

It concerns one of the many loopholes in the API trading system, which result in extremely high probabilities of cyclical hacks of users' wallets,

and, in general, expose the unreliability of any large outsourced systems for automated bots.

Also it rise question about AI risks and lack of human rights, especially in consumer protection

My deleted post about this Executive Summary:

https://web.archive.org/web/20240918192710/https://www.linkedin.com/posts/petr-andreev-841953198_crypto-and-ai-threat-summary-activity-7146973843398598656-7FoB/

This was a great year! RISE 🎉 Finally, I thought the situation in gambling was bad, where AI users took control of entire platforms In the crypto situation, it's even worse The transaction history of consumers affected by the '3Commas data leak' reveals three major centralized exchanges (CEXes 📁): Binance, Coinbase, and Kucoin. Someone affiliated with Binance and 3Commas engaged in wash trading attacks with consumer wallets Consumers were quite diverse, indicating a clear separation between them The attached research from Inca Digital shows that 3Commas hackers used consumer wallets on Binance to fervently inflict the 100 million damage 🌐 Even if we assume that CZ (CEO of Binance) and Yuri (CEO of 3Commas) were just negligent, here we can observe:

1. Manipulation threat for any coin.
 2. AI threat - 100 millions is enough for a significant AI-threat with decentralised techs
 3. Lack of investigation by Binance and 3Commas, and lack of cooperation with each other in public
 4. Insufficient privacy protection, as hackers obtained user privacy information through the Binance API
- Lack of assistance to victims except for suspicious ransom like NDA payments for "fast connection" to one of the victims
5. Monopolistic behavior and issues arising from the rapid growth of industry leaders
 6. Absence of robust security technologies, such as RSA or zero-proof for API token encryption; connection was as simple as login+password.
 7. Lack of reset filters, with hackers demonstrating knowledge of abnormal Binance filters
 8. No refunds or fake #SAFU fund, direct lie of Binance SEO about refund if consumer proof that it's not their fault, even after he himself become sure
 9. Challenges with consumer protection in international law, absence of adequate consumer contracts, unfair terms, and no accountability; Binance's Hong Kong arbitration is ineffective even in Hong Kong

10. Obstruction of representative work, as Binance exclusively communicates with consumers directly, responding slowly via email, betraying many laws, abusing the supremacy of law is long-term dead 🧟♀
11. Refusal to provide API logs by Binance and 3Commas, possibly suggesting a long history of user data leaks
12. No CFO at Binance, leading to issues in governance
13. Authorities' silence regarding Data Protection Officer status in 3Commas before December
14. Failure to block or reset API tokens during the hack attack🚫 In poker, rights start from 20k losses or significant popularity. In crypto, even millionaires are disenfranchised in terms of consumer protection 🗳️ I think there are too few chances to hope that good AI developers could turn the world from the misalignment of bad AI use to something good But on this 🎉 New Year's Eve 🎉, I make wish that everything will be fine 🙏!RISE OnChainMonkey 🙄🐒🐒 Here is a Crypto Executive Summary Research about incident from the open-source intelligence company Inca.Digital. Thanks to Charles Zach and many many others. Look on geo and Enjoy report

Some additional links:

https://ariregister.rik.ee/eng/company/14125515/3Commas-Technologies-O%C3%9C?active_tab=statutes

<https://www.utoledo.edu/law/library/financialregulators.html> (US's SEC, Estonian and Portugal regulators answered that there were no any licence of both Binance and 3Commas)

<https://github.com/1712n/dn-institute/issues/291>

<https://x.com/TomDwan/status/1592026755107520512?s=20>

https://x.com/cz_binance/status/1601193403257344000?s=20

https://x.com/cz_binance/status/1608182790540902407?s=20

<https://x.com/coinmamba/status/1615092048280838146?s=20>

<https://www.sec.gov/news/press-release/2023-101>

<https://www.sec.gov/news/press-release/2023-101>

<https://inca.digital/intelligence/binance-entities-report/>