

Rug Cartel Whitepaper

Abstract

The Rug Cartel is a system built to detect insider-controlled tokens on the Solana network and profit from their predictable moves. Using autonomous, AI-driven "fixers," we aim to outsmart those insiders and provide a fairer environment for token holders.

Background

The crypto space often gets a bad rap, and there's a reason for it. Many projects turn out to be scams—memecoins and shitcoins that leave most people with losses, while a few insiders profit. We believe it's time for a change. Our approach is simple: use technology and machine learning to monitor and even outplay the insiders who manipulate these tokens.

Tokenomics

Our project runs on a treasury that we use as a trading budget. Here's how it works:

- **Identifying Insider Tokens:** We analyze new tokens to see if insiders are behind them. When we detect early insider activity, we allocate funds to buy these tokens early, then sell them at optimal times before the market crashes.
- **Profit Distribution:** Profits from these trades are reinvested in ongoing projects, used to pay our engineering team, and—most importantly—shared with our token holders.
- **Fair Rewards:** We take regular snapshots of the blockchain to record the average balance held by each user, ensuring fair payouts to everyone based on how much of our token they own.
- **On-Chain Treasury:** Part of the token supply is managed directly on the Solana blockchain. Some of the initial funds are converted into stable coins for trading, while profits flow back into our treasury, supporting both rewards and future investments.

Technical Architecture

Our system is built on three main components:

IR-DB: Insider Relations Database

We continuously scrape data from platforms like Telegram, Discord, X (formerly Twitter), and Reddit to spot insider leaks. Our system ranks potential insiders using a mix of algorithms and machine learning classifiers. We consider:

- **On-Chain Activity:** By linking insiders to their wallets, we analyze their transaction volume, diversity, age, and frequency.

- **Social and Transactional Relations:** We track interactions and mentions, linking insiders who have connections with known bad actors.

In addition to monitoring social platforms, we watch for on-chain trading patterns that suggest insider trading or malicious sniping. This helps us build or update our records for these wallets.

MT-DB: Manipulated Tokens Database

We monitor new tokens based on specific criteria like token supply, market cap, burn rate, and early distribution of holdings. If we see known high-ranked insiders involved early on, we perform a go/no-go decision based on potential profits and our ability to counteract insider moves. When the data is promising, we allocate funds and let our dedicated fixer algorithms manage buying and selling to maximize profits.

FTI: Flash Trading Intelligence

Internally known as “FTI – Fuck the Insiders,” this component leverages historical data from numerous scam tokens. We’ve mapped out how insiders acted on these tokens by annotating buy and sell points that maximized profits. This data is used to fine-tune our machine learning models. By feeding live market data and tracking insider wallet activity, our fixers continuously recalculate the optimal trading moves. Successful and failed trades are both used to further refine our strategies.

The Bottom Line

Our goal is to shift the balance in the crypto market. By detecting and countering insider moves, we aim to protect everyday investors and ensure that the rewards from profitable trades are distributed fairly. We combine data from social networks and the blockchain with advanced machine learning to build a robust, autonomous system that works around the clock. We invite you to join us on this journey towards a fairer crypto ecosystem.