

The United States House of Representatives  
Committee on Financial Services  
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Good Morning, my name is Luke Wilson. I am the Vice President of Business Development - Investigations for Elliptic, with responsibilities for law enforcement engagement and investigations. Elliptic software is used to identify illicit activity on the Bitcoin blockchain and we provide our services to the leading Bitcoin companies and law enforcement agencies globally. We are located in London and Arlington, VA.

I want to thank Chairman, Pearce and fellow members of the Subcommittee on Terrorism and Illicit Finance for the opportunity to speak to you today. My skillset includes a deep understanding of Bitcoin and Blockchain technology, including a Fintech Blockchain Technology certificate from MIT. Prior to Elliptic I was employed by the Federal Bureau of Investigation's Cyber Division and Counterterrorism Division for a total of 7 years. With the assistance of colleagues I constructed the first interagency task force for investigating illicit uses of Bitcoin. Integrating, coordinating, and sharing investigative techniques, tactics, and procedures throughout the task force. I have advised the U.S. government and regulators on digital currencies, with previous employment with the Department of Defense and the United States Intelligence Community, I have over 17 years of law enforcement and intelligence experience.

Today's hearing on "Virtual Currency: Financial Innovation and National Security Implications" is a very good first step forward towards understanding this quickly-evolving technology. My previous employment with the FBI allowed me to investigate several crimes that involved Bitcoin. My experience is that Bitcoin is not, or should not be, alarming to investigators or private companies. Bitcoin is thought to be anonymous by some criminals, in reality it's far from anonymous, and companies like Elliptic have assisted law enforcement and private industry to identify who is behind illicit Bitcoin transactions. Elliptic's software and expertise has assisted in terrorism, ransomware, cyber extortion, and illegal arms trafficking cases, to name a few. In all of these cases we have provided intelligence and leads that help investigators to trace Bitcoin transactions and identify who is transacting. This is all made possible by the record of transactions kept on the blockchain. All Bitcoin transactions are stored on the blockchain, including those performed by criminals. The importance of the blockchain record cannot and should not be undervalued, as it provides a public, permanent and incorruptible record of transactions, the like of which is not available with any other payment method.

My experience in counter-terrorism and virtual-currencies makes me well-placed to evaluate the risks posed by potential terrorist use of Bitcoin. My experience is that there have been very few verified terrorism cases in which Bitcoin was used, and that in all of these cases law enforcement was able to trace flows of Bitcoin to subjects and possible co-conspirators. While I cannot say what the future holds for terrorist use of bitcoin/ virtual currencies I can say that it's very small to date and that we have been successful in assisting law enforcement and private institutions combat that threat. Thank you for your time.

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