

GROUP-IB × PAXFUL



CREATING THE MOST
SECURE BITCOIN
MARKETPLACE

ABOUT THE COMPANY

INDUSTRY

FinTech

YEAR FOUNDED

2015

GEOGRAPHY

Offices in Tallinn, New York, Manila.
Accessible globally

COMPANY MISSION

To empower the forgotten four billion unbanked and underbanked people to have control of their own money as never before.

Paxful is a people-powered marketplace for money transfers with anyone, anywhere, at any time. The company, founded in 2015, has over 4.5 million customers globally who you can instantly buy and sell bitcoin using over 300 different payment methods.

As part of their mission, Paxful also launched #BuiltWithBitcoin, a social initiative to build 100 schools funded entirely by Bitcoin all across emerging markets. Paxful was co-founded by Ray Youssef, Chief Executive Officer, and Artur Schaback, Chief Operating Officer.



A peer-to-peer bitcoin marketplace

Over 300 payment methods and full Escrow service



BACKGROUND

Bitcoin

is more likely to be the subject of fraud including scams related to cloud mining, Bitcoin emails, production, and the digital wallet

Despite being massively popular, cryptocurrencies like Bitcoin are relatively new to the fintech world, meaning that they are more likely to be the subject of fraud, including scams related to cloud mining, Bitcoin emails, production, and the digital wallet. Paxful is well aware of this phenomenon and actively monitors for scam attempts on its platform. Once identified, the scam is eliminated, and any aftermath mitigated.

However, Paxful's own rise in popularity was accompanied by a spike in fraudulent activity. The company could always mitigate fraud after the fact but lacked the necessary resources to prevent fraud before it affected customers.



WHY GROUP-IB

Fingerprint technology

Device fingerprinting detects fraudulent activity from the same device even if browsing history is deleted or other cover-up tools implemented

Detection and prevention of bad bot activity

When it came to finding a solution, there was never a question of choice. Paxful had been aware of Group-IB's leadership in the cybersecurity community and was eager to try its Fraud Hunting Platform product. For Paxful, Group-IB Fraud Hunting Platform had everything they needed – fingerprinting and API for smooth integration. All for a reasonable price.

It was Group-IB's fingerprinting technology, in particular, that caught Paxful's eye. Device fingerprinting detects fraudulent activity from the same device even if browsing history is deleted or other cover-up tools implemented. A wide range of algorithms analyzes the same set of parameters to provide advanced dynamic analysis. The process identifies malicious activity across separate clients.

These features took Paxful's fraud investigation capabilities to the next level. Before the implementation of Fraud Hunting Platform, the company was only able to deal with existing fraud schemes. Now, they can prevent fraud before it ever harms their customers.

In particular, Fraud Hunting Platform helps Paxful detect and prevent bad bot activity and highlight requests from high-risk or fraudulent internet service providers (ISPs). The system also identifies requests from virtual machines, since a low-cost method of concealing a real device fingerprint involves creating a virtual machine simulating the device and then deleting it once the fraud is complete.

Paxful also leverages the deep customization of Fraud Hunting Platform's rule engine to fill existing security gaps and improve fraud prevention measures.

The power of visual analysis has helped Paxful's anti-fraud and cybersecurity departments visualize the fraud schemes and devices linked with fraudulent accounts, thereby providing deep investigation capabilities. Moreover, the clientless analysis of malware that targets end-user devices maintains user privacy and operational security.

Paxful's experience with the system itself was very good. Initial deployment only took 1.5 months, after which JavaScript started sending information to the Fraud Hunting Platform server. Full integration was complete after 6 months. Paxful found working with Group-IB's specialists effortlessly. They were always responsive and helpful and acted quickly when needed.



For Paxful, Group-IB was the perfect solution; we were particularly impressed by the accuracy of Group-IB's device fingerprint technology. The unique technology that easily detects suspicious devices is exactly what we were looking for. Interactive graph visualization tools and strong API create a truly comprehensive experience when it comes to fraud investigation. With reliable and helpful technical support, Group-IB is a well-rounded cybersecurity solution that works for us.

