# Blockchain Basics

## For Financial Institutions

One-Day Training Course

West Fargo Police Department
800 4th Ave. E.
Fargo, North Dakota

**February 19, 2026**

*Daily Schedule: 8:30 AM - 4:30 PM*
*$250 fee per attendee*
*Speaker: Jesse Gossman, Co-Founder The Block Audit*

## Course Overview

This one-day course is designed for bank fraud investigators and BSA/AML professionals who encounter cryptocurrency-related activity in their daily work. Participants will gain foundational knowledge of blockchain technology, learn to identify crypto-related fraud schemes targeting bank customers, and develop practical skills for triaging complaints and supporting investigations.

*No prior cryptocurrency knowledge required. Participants should bring laptops for hands-on exercises.*

## Course Schedule

| Time | Topic / Activity | Notes |
|---|---|---|
| 8:30 - 10:00 AM | Cryptocurrency Fundamentals | Blockchain basics, key terminology, Bitcoin vs Ethereum vs Stablecoins, wallets & addresses, public/private keys, how transactions work, block explorers intro |
| 10:00 - 10:15 AM | BREAK | --- |
| 10:15 - 11:00 AM | How Crypto Intersects with Banking | On/off ramps, wire transfer patterns to exchanges, ACH patterns, card transactions at crypto platforms, what happens after funds leave your institution |
| 11:00 - 11:45 AM | Scam Typologies Targeting Customers | Pig butchering/romance scams, investment fraud, tech support scams, BEC with crypto cashout, fake recovery scams |
| 11:45 - 12:00 PM | Money Mule Recognition | Mules in crypto context, red flags in account activity, witting vs unwitting participants, recruitment methods, ATO vs willing participation |
| 12:00 - 1:00 PM | LUNCH BREAK | --- |
| 1:00 - 1:30 PM | Triaging Customer Complaints | Assessment framework, questions to ask customers, recognizing mules disguised as victims, documentation requirements |
| 1:30 - 2:30 PM | ⭐ **PRACTICAL: Open-Source Investigation** | Block explorers (hands-on), scam databases (Chainabuse), domain/WHOIS lookup, social media OSINT for scam platforms [SCENARIO-BASED EXERCISE] |
| 2:30 - 2:45 PM | BREAK | --- |
| 2:45 - 3:15 PM | Evidence Gathering & SAR Writing | What to collect from customers, internal records, crypto-specific SAR fields, key details (addresses, TXIDs), red flag narrative elements |
| 3:15 - 3:45 PM | Working with Law Enforcement | SAR vs direct LE contact, making referrals effective, IC3/FBI/Secret Service jurisdiction, managing customer expectations |

| Time | Topic / Activity | Notes |
|---|---|---|
| 3:45 - 4:30 PM | GENIUS Act & Regulatory Landscape | GENIUS Act overview and BSA/AML requirements, FinCEN tailored rules, implications for traditional FIs, future trends, Q&A |

## Learning Objectives

Upon completion of this course, participants will be able to:

- Explain fundamental blockchain and cryptocurrency concepts to colleagues and customers
- Identify common crypto-related fraud schemes and their banking indicators
- Distinguish between scam victims and potential money mules
- Use open-source tools to verify customer complaints and gather intelligence
- Document crypto-related activity effectively for SAR filing
- Understand when and how to coordinate with law enforcement
- Describe the GENIUS Act and its implications for financial institutions

## Detailed Course Content

### Module 1: Cryptocurrency Fundamentals (90 min)

- What is blockchain? Distributed vs decentralized systems
- Key terminology: wallets, addresses, transactions, confirmations, gas fees
- Bitcoin vs Ethereum: UTXO vs account-based models (simplified)
- Stablecoins: USDT, USDC - why criminals prefer them
- Public vs private keys - what customers need to protect
- Reading a wallet address: format recognition for Bitcoin, Ethereum, TRON
- Introduction to block explorers: what you can (and can't) see

### Module 2: Crypto and Traditional Banking (45 min)

- On-ramps and off-ramps: how fiat becomes crypto (and vice versa)
- Wire transfer patterns: common exchanges, payment processors, P2P platforms
- ACH and card transaction indicators
- Crypto ATMs and their banking footprint
- What happens after funds leave: the visibility gap

### Module 3: Scam Typologies (45 min)

- Pig butchering / romance investment scams: timeline and tactics
- Fake investment platforms: common red flags
- Tech support and government impersonation scams with crypto demands
- Business Email Compromise with crypto cashout
- Recovery scams: the secondary victimization

### Module 4: Money Mule Recognition (15 min)

- Witting vs unwitting mules
- Recruitment methods: job scams, romance, social media
- Account activity red flags: rapid in/out, multiple incoming sources
- Account takeover vs willing participation indicators

## Module 5: Triaging Customer Complaints (30 min)

- Initial assessment framework
- Key questions to ask customers
- Red flags: is this victim actually a mule?
- Documentation checklist

## Module 6: Open-Source Investigation - PRACTICAL (60 min)

- Scenario-based exercise: Investigate a customer complaint
- Block explorer walkthrough: Blockchain.com, Etherscan, Blockchair
- Scam reporting databases: Chainabuse, BBB Scam Tracker
- Domain investigation: WHOIS, creation dates, hosting

## Module 7: Evidence Gathering & SAR Writing (30 min)

- What to collect from customers: screenshots, addresses, communications
- Internal records to preserve
- Crypto-specific SAR fields and narrative elements
- Key identifiers: wallet addresses, transaction IDs, exchange names

## Module 8: Working with Law Enforcement (30 min)

- SAR filing vs direct law enforcement contact
- Making referrals effective: what LE needs from you
- Agency jurisdiction: IC3, FBI, Secret Service, state/local agencies
- Managing customer expectations realistically

## Module 9: GENIUS Act & Regulatory Landscape (45 min)

- GENIUS Act overview (signed July 2025)
- Key provisions: 1:1 reserve requirements, permitted issuers
- BSA/AML requirements for stablecoin issuers
- FinCEN tailored AML rules (in development)
- Bank subsidiaries as stablecoin issuers - what this means
- Implications for traditional FIs and correspondent relationships
- Q&A and open discussion