

What is a honeypot

The honeypot is a scam where a bad actor uses a malicious smart contract and baits the user into thinking there is a flaw with the smart contract where you can get access to its tokens. The only catch is they have to send funds to a crypto address. Once they do that, they will realise they have been fooled as they cannot withdraw their funds due to a vulnerability in the smart contract. The bad actor then withdraws all the funds including the deposit from the smart contract.

Alternatively, on social media the bad actor will approach individuals and pretend to be a novice who needs help cashing out and appears to have a large amount of crypto funds. They promise a reward of a portion of the crypto funds. To gain trust they may even send the private keys of the address to the victim. However the cash is there are no tokens for the gas fee on the address. The victim must pay for the gas. When the victim tries to send the gas token to the address, it is automatically redirected to another address. The victim may continuously try to send the token to the address thinking it has not gone through. Once the victim sees the missing funds from their wallet, they realise they have been fooled.