number of participants:** up to 24.

- ! **Pro tip:** The blockchain related elements of most investigations are quite fast – if you are able to do anything, you will be able to in just a few hours (maybe less). Then you send requests to exchanges or take some other actions in real life. If you cannot do anything and need to move to the next case, you will also see results in a short time. Just don't forget to put an alert on the crypto address of interest!

## Advanced training

A practical training for two-four days, depends on the audience's needs, and adjusted in each case:

- Advanced technologies (account-based blockchains, DeFi, smart contracts, NFTs etc);
- Advanced ML and fraud schemes;
- Advanced investigation tools and techniques, analysis of smart contracts;
- Practical exercises with real crypto, we simulate some schemes with tokens and NFTs created for the training;
- All participants get free access to professional software for blockchain.

**Format:** in-person classroom format is the best, hybrid/online are also possible but require smaller groups and take more time.

**Number of participants:** up to 12.

- ! **Pro tip:** We will show you the advanced criminal schemes and tools to investigate them. Yet, in order to do many advanced procedures like analyses of smart contracts, you need to do them every day on an expert level. This is not the case for many agencies. Don't worry – you will know what you can request from external experts, and how to interpret and use their results.

## Train-the-trainers

This is a flagship product of UNODC, polished over many years, and contains only absolute essentials that are proven to work.

Includes four separate sessions, each for 2-3 days:

- Initial training on the substance (basic crypto training);
- Adult learning methodology and design of your own training;
- National trainers deliver a training together with UNODC experts;
- National experts deliver a training on their own, UNODC only observes and provides some final touches.

Those who successfully complete the course are certified by the UNODC as trainers.

**Format:** in-person classroom is the best format, hybrid/online is almost impossible (but doable in case of lockdown).

**Number of participants:** up to 12

- ! **Pro tip:** Building practical skills of adult practitioners is very different from classical university studies. You will learn how to do it properly.

## Centre of Expertise for Law Enforcement

Advanced blockchain investigations require special skills and professional software (affordable, but not cheap). You do not need the entire police force in the country to know how to do it. Instead, it makes more sense to concentrate skills and tools to a small group of dedicated experts. Because blockchain is public, the blockchain part of investigations doesn't contain any confidential personal data, so it can be safely performed by a dedicated group of experts.

We will help you to setup such a group of experts in the format of a centre of expertise. It can service either one agency or be an interagency centre.

Benefits:

- Significant reduction of costs;
- Concentration of investigations in a small group leads to exponential growth of skills;
- A core team of experts establishes direct operational contact and builds mutual trust with major national and global VASPs. It leads to faster investigations, especially in case of chasing stolen virtual assets.

The same approach can be used for AML compliance officers – a “civil” centre of expertise can service VASPs, banks and financial institutions.

## Legislation and Regulations

Virtual Assets are a relatively young topic, only around ten years. There are no model laws, tried and tested in the field for decades. Yet, there are good practices here and there, and we know where to find them. Also, we have seen many mistakes (sometimes quite epic ones) and can advise you on what to avoid, and what is a must-have.

Drafting legislation depends on your vision and what you are going to build: an international financial centre, a safe conservative market, an innovation-friendly low-tax system, or your sovereign right to restrict operations with Virtual Assets.

Depending on your needs, we will find international experts to review your draft legislation/regulations/SOPs and provide advice.

## Strategic analysis for policy makers

Before making a serious policy decision – e.g. on the Central Bank Digital Currencies (CBDC) project or mass adoption of cryptocurrency in the national payment system, it is good to assess risks and research possible (adverse) scenarios.

We can arrange a workshop on such strategic planning, depending on your needs. It can include SWOT analysis or “red team” exercises, or brainstorming with invited top-notch blockchain experts about topics of your interest.

The duration of the workshop can be between one to three days. It could be a small group for confidential discussion, or we can help you to arrange a brainstorming with a wider audience of national and international experts.

- ! **Pro tip:** new technologies can open several Pandora boxes at once. Be prepared for worst case scenarios and have a disaster recovery plan ready.

# COSTS OF THE PROJECT

As you can imagine, such complex projects need to be financed. Either by an international donor, or your government, or your bankers' association.

**The good news:** UNODC is a not-for-profit organisation, so we need to only cover the costs of our staff and experts, training equipment and materials, as well as travel expenses. If you provide the training venue and cover the coffee-breaks, this will reduce costs.



! **Pro tip** for adult learning methodology: always have cookies/sweets/chocolate available for complex trainings.




**More good news:** All these products are already developed; you don't pay for the research and development, you only cover the costs for the delivery of the project.

The exact cost of the project depends on the components that you select. Please contact UNODC to discuss the details.

Here are some ballpark figures, so you have an idea of the approximate range of our costs.

## 3-day basic course

 — \$10 000  
up to 10 people

 — \$20 000  
11-20 participants

**A full national  
train-the-trainers  
project**

\$150 000 -  
\$250 000

E.g., one 3-day basic course will cost \$10 000 for a group of up to 10 people + travel expenses for 1 trainer, \$20 000 for a group of 11-20 participants + travel for 2 experts. A full national train-the-trainers project will cost \$150 000 - \$250 000 (depending on the location and contents).

**Important:** You will have full national ownership. All products you receive from us (training course, e-learning, LMS, etc) you can use on your own after the project is completed. We would be happy if you then share some news of your successes with us afterwards.

You can always save on costs by combining several activities. E.g., a big national project with several components will cost less than several separate projects with the same items. A regional project for several countries costs less than several separate national projects.

We are passionate about executing interesting projects that will get real results (and we know how to get results fast).

**Are you ready for real results?  
Get in contact with us!**

**Order now  
and save  
the precious time!**



or email to  
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