

Index

- Alias passport, 65, 75, 93, 156
- anonymous value transfer systems, 15, 92–4, 118, 155–6
- anti-money laundering programs, 8, 15, 42–3, 51, 54, 60, 65, 153, 157
- ATM cards, 79
- Australia, 37–8, 135
- Australian financial services license (AFSL), 37
- Australian Securities and Investments Commission (ASIC), 37–8
- automated mass payment software, 31

- bank accounts, 14
- bank deposits, 27–8
- bank drafts, 24
- banking industry, 2, 14, 26
 - Bitcoin and, 38–41
 - electronic banking and, 2
 - regulation of, 2, 27–8
 - Russian, 71, 97
 - transaction fees in, 89–90
 - turmoil in, 88, 96–7
- Bank of the West, 39
- Bank Secrecy Act (BSA), 15, 27, 34, 49, 59–61, 66, 120, 121, 128, 157
- Belarus, 74
- Better Money, 26
- Bitbox, 39

- Bitcoin, 6, 21
 - advantages of, 113–16
 - anonymity of, 92–4, 118, 155
 - challenges for, 140–4
 - conversion of, 11, 119
 - creation of, 87–8, 95–8
 - decentralized operation of, 68–9, 86–94, 97, 105–8, 118, 140–3
 - digital rights to, 82
 - disadvantages and barriers of, 117–19
 - expansion of, 31, 68–9, 148–50
 - features of, 104–12
 - FinCEN guidance on, 121–6
 - future of, 150, 151–61
 - GAO view of, 128–30
 - in global arena, 133–9
 - mining, 99–103, 119, 123
 - opportunity of, 148–50
 - protocol, 87–8, 90
 - regulations impacting, 38–41, 107–11, 141–2
 - security, 88–9, 91
 - software, 88, 90–1
 - success of, 87
 - third-party agents, 14–15, 69, 90–1, 93, 106–7, 129–30
 - transactions using, 7–8
 - tumblers, 93
 - users, 26
 - valuation, 11, 12, 87
 - version 2.0, 160
 - wallets, 91–2

- Bitcoin Charts, 87
- Bitcoin.de, 134
- Bitcoin merchant services (BMS), 125, 145–7, 160
- Bitfloor, 39
- BitInstant, 39
- Bitspend, 40
- Bitstamp, 154
- block chain, 89, 90–1, 118
- BMS, *see* Bitcoin merchant services (BMS)
- BTCChina, 87, 102
- Budovsky, Arthur, 42–3, 46

- Calamari, Andrew M., 130
- Calvery, Jennifer Shasky, 40
- Canada, 135–6
- cash
 - culture of, 14
 - electronic, 106, 108
- cash-in kiosks, 76–8
- charge backs, 23, 80, 89
- checks, 24
- China, 87, 136, 154
- Chkoreff, Patrick, 82
- choke points, 152
- churches, 2
- CMO Inc., 35
- Coeptis.com, 35
- Coinabul, 39
- Collier, Rosemary, 44, 45
- Comer, Michael, 46
- Commodity Futures Trading Commission (CFTC), 130–1
- cons, 32, 130–1
- Consumer Financial Protection Bureau, 127
- consumer protection, 146–7
- convenience factor, 31
- conversions, 10–12, 119
- cost savings
 - of digital currency, 73, 89–90, 115
 - of digital gold currency, 18
- credit cards, 8, 14, 18, 23, 24, 33, 76, 79–80, 106, 119, 146
- criminal activities, 33–4, 92, 108, 117, 118, 124–5, 141
- cryptography, 3, 91
- culture-of-cash, 14
- currency
 - digital. *see* digital currency
 - exchange, 31
 - national, 10–12, 75–6, 119
 - regulation of. *see* regulations
- currency transaction reports (CTRs), 60
- customer information, 7–9, 15, 24, 41–2, 51, 66, 75
- customer service, 118–19
- cypherpunks, 91

- Darakhvelidze, Peter, 76
- DATA, *see* Digital Asset Transfer Authority (DATA)
- debit cards, 65, 157
- decentralized digital currencies, 68–9, 86–94, 97, 105–8, 118, 140–3, 154, 155
 - see also* Bitcoin
- Department of Justice, 34, 126–7
- developing countries, 157
- DGC, *see* digital gold currency (DGC)
- Dibbell, Julian, 34
- Digital Asset Transfer Authority (DATA), 157
- digital currency
 - see also* Bitcoin; e-gold
 - about, 4–12
 - accounts, 8–9, 14
 - advantages of, 5–6, 8, 12, 14
 - anonymous transactions using, 92–4
 - vs. bank deposits, 27–8
 - centralized systems, 105
 - decentralized, 140–3, 154, 155
 - decentralized systems, 68–9, 86–94, 97, 105–8, 118
 - determining value of, 10–12
 - disadvantages and barriers of, 117–19
 - early adopters, 3, 26–7
 - emergence of, 1–3
 - example transaction, 5–6
 - features of, 8–9, 153
 - future of, 143, 151–61

