

# Detecting financial crimes through blockchain analytics

Most cryptocurrencies operate on the blockchain, allowing digital asset transfers between parties, resulting in quicker and more efficient transactions. However, the cross-border, pseudonymous, and decentralized nature of blockchain technology presents opportunities and challenges, and even hazards, such as illicit finance.



The Trump administration has prioritized their interest in digital assets and have fostered initiatives such as the Strategic Bitcoin Reserve and US Digital Asset Stockpile,<sup>1</sup> treating Bitcoin and other cryptocurrencies as key financial assets and increasing their role in economic policy. Enhanced blockchain analytics have become more crucial to prevent financial crimes including money laundering, sanctions evasion, and certain dark web transactions.

## Types of financial crimes in the crypto industry

- ⚠ Money laundering
- ⚠ Sanctions evasion
- ⚠ Terrorist financing
- ⚠ Illicit dark web transactions

## Examples of related activities

- ▶ In 2024, approximately \$51 billion in cryptocurrency was involved in illicit activities.<sup>2</sup>
- ▶ Sanctioned entities account for 33% of the illicit crypto transaction volume in 2024.<sup>3</sup>
- ▶ Several jurisdictions subject to a OFAC sanctions advisory, such as Iran, have embraced the use of cryptocurrencies to circumvent penalties.<sup>4</sup>

## How blockchain analytics identify financial crimes

The following flowchart illustrates the lifecycle of a blockchain analytics case:



The investigative analytics experts within the Risk, Investigations & Analytics practice support legal teams during intensive financial crimes investigations by connecting suspicious wallets, tracing complex transaction patterns across diverse blockchain instruments, and uncovering hidden movements of funds.

To find out more about how blockchain analytics can detect fraud, contact:

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**Sources:** <sup>1</sup><https://www.whitehouse.gov/presidential-actions/2025/03/establishment-of-the-strategic-bitcoin-reserve-and-united-states-digital-asset-stockpile/>; <sup>2</sup><https://cointelegraph.com/news/illicit-crypto-volumes-51-billion-2024-share-falls-chainanalysis>; <sup>3</sup><https://www.btcnews.com/crypto-sanctions-account-for-one-third-of-illegal-activity-in-2024-experts-reveal/>; <sup>4</sup><https://www.chainalysis.com/blog/crypto-crime-sanctions-2025/>