

SPECIAL SITUATION REPORT

PLUSTOKEN ISSUE 2

OXT RESEARCH

Introduction

Executive Summary

In the first issue of Special Situation Report, we peeled back the layers to reveal the facts around the first multi-billion dollar cryptocurrency ponzi scheme, PlusToken.

Previously, we introduced estimates for the size of the PlusToken scam and assessments of market impacts based on the accumulation and distribution of PlusToken's massive hoard.

Though we had collected some detailed distribution data, the report was relatively vague, particularly regarding the active distribution of PlusToken's hoard. For this report we have prepared detailed and refined data including:

- Updates on unmixed, mixed, and distribution volumes
- BTC and USD distribution estimates for PlusToken's post-shut down period
- Updated distribution destinations
- PlusToken gains a new mixing participant
- New mixer inflows
- A discussion of the remaining coins and market impacts

Accounting Review

Accounting Terminology

We have used the following terms to account for coins as they transition through the PlusToken distribution process.

Unmixed Coins

Coins associated with our original PlusToken cluster that have not entered mixing. These include coins that were simply transferred from our overall cluster after shutdown, as well as coins directly associated with mixer deposits.

Mixing Coins

These refer to coins that are deposited into the "mixing" process. Roughly 20,000 BTC were deposited into the Wasabi wallet mixer. Over 150k BTC were mixed through a simple algorithmic process we have termed "self-shuffling".

Distributed Coins

Mixer outputs are consolidated into single output transactions with outputs typically greater than 100 BTC. After consolidation, coins are distributed in a "peeling" chain, with large chunks peeled from a main distribution branch and sent to exchanges.

Revised Overall Coin Accounting

We found several additional sources of previously unaccounted for coins. Including these coins increases our post-shutdown PlusToken hoard estimate to 200,966 BTC.

While gathering our refined distribution data, we noted additional mixer deposits sourced from our overall PlusToken cluster. These new sources have been included in Table 1 below. Our estimates from Issue 1 are provided for comparison.

Table 1 – Overall PlusToken Hoard Totals

	Issue 1 Report	Issue 2 Report	Change (BTC)
New Mix Deposits	0	25,537	25,537
Unmixed BTC	48,856	23,319	(25,537)
Mixed BTC	138,790	177,647	38,857
Total BTC	187,646	200,966	13,320
Distributed and Distributing	111,011	143,775	32,764

We should note that this new total includes mixer deposits from a new mixing participant, which is discussed later in this report.

The distributed/distributing volume change is largely due to coins that were previously distributed in August and September that we had not formally accounted for. Roughly 14,000 BTC in new distributions have taken place since our last report.

Approximately 23,319 BTC remain "unmixed". Further discussion of these coins is provided at the end of this report.

The relevant address changes and revised detailed accounting breakdown is included in our attached data spreadsheet (see PlusToken Pre-mix and Mixer Inflow Accounting Table).

Distribution Review

Distribution Accounting

The PlusToken coins have generally flowed from our overall pre-mix addresses and clusters (we refer to these coins as "unmixed") into mixing. Mixer outputs are then consolidated and distributed.

Our accounting uses mixer inflows and outflows as a benchmark for tracking coin totals.

We are not watching the exchange orderbooks and use the term distribution to refer to the process of depositing coins into exchange wallets.

- Mixer inflows are used to account for the overall size of the PlusToken hoard post-shut down.
- Mixer outflows are monitored for distribution and transfer to other wallets and exchanges.
- The difference between mixer inflows and outflows are used to estimate coins remaining in the mixing process that have yet to be distributed.

Distribution Methodology

We characterize distribution as the process of consolidating mixer outputs followed by "peeling" distributions to exchanges in separate branches.