- digital currency – *continued*
 - in global arena, 133–9
 - growth of, 30–5, 148–50
 - issuance of, 6
 - licensing issues, 46, 52, 54, 124
 - opportunity of, 148–50
 - regulation of. *see* regulations
 - security of, 3, 5, 9–10, 88–9, 91
 - US banks and, 38–43
 - users of, 13–15, 76
- digital currency industry
 - FinCEN guidance on, 120–32
 - impact of US regulations on, 65–9
- digital gold currency (DGC), 16–19, 22, 74–5
 - see also* e-gold
- Dodd-Frank Wall Street Reform and Consumer Protection Act, 127
- Downey, Barry K., 43, 44–5, 46
- drug smuggling, 65
- Dwolla, 38

- early adopters, 3, 26–7
- e-commerce, 3, 10, 14
- e-gold, 15, 17, 20–9, 87, 111
 - early adopters, 26–7
 - exchange transactions, 24
 - gold bullion and, 105
 - growth of, 30–5
 - HYIP Ponzi schemes and, 31–4
 - innovations in, 21–2
 - Issuer of, 23
 - legal actions against, 43–6, 109–10
 - micropayments, 31–2
 - reasons for creation of, 25–6
 - regulations on, 27–8, 36–48
 - search warrant, 41–2
 - US raid on, 38
 - valuation, 21
 - vs. WebMoney, 74–5
- e-gold, Ltd., 23, 24, 43
- e-gold Bullion Reserve Special Purpose Trust, 23
- 18 USC § 1960, 56–7
- electronic banking and information systems, 2
- electronic cash, 106, 108
- electronic codes, 105
- emerging countries, financial access
 - in, 8, 14
- encryption software, 3, 5, 51, 88–9
- e-palladium, 23
- e-platinum, 23
- e-silver, 23
- Estonia, 74
- exchange transactions, 6, 7, 10–12, 24, 75–8, 119

- Fayed, James Michael, 46
- Federal Bureau of Investigation (FBI), 38
- Federal Deposit Insurance Corporation (FDIC), 12
- Federal Reserve System, 2, 89
- Fed Wire, 2
- fiat money, 7, 26, 74–5
- FIN-2013-G001, 120–32
- financial access, 8, 12, 14
- financial controls, 2
 - see also* regulations
- Financial Crimes Enforcement Network (FinCEN), 40, 49–55
 - on Bitcoin mining, 101
 - FIN-2013-G001, 120–32
 - MSB Rule, 15, 40, 49, 52–4, 58–62
 - operation of, 128
 - Prepaid Access Rule, 15, 59, 63–9, 122
- financial institutions, 52, 54, 58–62
- financially underserved market, 125–6
- financial records, 41–2
- financial regulations, *see* regulations
- financial transparency, 140–3
- foreign companies, 60–1
- foreign currency conversion, 9
- France, 136–7
- fraud, 32, 130–1
- Freis, James H., Jr., 61

- gambling, 125
- Georgia, 74
- Germany, 134–5

- GitHub, 96
- Glendinning, James, 38
- global Bitcoin, 133–9
- global financial crisis, 96–7
- gold
 - see also* e-gold
 - bullion, 105
 - digital gold currency (DGC), 16–19, 22
 - as legal tender, 34–5
 - practical problems of using, 19
- Gold & Silver Reserve, Inc. (G&SR), 22–3, 27, 31, 38, 43, 109
- GoldAge, 42, 45–6
- Goldbugs, 26
- Gold Casino, 32
- gold coins, 11–12
- Gold Finger Coin & Bullion, 37
- GoldMoney, 37, 53, 61, 66–7, 68, 105, 155
- gold standard, 25, 26
- Government Accountability Office (GAO), 128–30
- government-issued money, 74–5

- hawalas, 14
- High Yield Investment Program (HYIP), 27, 31–4
- Hockenhull, Kinnard, 39
- HYIP, *see* High Yield Investment Program (HYIP)

- identification verification, 9, 15
 - see also* customer information
- i-Free, 78
- illegal carder funds, 33–4
- illegal goods, sale of, 51
- India, 37, 138
- informal value transfer systems, 14
- insurance, 12
- Internal Revenue Service (IRS), 128–30
- Internet, 2
 - accounting systems, 5
 - security, 3, 5
 - technology, 51
- Internet Archive Federal Credit Union (IAFCU), 39

- Internet WebMoney purse, 72
- interstate commerce, 35
- Intgold, 46
- Iran, 109, 110
- Islam, 14

- Jackson, Douglas, 17, 21, 22, 24–6, 34, 38, 43, 44, 46, 111
- Jackson, Reid A., 43, 44–5, 46
- Japan, 154

- Karpeles, Mark, 45
- Kats, Vladimir, 42–3, 46
- Kazakhstan, 74
- Kenna, Jered, 39

- Latvia, 74
- law enforcement, 33–4, 92, 107, 152
- legal tender status, 5, 12, 34–5
- Liberty Reserve, 40, 43, 141
- Lithuania, 74
- local commerce, 35, 74
- local currency, 97–8
- London Bullion Market Association, 23
- Loom software, 81–5

