

Deposit to earn rewards



Sign up and deposit to receive up to **17,500 USDT** in bonuses.
Exclusive for new users only.

Get it now

Cryptocurrency Scams: Avoid These Bitcoin Scams!

Original:

<https://www.btcc.com/en-US/academy/research-analysis/cryptocurrency-scams-avoid-these-bitcoin-scams>

Cryptocurrency Scams: [Bitcoin scams](#) are as numerous as chocolates in a package. You never know what sort you will receive.

The boldest crypto scams make headlines, such as the story of a Las Vegas poker player who stole \$500,000 from another card shark. However, the majority of crypto frauds are more mundane. Consider methods including frightening phone calls, an urgent plea for money, or a demand to wire large sums of cash or face dire consequences.

There is no doubting that [bitcoin](#) fraud is on the rise, regardless of its manifestation. Between October 2020 and March 2021, the Federal Trade Commission (FTC) received 7,000 allegations of crypto theft totaling more than \$80 million. This represents a 12-fold increase in cases and a 1,000-fold increase in cash compared to the same period last year.

When it comes to Bitcoin fraud, the cryptocurrency's strengths are used against the victims. "Bitcoin-related scams are linked to other online criminal operations until you attempt to reclaim your funds," according to cybersecurity expert Adam Levin. "Cryptocurrency is designed to be difficult to track and extremely harder to reclaim. With a few exceptions at the highest level, once anything is transferred, it is permanently deleted.

In recent years, the volume of Bitcoin transactions has remained unchanged, but the value of cryptocurrencies has soared. In April 2020, one Bitcoin was worth \$9,000 compared to the current value of \$43,000.

Here are several Bitcoin scams you should avoid.

Bitcoin Scams and Imitations

In the above poker scam, the perpetrator allegedly posed as the victim's business partner on the encrypted messaging service Telegram. The fake partner desired to swap Bitcoin worth \$500,000 plus a charge of \$50,000 for cash. The victim sent Bitcoin but never received the money. When he attempted to contact his true associate by other means, the associate was unaware of the situation.

Not all Bitcoin impostor scams include numbers of this magnitude. As an example, a con artist posing as a Coinbase reporter contacted public relations firms and offered favorable publicity for clients in exchange for a paltry payment of \$600.

There are many variations on traditional Social Security frauds. A Naples, Florida resident, for instance, was informed by a criminal that her Social Security number was being used to open fake bank accounts. She was urged to download an application, then transfer her entire bank balance into Bitcoin. Fortunately, a fraud alert appeared on her phone before the crime was committed.

“Always pause before clicking on links received by email or text message, and don’t install apps on your mobile device until you’re 100 percent sure they’re legitimate by reading the reviews on the platform where you got them,” said Levin.

The FTC warns of a new Social Security scam in which victims are instructed to deposit cash into Bitcoin ATMs to pay fraudsters posing as Social Security Administration employees.



[Download App for Android](#)

[Download App for iOS](#)

Bitcoin Giveaway Scams

In July of 2020, something absolutely extraordinary occurred. Celebrities and notable figures from all around the world took to Twitter simultaneously to promote the same Bitcoin giveaway. It was shockingly too wonderful to be true.

Former President Barack Obama posted on his Twitter account, “Thanks to Covid-19, I’m giving back to my community!” “All Bitcoin sent to my address will be returned to you twofold. If you wire me \$1,000, I will return you \$2,000!”

The same message was shared on the accounts of Joe Biden, Kanye West, and former New York City mayor Mike Bloomberg, among others.

As you undoubtedly surmised, the gift offers were the result of a previously unheard-of Twitter hack. Former Twitter CEO Jack Dorsey described the event as “a difficult day” for the social media firm.

However, these types of cons are not new. During a six-month period in late 2020 and early 2021, the FTC estimates that investors paid more than \$2 million in cryptocurrencies to fraudsters posing as Tesla Inc. founder and crypto enthusiast Elon Musk.

Bogus Bitcoin Investment Scams

Bitcoin is the abstract of the abstract. Not only does it not exist in physical form, but it also lacks the

full faith and credit of a sovereign government.

These properties of cryptocurrencies are extremely enticing to enthusiasts. Many Bitcoin investors believe that the less government involvement there is in the financial system, the better. Others enjoy engaging in financial activities that are difficult for authorities to track.

