AARP Wyoming

# AARP Wyoming

## *Crypto ATM Licensure*


# Licensure of Crypto ATMs

# Topline Takeaways

- AARP Wyoming is Anti-Fraud, not Anti-Crypto.
- Scammers are attracted to kiosks because it is easy to move money
- This is happening in Wyoming, but we aren’t alone.
- Past legislation has been effective elsewhere.
- Wyoming is looking for help from its lawmakers in staying safe from fraud.

# What are Crypto ATMs, where they are, and why the concern

| | |
|---|---|
| The Basics of CryptoATMs | Cryptocurrency kiosks are ATM-like devices or electronic terminals that allow users to exchange cash and cryptocurrency. Virtual currency kiosks are one of the rare parts of the industry that allow customers to exchange cash for virtual currency, sometimes without going through a KYC process first. |
| Who Uses Them? | •Legitimate uses include by investors new to cryptocurrency<br>•Those who work in cash intensive industries<br>•People who send cryptocurrency home as a form of remittance. |
| Where are they in Wyoming? | • Approximately 44 in the State of Wyoming<br>•11 in Cheyenne |
| Our Concern | •Criminals are known to direct individuals to use a cryptocurrency kiosk to send funds, which enables a more anonymous transaction than depositing the cash at a financial institution. |

# Fraud Trends in Cryptocurrency: Crypto ATMs

## Cryptocurrency ATMs/Kiosks

10,956 Complaints; $246.7 Million in Losses

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99% Increase in Complaints from 2023
31% Increase in Losses from 2023

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The FBI Warns of Fraudulent Schemes Leveraging Cryptocurrency ATMs and QR Codes to Facilitate Payment

## REPORTS of CRYPTO ATM/KIOSK USE by AGE GROUP

| Age Group | Count | Losses |
|---|---|---|
| Under 20 | 7 | $51,913 |
| 20 - 29 | 280 | $3,739,620 |
| 30 - 39 | 361 | $4,241,387 |
| 40 - 49 | 319 | $3,621,774 |
| 50 – 59 | 349 | $5,523,230 |
| Over 60 | 2,674 | $107,206,251 |

## CRIME TYPES MOST ASSOCIATED WITH CRYPTO ATM USE

| | Count | Losses | | Count | Losses |
|---|---|---|---|---|---|
| Extortion | 4,189 | $5,601,953 | Government Impersonation | 1,786 | $44,587,335 |
| Tech Support | 3,037 | $107,429,709 | Investment | 606 | $38,090,269 |

https://www.ic3.gov/AnnualReport/Reports/2024_IC3Report.pdf


SLAM THE SCAM
CRACKING DOWN ON THE CRYPTO ATM CON

THE BREAKDOWN:

LAUNCHING A FIRST-OF-ITS-KIND INVESTIGATION

After repeatedly hearing from Iowa scam victims that they sent money through crypto machines, the Iowa Attorney General's office launched a first-of-its kind investigation into crypto ATM companies for facilitating scam transactions.

The investigation began in October 2023, when the office subpoenaed 14 crypto ATM companies. The subpoenas requested information on Iowans' transactions through crypto ATM kiosks over a nearly three year period.

Investigators called and emailed hundreds of Iowans who had made transactions through the crypto ATMs. The office also collected data using consumer complaints, police reports, and self-reported scams.

EXPOSING THE CRYPTO ATM CON

Iowans have lost at least $20,426,616 in transactions through Bitcoin Depot and CoinFlip crypto ATMs.

- Bitcoin Depot: $7,243,991
- CoinFlip: $13,182,625

The investigation has so far found that 98.16% of money Iowans reported sending through Bitcoin Depot and 94.92% through CoinFlip were scam transactions.

Most scam victims and crypto ATM users were above age 60.

Once money is sent through a crypto ATM, it is gone.

CRACKING DOWN ON THE CRYPTO ATM COMPANIES

Attorney General Bird's office filed two lawsuits in Polk County District Court against crypto ATM companies, Bitcoin Depot and CoinFlip.