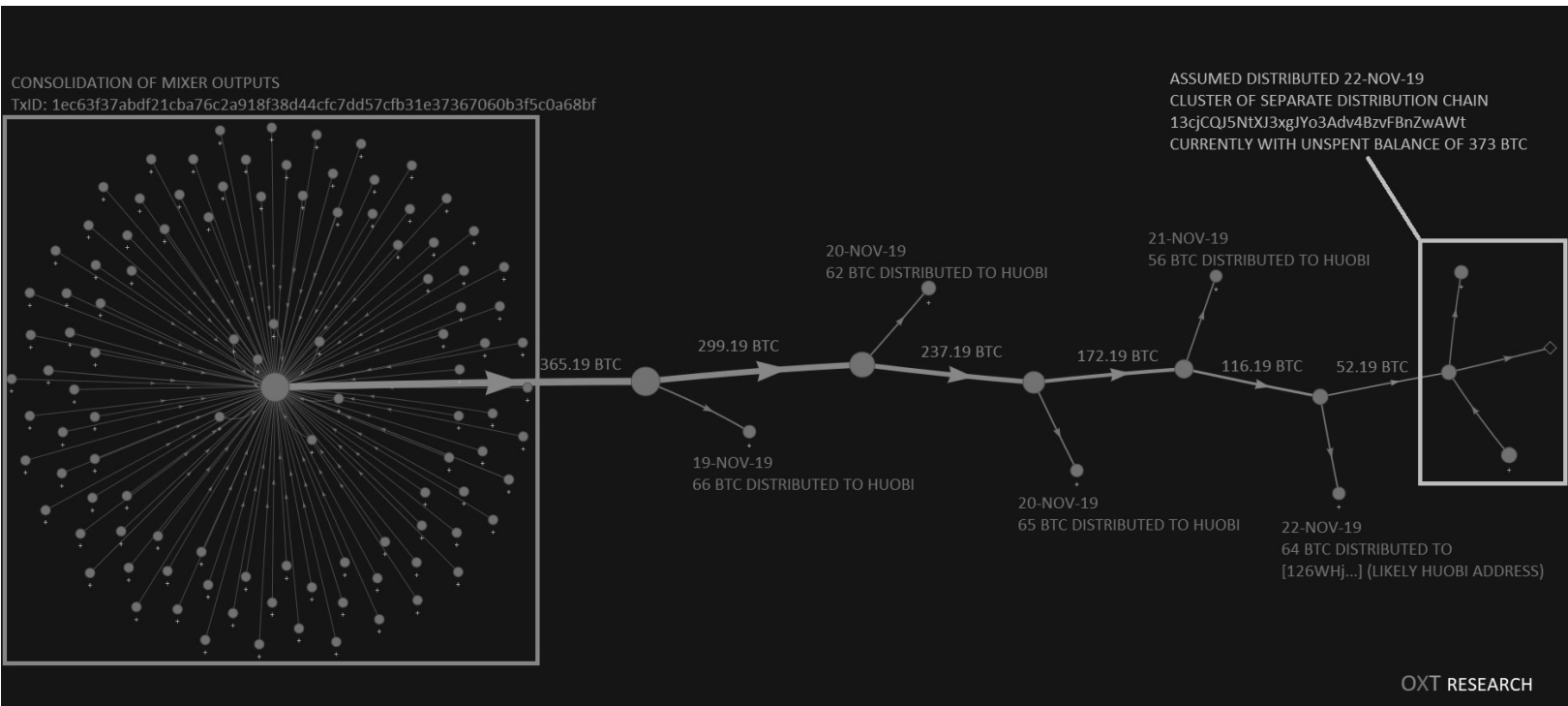


Fig.1 - OXT Research – Distribution Example Methodology

A typical post-mix consolidation and distribution process is provided in Fig. 1 above.

A complete list of over 850 post-mix consolidation transactions and their daily distribution estimates are included in our attached spreadsheet for review and custom analysis. We welcome peer review and can be contacted [here](#) with any comments or questions.

Revised Distribution Accounting

In this report, our research efforts have been centered around refining daily distribution estimates for the post-shut down PlusToken distribution period (August 2019 to present).

In Issue 1 we had "accounted for" roughly 111,000 BTC including various assumptions. We use the term "accounted for" as a combination of totaled distributions and other assumptions to estimate the coins remaining in the mixing process ("unaccounted for"). We estimated between 4k and 24k BTC remained in mixing.

In the process of evaluating our refined daily distribution data, we accounted for roughly 18,000 additional BTC that were distributed between August and November.

It's unlikely that we have accounted for every single coin that has been distributed, as a result we believe our conclusions represent "upper bound" estimates of the remaining coins.

The purpose of the Table 2 (see last row) is to account for the difference between our mixer inflows and outflows and develop an upper bound estimate of coins that have entered mixing but not yet been distributed.

Approximately 80% of coins entering mixing have been distributed while up to 33,872 BTC remain in the mixer and 3,853 BTC are in the distribution process, resulting in a total of 37,725 BTC that have entered mixing, but not yet been distributed.

Table 2 – Revised Distribution Accounting

	Issue 1 Report	Issue 2 Report	Change (BTC)
Mixed	138,790	177,647	38,857
DISTRIBUTED (Accounted For)	100,482	139,922	39,440
DISTRIBUTED (Assumed)	5,133	0	(5,133)
DISTRIBUTING (Current Batch Distributed)	2,409	0	-
DISTRIBUTING (Current Batch Remaining)	2,987	3,853	-
NEXT DISTRIBUTION BATCH (Remaining)	0	0	0
ASSUMED MIXING (Lower Bound)	4,000	0	(4,000)
ACCOUNTED FOR	111,011	143,775	32,764
MIXING UPPER BOUND	27,779	33,872	6,093
MIXED BUT NOT DISTRIBUTED	30,766	37,725	6,959

End of Preview

Going forward updates will be provided through the OXT Research center at research.oxt.me. Given the complexity of this targeted analysis, we are available for consulting to help research teams better understand and evaluate the effects of PlusToken and other special situations. Be on the lookout for new features from the OXT Team in the coming months.

OXT research