- merchant services, 14, 71, 79, 124, 125, 145–7, 160
- micropayments, 31–2
- mobile technology, 51
- Modell, Jordan, 39
- Moldova, 74
- money laundering, 42–3, 51, 65, 92, 157
- Money Service Business (MSB) Rule, 15, 40, 49, 52–4, 58–62
- money transmitters
 - definition of, 52–4, 58–62, 122–4
 - local, 125
- money transmitting licenses, 37, 42, 46, 52, 54, 66, 124, 125, 126, 128
- Mt. Gox, 38–9, 45, 87, 102, 154
- Mutum Sigillum, LLC, 45

- Nakamoto, Satoshi, 87, 96
- National Association of E-commerce Market Participants (NAUET), 78

- National Association of Microfinance
 Participants (NAUMIR), 78
 national currency, 10–12, 75–6, 119
 National Money Transmitters
 Association, 54
 Nevis W.I. Corporation, 33
 New Zealand, 38
 non-bank payment, 14
 North Korea, 110
- Occupy movement, 96–7
 Office of Foreign Assets Control
 (OFAC), 109–11
 offshore companies, 60–1
 OmniPay, 23–4, 28, 43
 online commerce, *see* e-commerce
 online gambling, 125
 online investment rating and
 monitoring services, 33
 online payment processors, 6–7
 online porn industry, 31
 online trading, 3
 Open Source platforms, 15, 81–5,
 88, 154
- patents, 66–7
 Paymer, 12, 82
 PayPal, 6–7, 22, 23, 75, 106, 126
 peer-to-peer networks, 88, 90, 106,
 115, 142
 personal information, 41–2
 Ponzi schemes, 31–4, 130
 porn industry, 31
 precious metals, 19, 23, 35
see also gold
 Prepaid Access Rule, 15, 59, 63–9, 122
- QIWI, 78
- Racketeer Influenced and
 Corrupt Organizations (RICO)
 statutes, 43–4
 regulations, 3, 11, 27–8, 34–48, 88
 18 USC § 1960, 56–7
 Bank Secrecy Act, 15, 27, 34, 49,
 59–61, 66, 120, 121, 128, 157
- Bitcoin and, 38–41, 107–11, 141–2
 compliance enforcement, 49–55,
 58–62
 FinCEN guidance on, 120–32
 global, 133–9
 MSB Rule, 15, 40, 49, 52–4, 58–62
 Prepaid Access Rule, 15, 59,
 63–9, 122
 of scrips, 97–8
 USA Patriot Act and, 34, 42, 51–2
 religion, 2
 Reserve Bank of India (RBI), 37
 Right to Financial Privacy Act, 41–2
 risk, 146
 Ruble crisis, 71, 97
 Russian banking industry, 71, 97
 Russian Electronic Money Association
 (REMA), 78
- scrip, 97–8
 Secret Service, 34, 38
 Secure Sockets Layer (SSL), 3
 Securities and Exchange Commission
 (SEC), 130–1
 security, 3, 5, 9–10, 84, 88–9, 91
 Shavers, Trendon T., 130–1
 Shore, Jay, 39
 silver, 34–5
 SIX Interbank Clearing Ltd., 111
 software
 Bitcoin, 88, 90–1
 encryption, 3, 5, 51, 88–9
 Loom, 81–5
 Open Source, 15, 81–5, 88, 154
 WebMoney, 71, 73
 suspicious activity reports (SARs), 65
 SWIFT, 2
 Syria, 110
- taxation, 3, 9, 129–30, 159–60
 Taylor, Jeffrey A., 160
 terrorism, 141
 Thailand, 137–8
 third-party agents, 14–15, 69, 90, 91, 93,
 106–7, 129–30, 152
 third-party transactions, 79

- Tompkins, Anne M., 141
 Tradehill Inc., 39
 transaction fees, 18, 73, 89–90, 115
 transparency, 140–3
 Treasury Department, 1, 2, 34, 49–55,
 59, 109–11, 128
 trust, 106, 117, 118–19
 Turk, James, 17
- Ukraine, 74
 United Kingdom, 137
 United States
 banking industry, 2, 14, 26, 27–8,
 88, 96–7
 compliance enforcement in, 49–55,
 58–62
 Federal Reserve System, 2
 financially underserved market in,
 125–6
 future of digital currency in, 151–61
 legal actions in, 41–6
 regulations in. *see* regulations
 USA Patriot Act, 34, 42, 51–2
- US dollar, 11, 41
 user groups, 13–15, 76
 user information, 7–9, 15, 24, 41–2, 51,
 66, 75
 Uzbekistan, 74
- valuation, 10–12, 21, 87
 virtual currency, 87, 128–30, 141
 see also digital currency
 VPN proxies, 92–3
- Warmbrodt, Zachary, 125
 WebMoney Transfer, 26, 53, 61, 65–8,
 70–80, 93, 97, 155–7, 161
 WebMoney WMX, 11
 Wells Fargo, 38, 39
 Western Union, 14
 wire transfers, 5, 7
 WM-unit systems, 72–3, 77, 78
 Wörgl Money Bills, 97–8
 Wörgl Schillings, 97–8
- Yandex.Dengi, 78