- Bitcoin Depot is the largest crypto ATM company on the continent.
- Iowans put the most money into CoinFlip's crypto ATMs.

The companies profit off of scam victims. They charge massive, hidden transaction fees. Bitcoin Depot claims as much as 23% of the money Iowans send through its machines.

The office is suing both companies for violating the Iowa Consumer Fraud Act.

The investigation into crypto ATM companies is ongoing.

$20 MILLION
Iowans lost more than 20 million dollars to scammers in payments through Bitcoin Depot and CoinFlip kiosks in less than 3 years.

98%
The investigation has so far found that 98.16% of money Iowans reported sending through Bitcoin Depot were scam transactions.

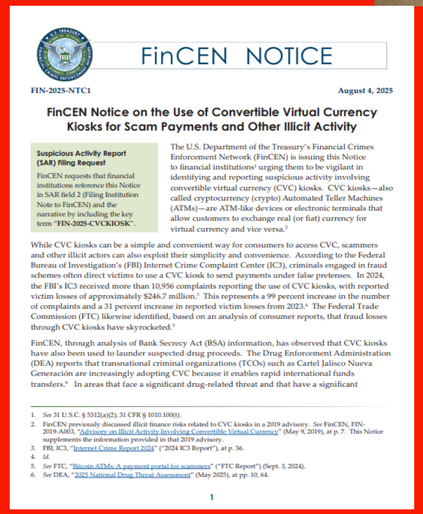
60+
Most scam victims and crypto ATM users were above age 60.

2
Attorney General Bird is suing two cryptocurrency ATM companies under the Iowa Consumer Fraud Act.

20%+
Bitcoin Depot and CoinFlip take a cut of over 20% of the money Iowans send money through their machines.

https://www.iowaattorneygeneral.gov/newsroom/attorney-general-bird-sues-crypto-atm-companies-for-costing-iowans-more-than-20-million




FinCEN NOTICE

FIN-2025-NTC1 August 4, 2025

FinCEN Notice on the Use of Convertible Virtual Currency Kiosks for Scam Payments and Other Illicit Activity

Suspicious Activity Report (SAR) Filing Request

FinCEN requests that financial institutions reference this Notice in SAR field 2 (Filing Institution Note to FinCEN) and the narrative by including the key term "FIN-2025-CVCKIOSK".

The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) is issuing this Notice to financial institutions[1] urging them to be vigilant in identifying and reporting suspicious activity involving convertible virtual currency (CVC) kiosks. CVC kiosks—also called cryptocurrency (crypto) Automated Teller Machines (ATMs)—are ATM-like devices or electronic terminals that allow customers to exchange real (or fiat) currency for virtual currency and vice versa.[2]

While CVC kiosks can be a simple and convenient way for consumers to access CVC, scammers and other illicit actors can also exploit their simplicity and convenience. According to the Federal Bureau of Investigation's (FBI) Internet Crime Complaint Center (IC3), criminals engaged in fraud schemes often direct victims to use a CVC kiosk to send payments under false pretenses. In 2024, the FBI's IC3 received more than 10,956 complaints reporting the use of CVC kiosks, with reported victim losses of approximately $246.7 million.[3] This represents a 99 percent increase in the number of complaints and a 31 percent increase in reported victim losses from 2023.[4] The Federal Trade Commission (FTC) likewise identified, based on an analysis of consumer reports, that fraud losses through CVC kiosks have skyrocketed.[5]

FinCEN, through analysis of Bank Secrecy Act (BSA) information, has observed that CVC kiosks have also been used to launder suspected drug proceeds. The Drug Enforcement Administration (DEA) reports that transnational criminal organizations (TCOs) such as Cartel Jalisco Nueva Generación are increasingly adopting CVC because it enables rapid international funds transfers.[6] In areas that face a significant drug-related threat and that have a significant

