



DEPARTMENT OF FINANCIAL
PROTECTION & INNOVATION

REQUEST FOR INFORMATION

Technology contractor for blockchain
and crypto asset-related research, supervision, and investigations

Release Date: 2-13-2023

PURPOSE

The Department of Financial Protection and Innovation (DFPI) is seeking information about a Technology Contractor (Contractor). Specifically, this Request for Information (RFI) is seeking information about the types of tasks, methods, and services Contractors can provide, and Contractors' qualifications to achieve the DFPI's objectives.

BACKGROUND

The DFPI oversees financial service providers; enforces laws and regulations; promotes innovation and fair and honest business practices; enhances consumer awareness; and protects consumers by preventing potential marketplace risks, fraud, and abuse. Specifically, the DFPI administers and regulates consumer protection laws within its jurisdiction. To accomplish this mandate, the DFPI reviews license applications, conducts oversight of licensees, and investigates unlicensed activity to determine compliance with the law.

In recent years, many businesses and service providers have started to offer blockchain-based financial products and services to Californians using financial technology and web-based applications, including crypto asset related products and services and transactions. The DFPI has seen a dramatic increase in the number of consumer complaints involving emerging technologies and crypto asset related products and services.

Governor Newsom issued an Executive Order on May 4, 2022 that directed the DFPI to develop a comprehensive regulatory framework for these emerging products and services, informed by stakeholder input, research, and market monitoring. The Executive Order aimed to create a transparent regulatory and business environment for web3 companies which harmonizes federal and California approaches, balances the benefits and risks to consumers, and incorporates California values such as equity, inclusivity, and environmental protection.

The DFPI seeks to remain in the forefront of examining, investigating, and enforcing compliance with the laws within its jurisdiction.

The DFPI may require the services of a Contractor to help inform the DFPI oversight and investigations of emerging technologies, including crypto asset-related products and services.

REQUIREMENTS

The DFPI is interested in receiving information that will help us exercise our authority over the financial marketplace.

Desired Knowledge and Qualifications:

- Knowledge of emerging technologies, including blockchain-based applications, crypto assets, and crypto asset-related products and services, and trends.
- Understanding of how blockchain transactions work.
- The ability to analyze blockchain transactions.
- Track record mapping on-chain activities to real-world activities.
- Experience developing crypto asset market intelligence and insights using analytics.
- Experience working with state and/or federal financial regulators. Tools related to evaluating risks related to Bank Secrecy Act/anti-money laundering, and other illicit activity.
- Understanding of crypto asset accounting and custodial best practices, reserve verification, and understanding of crypto asset storage and controls.

Possible Contract Services:

- Assists in tracing blockchain transactions.
- Advises on emerging technologies and novel products and applications including crypto assets, blockchain based applications, centralized and decentralized platforms, Web3, and artificial intelligence (AI).
- Inventories and manages data in large quantities.
- Conducts data analysis and complex analytics
- Evaluates real time risk metrics and adequacy of risk management controls
- Advises on research, modeling, and policy.
- Researches the marketplace and formulates statistics and opinions.
- Makes recommendations to
- DFPI teams on issues such as investigatory efforts, compliance, supervision, risks, and oversight involving emerging technologies including crypto assets, crypto asset-related products, blockchain, Web3, and artificial intelligence.
- Identifies new emerging technologies related scams, trends, and other issues impacting consumers and investors.

RESPONDING TO THIS RFI

Please include the following information in your response:

- Company Name.
- Company Mailing Address.

- Company Representative’s Name.
- Company Representative’s Telephone Number, including extensions (if any).
- Company Representative’s Email Address.
- Whether you wish to be included in any solicitation resulting from this RFI.
- Your opinion on the proposed requirements:
 - Pros and Cons of each of the requirements and if you would or would not recommend them? Why or why not?
 - Any components or functions not listed in the Requirement section, above, that are necessary for providing the type of services needed to meet the DFPI’s business need.
- Does your company have experience working with law enforcement and/or financial regulators? If yes, please identify the client(s) and describe the types of services provided by your company.
- A detailed portfolio about your company, including:
 - Years of experience as a company, providing similar services.
 - Typical experience/education required for each of the principals who would potentially be working with DFPI in providing technology services. Price list(s) or other information that describes how your company charges for services.
- DFPI’s assumption is by responding to the RFI, your company also responds to other similar requests by state and federal agencies. Can you share classifications or category codes they use to target technologist companies? And can you share the procurement process or the awarding agency and contract number?

It is important to note that information submitted is not considered “confidential” under the Public Records Act. Any offer to the RFI marked confidential or containing stipulations restricting public access to its contents will not be accepted.

IMPORTANT DATES

ACTION	DATE/TIME
Posting Released	2-13-2023
Submission of Response Due	3-15-2023

CONTACT INFORMATION

If you have any questions, please contact:

Bin Xia
Business Operations Office
Department of Financial Protection and Innovation
2101 Arena Blvd., Sacramento, CA 95834
Email: ASU@dfpi.ca.gov

Please submit your responses to:

ASU@dfpi.ca.gov

DISCLAIMER

THIS IS A REQUEST FOR INFORMATION ONLY. THIS REQUEST IS FOR PLANNING PURPOSES, AND DOES NOT CONSTITUTE AN INVITATION FOR BIDS, A REQUEST FOR PROPOSALS, A SOLICITATION, A REQUEST FOR QUOTES, OR AN INDICATION THE DFPI WILL CONTRACT FOR THE ITEMS CONTAINED IN THIS NOTICE. THE DFPI WILL NOT REIMBURSE RESPONDENTS FOR ANY COSTS ASSOCIATED WITH SUBMISSION OF THE INFORMATION BEING REQUESTED OR REIMBURSE EXPENSES INCURRED TO INTERESTED PARTIES FOR RESPONSES.