Dmitry Moiseev, Chief Information Security Officer, Paxful

ABOUT GROUP-IB SOLUTION

Fraud Hunting Platform

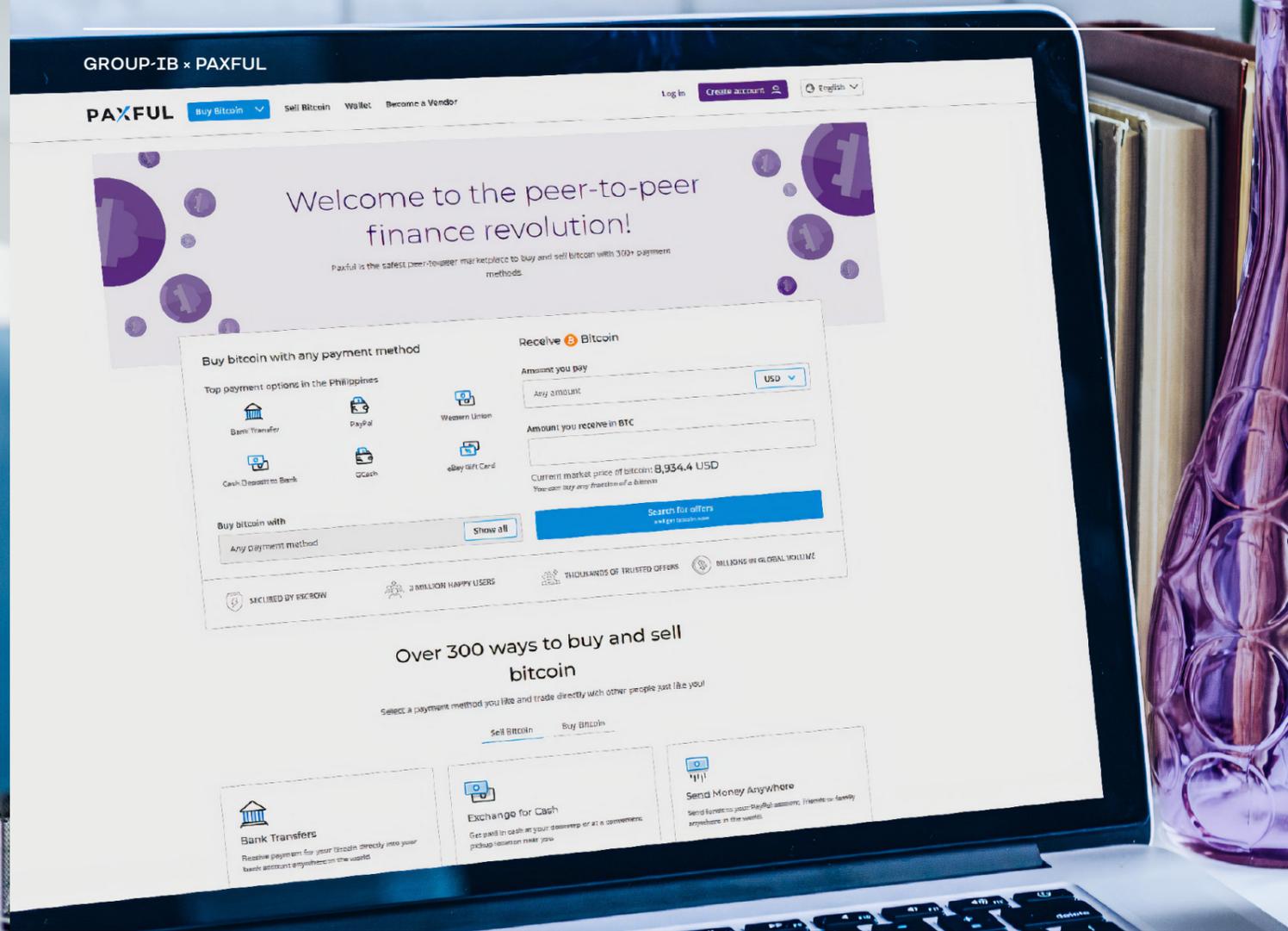
effectively detects and prevents dangerous activities through behavior analysis, anomaly detection

Group-IB Fraud Hunting Platform is a client-side fraud prevention solution working across sessions, platforms, and devices in real time.

Group-IB Fraud Hunting Platform effectively detects and prevents dangerous activities through behavioral analysis, anomaly detection, daily automatic filter rules, and signature updates based on unique data from Group-IB's Threat Intelligence & Attribution and Digital Forensics Lab. The combination of advanced anti-fraud technologies and intelligence protects both banking and retail customers. Moreover, it helps businesses comply with legal requirements designed to protect funds belonging to individuals and companies against scammers.

Fraud Hunting Platform analyzes all sessions and user behavior in both web resources and mobile applications, thereby creating a unique device fingerprint that distinguishes between normal and suspicious devices, all the while helping AML teams identify money laundering networks. If illegitimate activity is detected, Fraud Hunting Platform either sends an automatic notification in real time or blocks the fraudulent activity altogether.

The above features make Fraud Hunting Platform a reliable solution for effectively preventing cross-channel and cross-bank fraud.



RESULTS

Group-IB Fraud Hunting Platform

turned out to be a game-changer for Paxful's business.turned out to be a game-changer for Paxful's business.

Three departments work with the Fraud Hunting Platform interface directly: customer care, compliance, and security. Customer care mostly handles terms of service (TOS) violations, while compliance deals with anti-money laundering (AML) rule violations and security with hacking cases.

All in all, Fraud Hunting Platform turned out to be a game-changer for Paxful's business. With both offensive and defensive capabilities in its toolkit, the online platform will be able to better protect their customers' assets and transactions in the future.

In just 2 months, Fraud Hunting Platform helped Paxful detect upwards of:

- **100,000** accounts with 3 or more logins from the same device
- **1,200** devices infected with Trojans
- **220,000** bad bot requests

Armed with a new sense of security, customers will more likely recommend the Paxful platform to their friends and peers, resulting in a win-win scenario for all sides.



Aside from device fingerprint technology, Group IB's Fraud Hunting Platform tool that detects threats invisible to traditional transactional anti-fraud has helped us massively in investigating cases related to the trade chat phish link scams. The tool worked well to help us identify fraud victims as well as villains and is an overall great tool that backs all our investigations with significant data and interactive graphs.

Dmitry Moiseev, Chief Information Security Officer, Paxful

PREVENTING AND INVESTIGATING CYBERCRIME SINCE 2003

65,000+

hours of incident
response experience

Group-IB is a leading provider of high-fidelity adversary tracking and threat detection, and best-in-class anti-APT and online fraud prevention solutions.

We hunt down real cybercriminals catch them before they can harm your business, and provide evidence that puts them in jail. We also train security professionals around the globe.

1,200+

investigations
worldwide

Our clients include banks, financial institutions, oil and gas companies, telecoms, IT and cloud service providers, e-commerce and FMCG companies, and fintech and blockchain startups. We especially enjoy working with the next generation of cybersecurity specialists who share our passion for threat hunting.



Learn more about Group-IB
Fraud Hunting Platform

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