1. *See* 31 U.S.C. § 5312(a)(2); 31 CFR § 1010.100(t).
2. FinCEN previously discussed illicit finance risks related to CVC kiosks in a 2019 advisory. *See* FinCEN, FIN-2019-A003, "Advisory on Illicit Activity Involving Convertible Virtual Currency" (May 9, 2019), at p. 7. This Notice supplements the information provided in that 2019 advisory.
3. FBI, IC3, "Internet Crime Report 2024" ("2024 IC3 Report"), at p. 36.
4. *Id.*
5. *See* FTC, "Bitcoin ATMs: A payment portal for scammers" ("FTC Report") (Sept. 3, 2024).
6. *See* DEA, "2025 National Drug Threat Assessment" (May 2025), at pp. 10, 64.

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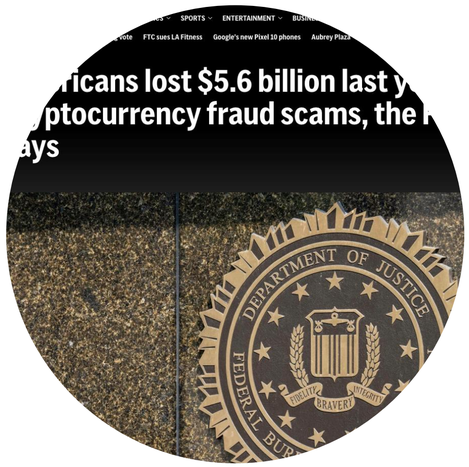
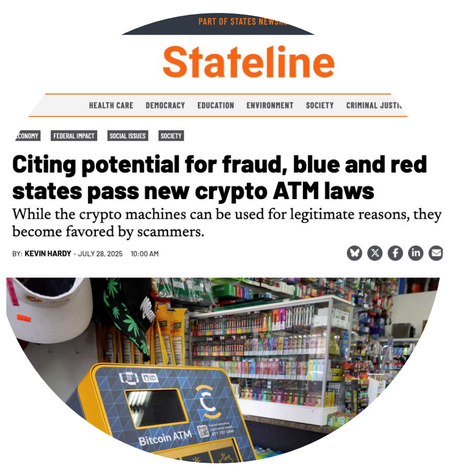
https://www.fincen.gov/sites/default/files/shared/FinCEN-Notice-CVCKIOSK.pdf

