

Kevin Mei

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EDUCATION

The University of Texas at Austin

Ph.D., Finance

2020-2026 (*expected*)

The University of Texas at Austin

B.S., Mathematics, B.A., Economics, B.B.A., Finance

2011-2015

WORKING PAPERS

A Theory of Speculation in Community Assets

with Michael Sockin

We model a community platform where users learn the about quality of its services over time by using its native tokens. The key friction is users can buy tokens for services or trade them primarily for speculation. In the presence of network effects, this tension can cause learning traps where no user adopts the platform's services because the risk-adjusted benefit of adoption is lower than that from speculation. Our model can be applied to any asset that derives value from network effects and suggests high token inflation and incentive schemes favoring service usage may be integral to sustaining user participation.

Presented at: University of Delaware/Philly Fed Fintech & Financial Institutions Conference

How do Crypto Scams Finance Slavery? The Economics of Pig Butchering

with John M. Griffin

Through blockchain addresses, we trace crypto flows and uncover methods commonly used by scammers to obfuscate their activities. The perpetrators interact freely with major crypto exchanges, sending over 98,000 small trust-building inducement payments annually to exchanges commonly used by U.S. and European investors. Funds exit the Ethereum network in large quantities, mostly in Tether, through less transparent but large exchanges. Criminal enterprises pay approximately 33 basis points in transaction fees and moved \$27.8 billion annually into suspicious exchange deposit accounts between 2021-2023, including \$5.6 billion annually sent from Western exchanges. Our findings highlight how many actors in the "reputable" crypto industry facilitate criminal capital flows.

Presented at: 4th Annual Crypto and Blockchain Economics Research Forum (CBER) Conference at NYU; International Organization of Securities Commissions (IOSCO) Committee 8 on Retail Investors - São Paulo Meeting 2024; MFA 2025; Bank of England; AFA 2026 (scheduled); By coauthor: Rochester University; CFTC World Investor Week 2024;

Are Crypto Anti-Money Laundering Policies Effective?

with John M. Griffin and Zirui Wang

In a rapidly changing crypto landscape, it is unclear whether anti-money laundering policies accomplish their intended goals or are inexpedient activities. We measure criminal responses to recent enforcement actions in crypto by tracing illicit flows throughout 5.16 TB of Ethereum blockchain transactions. First, the 2022 OFAC sanctions against the Tornado Cash mixer resulted in a 60% decline in monthly volume, 33 basis points in incremental obfuscation costs, twice the probability of detection, and fewer interactions with both Western and less-regulated exchanges. Hackers and related flows switched to swaps and bridges, which are more traceable. Second, OFAC sanctions against other addresses are uncommon but have resulted in over 100,000 BTC and 155,000 ETH stuck on-chain. Third, over \$1.34 billion in Tether in 1,798 addresses is frozen on-chain, causing criminals to move their related account activities to more costly services. Fourth, offshore

exchange flows from Tornado Cash only decline significantly after Binance and OKX reach settlements with the U.S. DOJ, indicating that multiple forms of enforcement are often necessary. Overall, our results indicate that sanctions, particularly those regarding services, have been effective in seizing funds, moving funds to more traceable and seizable places, and raising laundering costs. Nevertheless, sanctions, freezes, and bans are relatively rare as a fraction of total criminal activity, and overseas exchanges still handle substantial non-sanctioned criminal flows. Our findings indicate specific areas for improvement that can help guide recent crypto policy and legislative proposals.

Presented at: Stanford Institute for Theoretical Economics (SITE) 2025 - Financial Regulation; NFA 2025 (scheduled); Journal Of Investment Management conference (scheduled)

Does the EITC Improve Long-term Financial Outcomes?

with Aaron Pancost

Project Approved for IRS 2024 Statistics of Income Joint Statistical Research Program

We propose to study whether the Earned Income Tax Credit (EITC), one of the most important transfer programs in the US, improves future financial well-being. Despite the broad benefits of tax relief, only 75-80% of eligible households claim this tax credit. Our main outcomes of interest are savings behavior such as opening a bank account, contributing to an IRA, participating in the stock market, or reducing outstanding debt. We study plausibly random shocks to EITC uptake and its effect on savings with a variety of identification strategies. The main set of identification strategies revolves uses the Volunteer Income Tax Assistance (VITA), a popular IRS program which helps facilitate the important experience of filing federal income taxes. Among the 82.6 million households with adjusted gross income (AGI) between \$1-50,000, 1.3% (1.07 million) filed taxes with a volunteer from the VITA program in 2021. We use the random matching of taxpayers to volunteers within a site and evaluate if high-quality volunteers claim the EITC more often and whether individuals persistently claim it in the future.

DISCUSSIONS

Midwest Finance Association (MFA)

March 2025

CONFERENCE PRESENTATIONS

American Finance Association (AFA)*

January 2026

Northern Finance Association (NFA)*

September 2025

Midwest Finance Association (MFA)

March 2025

McCombs PhD Conference

November 2024

International Organization of Securities Commissions (IOSCO) Committee 8 on Retail Investors

São Paulo Meeting 2024

November 2024

4th Annual Crypto and Blockchain Economics Research Forum Conference

May 2024

University of Delaware/Philly Fed Fintech & Financial Institutions Conference

April 2024

* *scheduled presentations*

TEACHING EXPERIENCE

Investment Management (undergraduate)

Summer 2023

Teaching experiences as a Teaching Assistant (TA):

Economics of Information (PhD), for Willie Fuchs

Spring 2024, 2025

Asset Pricing Theory (PhD), for Michael Sockin

Spring 2022, 2023

Advanced Corporate Finance (MBA)

Spring 2022, 2023

Advanced Corporate Finance (Master of Science in Business Analytics)

Fall 2020, 2021, 2022

Investment Management (undergraduate)

Spring 2021, 2022, 2024, 2025

AWARDS AND HONORS

McCombs PhD Spirit Award	2021-2022
William W. and Ruth F. Cooper Endowed Presidential Fellowship	2023-2024
University Graduate School Continuing Fellowship	2021-2024
Kenneth M. Jastrow II Endowed Scholarship	2020-2021
UT Unrestricted Endowed Presidential Scholarship	2014-2015
UT Eva Stevenson Woods Endowed Presidential Scholarship	2014
Texas Academy of Math and Science Dean's Research Award	2011

NON-ACADEMIC POSITIONS

Boston Consulting Group

Project Leader, New York, NY	2019-2020
Consultant, New York, NY	2017-2019
Associate, Dallas, TX	2015-2017

SXSW EDU

Advisory Board, Austin, TX	2014-2022
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MISCELLANEOUS

Citizenship: U.S. Citizen

Personal Interests: biking (completed Indian Wells 70.3 triathlon in 2022) and cooking

Last update: September 12, 2025