

## What Do We Not Know about Bitcoin?

By Cremeithius Riggins, J.D. Candidate 2020 | February 9, 2018

Have you ever gotten the feeling that everyone knows something you don't know? Many people are starting to feel that way about [Bitcoin](#).

Most recently, China has blocked everyone in its country from accessing websites that offer cryptocurrency trading services or initial coin offerings (“[ICOs](#)”). Yes, no more Bitcoin in China! The initial response is to ask why, but I think we have a better chance of figuring out who created Bitcoin than determining the ultimate motives of the Chinese government. The question that concerns me is: does the Chinese government know something about Bitcoin that other people or governments do not know?

[The Great Firewall of China](#) is not the only mechanism being used to prevent people from buying the cryptocurrency that is currently valued at \$7,926.89 after increasing from \$900 to \$20,000 in 2017. Facebook has also responded to the significant decrease in value by banning [all ads promoting cryptocurrencies](#). Bank of America, JP Morgan, Citigroup, Capital One, Chase, and Discover have begun blocking cryptocurrency purchases via credit card. What do all these financial institutions know that we do not know?

Is the “[Bitcoin Bubble](#)” finally about to burst? [Augustin Carstens](#), General Manager of the Bank for International Settlements thinks so. Carstens called Bitcoin a “[Ponzi scheme and environmental disaster](#).” I do not know what Bitcoin and other cryptocurrencies have to do with the environment, however, I do know what a Ponzi scheme is. And according to the U.S. Securities and Exchange Commission the “[red flags](#)” of a Ponzi scheme are: (1) high returns with little or no risk; (2) overly consistent returns; (3) unregistered investments; (4) unlicensed sellers; (5) secretive and complex strategies; (6) issues with paperwork; and (7) difficulty receiving payments. Why do these red flags seem familiar?

For now, let us focus on what we do know. Here are some tips provided by the U.S. Securities and Exchange Commission [to avoid investment](#) fraud: (1) ask questions; (2) research before you invest; (3) know the sales person; (4) be wary of unsolicited offers; (5) protect yourself online; and (6) know what to look for. Are there people in the world that not doing this?

I do not know what the Chinese government knows. I do not know what the financial institutions know. However, I do know there are people that know something that we do not know. And I am confident that we all will find out soon.