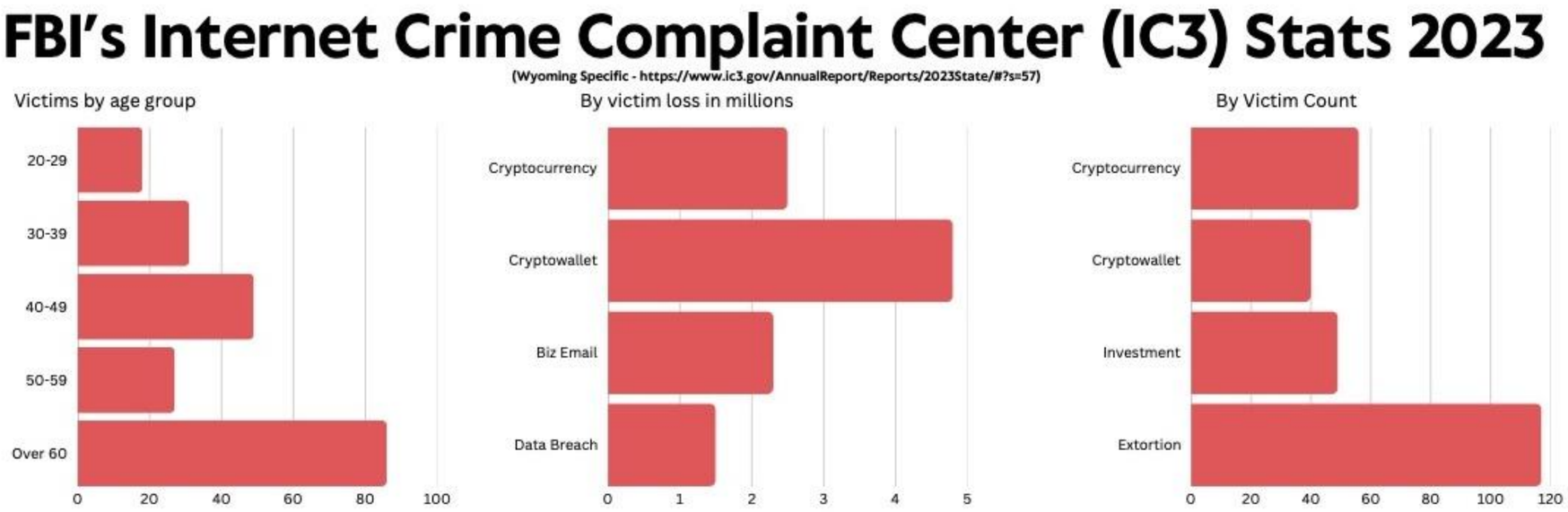


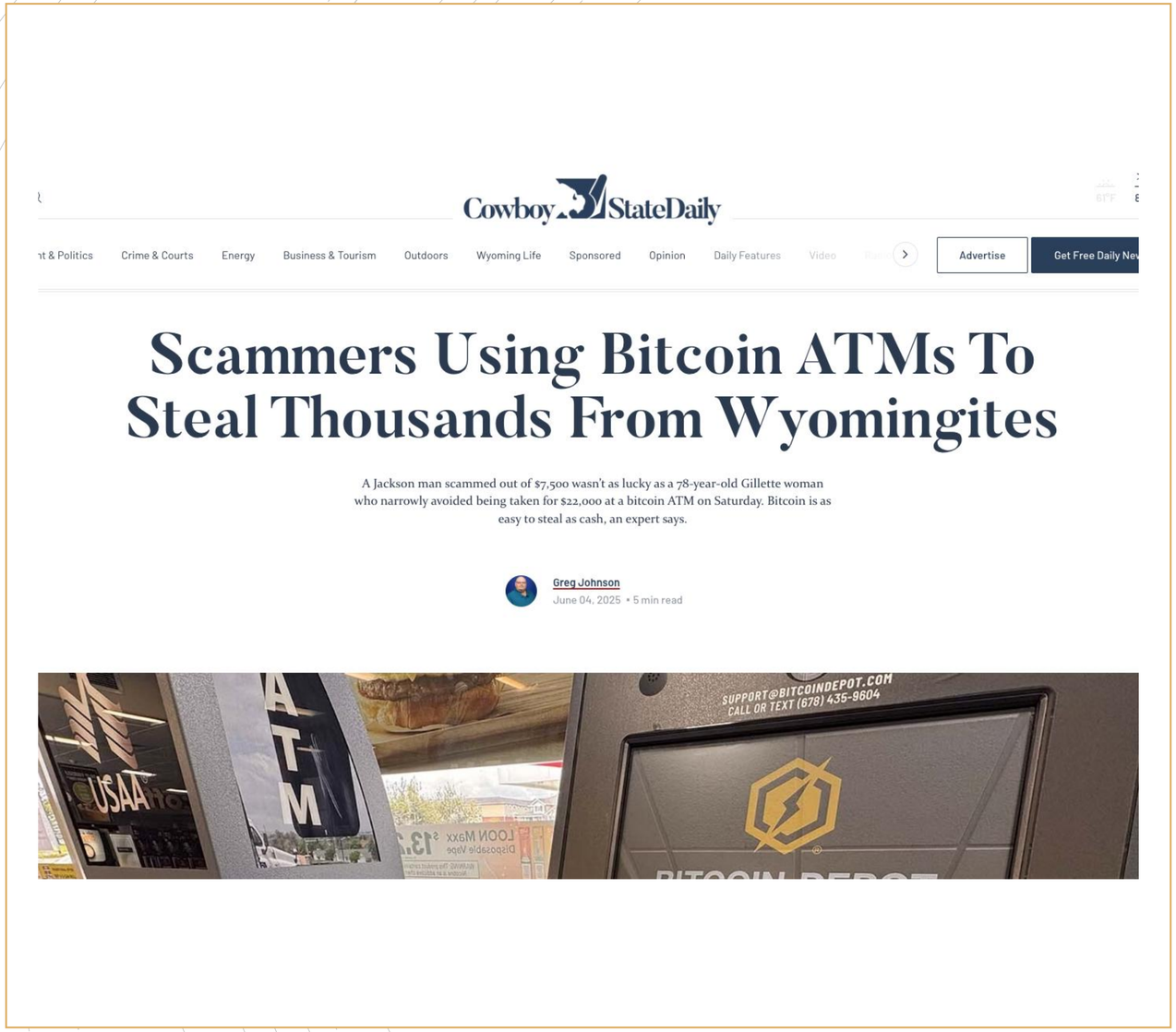






- Last year, the FBI reported nearly 11,000 complaints of cryptocurrency ATM fraud. Those cases disproportionately affected older Americans and cost victims $246.7 million





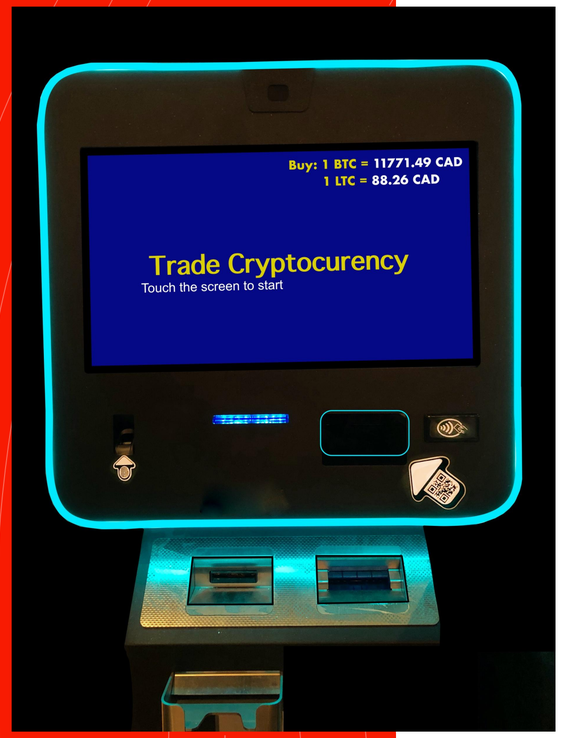

# Impacts In Wyoming

- A FOIA of Federal Trade Commission data from 2000-2024 shows 30 individual reports of fraud using Crypto ATMs.
- The total amount lost was $824,315.
- The average amount lost was $27,477
- High losses of $281,000, low of $10.
- In 2024 alone, there were 30 FBI reports with a total loss of $364,000.

"As we've started to analyze it, we are finding this is a much more prevalent issue than we thought."
- Det. Sgt. Kevin Malatesta, Cheyenne PD