Unfortunately, they are also significant benefits for fraudsters who create fraudulent websites pretending to provide new investors the opportunity to make a quick buck. This is what happened to one victim of an Australian scheme in 2017:

The man, identified by ABC Everyday as Jonathan, noticed an Instagram post advertising the opportunity to earn a 50 percent return by mining Bitcoin. Initially sending the website \$50, he quickly received \$30 in profit.

Furthermore, the Instagram account had testimonial videos and endorsements from other individuals, and had hundreds of followers. It looked legitimate.

He then informed his friends and family of his good fortune. In total, Jonathan's relatives and friends contributed approximately \$20,000 to the cause. The account then vanished, taking the thief with it. Not only did he lose his money, but he also lost the friendship of several of his peers.

The total cost of these Bitcoin Ponzi schemes can be substantial.

According to the FTC, "many individuals have reported being misled to websites that appear to offer prospects for investing in or mining cryptocurrencies, but are in fact fraudulent." "Websites use phony testimonials and bitcoin jargon to appear respectable, but their claims of massive, guaranteed returns are untrue."



[Download App for Android](#)

[Download App for iOS](#)

Fraudulent Crypto Romance Websites

The stratospheric rise of Bitcoin has coincided with the widespread adoption of dating applications that make it quite simple to locate new romantic partners. This may be a blessing for those looking for love, but it's a jackpot for con artists.

In 2021, the FTC received the most reports of romantic scams involving cryptocurrencies (\$139 million), followed by bank payments (\$121 million), wire transfers (\$93 million), and gift cards (\$36 million).

While romance scams are nothing new, bitcoin adds a new twist: unwary paramours believe they are investing in cryptocurrency.

Consider Mike (not his real name), who NBC News recently profiled. On Tinder, Mike met a woman named Jenny. They began a romance over Tinder and WhatsApp chatting.

About a month later, Jenny informed Mike that she had a valuable suggestion. She asserted that her uncle worked for JPMorgan Chase and was “the world’s foremost specialist on Bitcoin options.” Mike was looking for love, not Bitcoin, but he soon became interested and put \$3,000 on the legitimate cryptocurrency exchange Crypto.com.

Eventually, the deception intensified. Jenny convinced him to transfer his funds to a new exchange and to continue investing. His portfolio eventually surpassed \$1 million in value.

When Jenny instructed Mike to make his tax payments to the Department of Homeland Security instead of the Internal Revenue Service, Mike became suspicious (IRS). The moment he discovered he couldn’t withdraw his funds from the new crypto exchange account, he recognized it was all a scam. In the end, Mike lost about \$280,000.

How to Identify Bitcoin Scams

It is easy to observe these cases and be amazed at how dumb the victims appear.

Why did Mike agree to invest hundreds of thousands of dollars with a lady he had never actually met? How could someone give away \$500,000 worth of Bitcoin to a business associate without at least calling to discuss the transaction? How could someone assume that a fifty percent return was guaranteed?

The issue is that it’s easy to lose your skepticism when you believe you’ve met your future spouse, are conversing with someone you consider to be a close friend, or believe you’ve discovered a definite thing. When these complicating influences distort your judgment, it is simple to overlook red indicators.

Therefore, it is crucial to keep a few guidelines in mind if someone you have never met offers you an opportunity to make money using Bitcoin.

- Don’t trust the hype. Any claim of a guaranteed return, particularly a very large guaranteed return, should always be considered fraudulent. As Bernie Madoff’s victims will confirm, there are virtually no legal investments that can double your money in a week, a month, or even a year. Similarly, disregard claims that Bitcoin investments can “multiply.”
- Bitcoin for the sake of Bitcoin. Genuine investors believe they will be able to sell Bitcoin to someone else at a greater price in the future, which has caused Bitcoin’s value to climb rapidly in recent months. This is what makes crypto an extremely risky investment. Ignore “investment opportunities” that offer to provide access to exclusive or unusual Bitcoin transactions.
- Preoccupied with Bitcoin. Suppose you meet someone online who strongly encourages you to invest in Bitcoin. Almost definitely, they are lying to you. The government, particularly the Social Security Administration, does not chase you down and demand immediate bitcoin payments. If someone is demanding that you adopt Bitcoin in some way, you should disengage and notify the police.

If you believe you have been the victim of a crypto scam, file a complaint with the FTC. Sharing information on Bitcoin scams will assist the FTC investigate fraud schemes and keep the American public informed of new frauds.