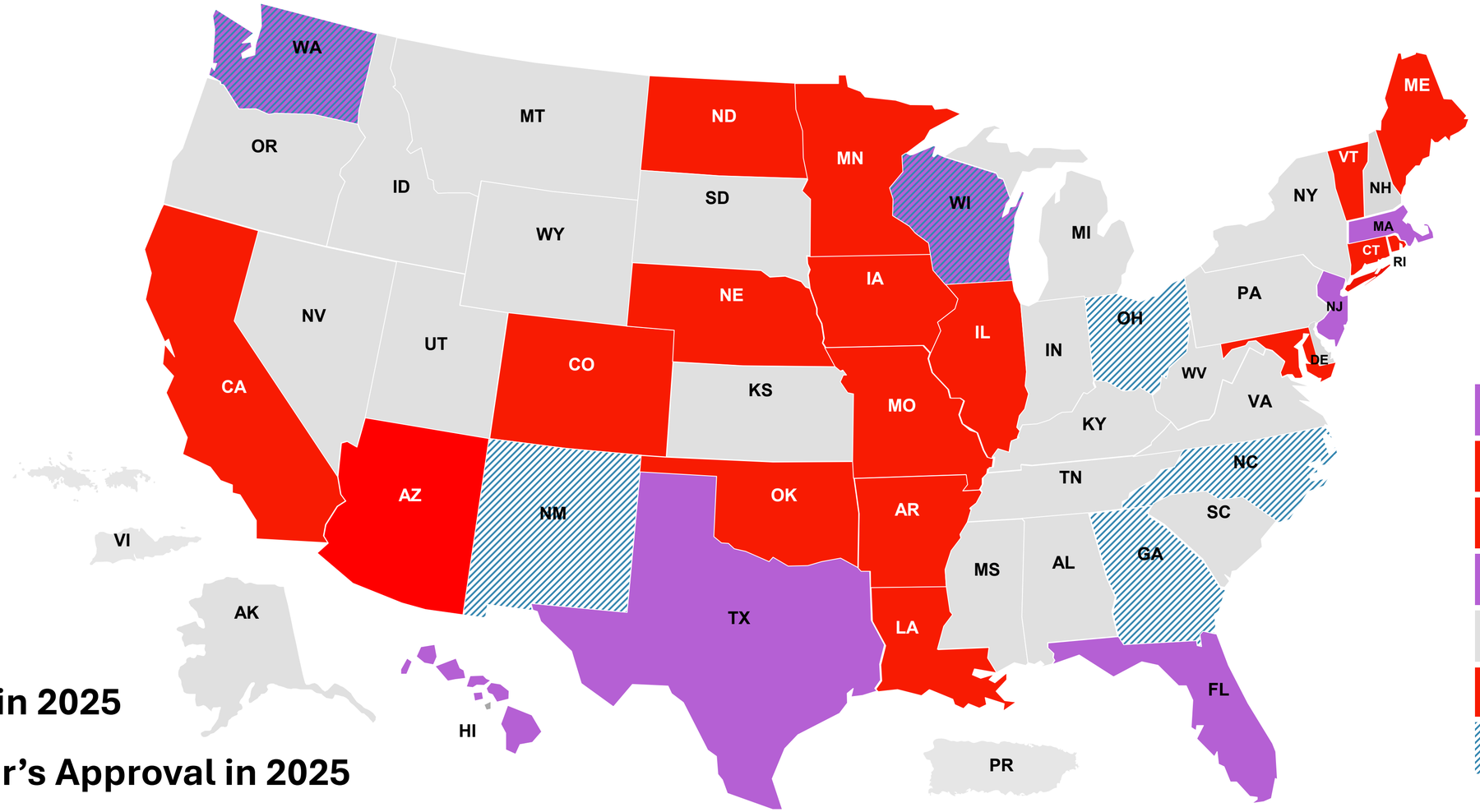

- From January 2024– August 2025, 50 reported cases.
- Losses of over $650,000 to Cheyenne Citizens
- Most victims who spoke with CPD said they had never noticed the kiosk before until the day they were scammed.

# How does the scam work?




- The scam starts the same as the Imposter Scam, Romance Scam or Investment Scam.
  - Imposter - IRS/Trusted Government Agency/Company
    - Victim directed to Crypto ATM to address urgent matter.
  - Romance Scam – Online relationship needs cash suddenly
  - Investment scam – Scammer promises high returns
    - Pig butchering. Unusual explanation for why they are contacting you, relationship begins.
    - Groom the victim – Establish credibility
    - Talk turns to investments they have made, start small
    - Sends good news regarding your return.
    - Asks for the more cash to "invest," before the investment takes a dive.
- Because these kiosks look like regular ATM machines, they seem more legitimate to victims who are directed to them.

# Crypto Kiosk Legislative and Regulatory Action




**Bill Introduction in 2025**

**Pending Governor's Approval in 2025**

**Regulation/Guidance Issued**

**Law Enacted**

***Updated August 21, 2025***

# How it works – The proposed Legislation at-a-glance

## Licensure

- Crypto ATMs will be licensed with the State Banking Commission with quarterly report including transactions declined due to suspicion of illicit activity. Also requiring an annual report with Suspicious Activity Reports (SARS) filed by the operator.

## Disclosures

- Written warning near the machines including name and contact information of the kiosk's owner, and language pointing out these machines are used in fraud.

## Transaction

- Paper and electronic receipts required with kiosk's operator and customer service phone number, contact info for state and local law enforcement, type of transaction, value and statement of operators refund policy.

## Prevention of Fraud

- Requires use of blockchain analytics to assist in prevention of fraud. Virtual currency kiosk operators shall block transactions to virtual currency wallets associated with overseas exchanges non-accessible for U.S. users.

## Refunds

- For cases related to fraud, a virtual currency kiosk operator shall issue a refund to a user in the full amount of all transactions paid by the victim, including, but not limited to any transaction charges, at the time of the transaction

## Transaction Limits

- A virtual currency kiosk operator shall not accept transactions of more than $1,000 per day. In addition, the transaction limit shall not exceed $10,000 or the equivalent in virtual currency in any thirty (30) day period.

## Transaction Fees

- A virtual currency kiosk operator may not collect fees that exceeds three (3) percent.

## Customer Service

- All virtual currency kiosk operators performing business shall provide live
- customer service during operating hours including the hours between 8 AM to 10 PM local time.

# Why Fees Should Be Refunded

Nobody should make money off of fraud. This includes the kiosk operator.

In response to working with law enforcement, they asked us to ensure that fees were refundable.

Virtual currency kiosks charge high transaction fees, ranging from 7-35% and exchange rates that are less favorable than rates you could get elsewhere.

If a victim has deposited $50,000 into a kiosk in a scam, the fees to the kiosk operator would be $10,000 for a 20% transaction fee.

# Do Transaction Limits Work? Law Enforcement thinks so.

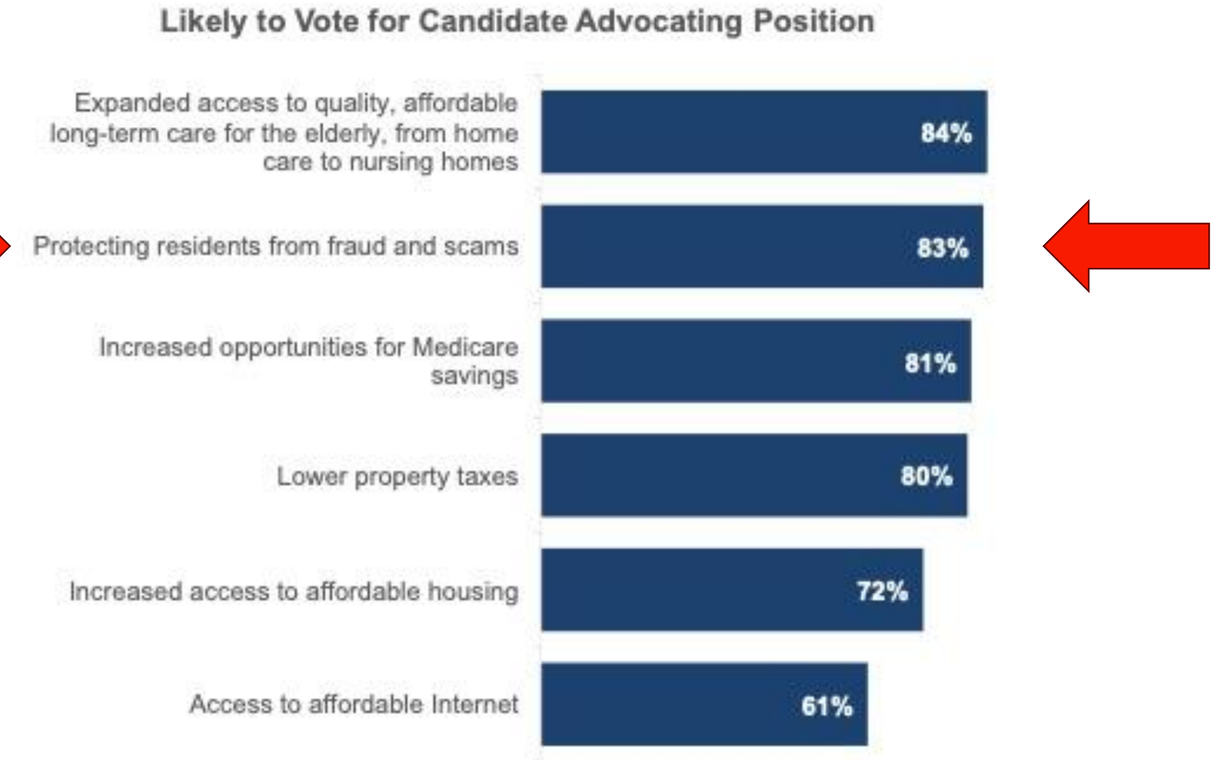
"As part of my primary duties at LASD, I regularly use Chainalysis in my investigation of cryptocurrency crimes, including crypto kiosk crimes. I have reviewed the data provided by Chainalysis since the daily transaction limit set forth in SB 401 took effect on January 1, 2024. I have determined that there is a reduction in crypto kiosk scams and fraud since the daily transaction limit became effective. I have also determined that there has been a reduction in the use of crypto kiosks for escort services which are known to involve human trafficking. - *Anthony Moore, a detective for the Fraud and Cybercrimes Bureau at the Los Angeles County Sheriff's Department (LASD) testifying as to the effectiveness of California's kiosk limits.*

# What's been argued in other states…

| | |
|---|---|
| ***Daily transaction limits don't work.*** | According to a law enforcement analysis of a virtual currency kiosk operator's transactions, after the law passed, the scams and fraud attributed to transactions using that operator dropped to 1 percent of what they had been the previous year. |
| ***Limits will just send consumers to multiple kiosks, and don't work.*** | Kiosk operators use blockchain analytics in their transaction monitoring process and will be able to screen for and detect when a virtual currency address is receiving multiple transactions from virtual currency kiosks in a short time frame and block them. If a new virtual currency address is used at each machine, this won't work. However, going to multiple machines requires the process to slow down, at which victims may understand they are being scammed. |
| ***$1000 is too low of a daily transaction limit for existing customers.*** | The average transaction size is somewhere between $150-$1800 depending on the kiosk operator. A recent Bitcoin Depot earnings call told those on the line the average transaction for their machines is $300. |
| ***Regulating Crypto transactions doesn't put it on an equitable footing as cash.*** | Traditional ATMs already have limits placed by banks and credit unions. The average limit is between $300-$500. |


## ELECTIONS AND VOTER ACCESS

**Four in five (84%) Wyoming residents age 45+ are at least somewhat more likely to vote for a candidate advocating for expanded access to quality, affordable long-term care.**




**C2_VOTE_WY**. For each of the following statements, please tell me if you would be more likely or less likely to vote for a candidate in Wyoming that advocated for this position. (Percent 'much more likely' and 'somewhat more likely') (n=700)

# Takeaways

- AARP and its members aren't anti-crypto.
- We aren't asking for an outright ban of the machines.
- We believe that reasonable consumer protections will help to limit the amount of fraud using these machines.
- Our goal is to make these machines safer for anyone who uses them.
- Chainalysis, a blockchain analytics company, has told AARP that **virtual currency kiosk transactions comprise less than 1% of all virtual currency transactions**.
- TRM Labs, highlighted the disproportionate level of illicit activity in virtual currency kiosk transactions, noting it is double the amount of illicit activity compared to the rest of the cryptocurrency industry.

# THANK YOU

## *for Joining Us!*