Virtual Currency Kiosks

Department of Financial Institutions

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What are Virtual Currency Kiosks?

Definition

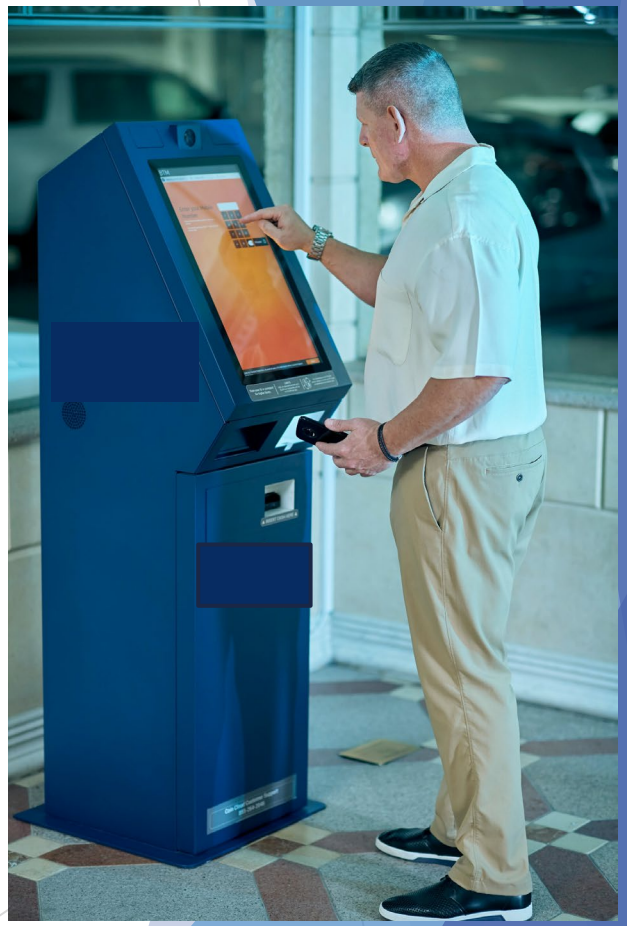
- Electronic terminals that allow users to purchase and/or send virtual currencies
- Often referred to as crypto kiosks or Bitcoin ATMS

Regulation

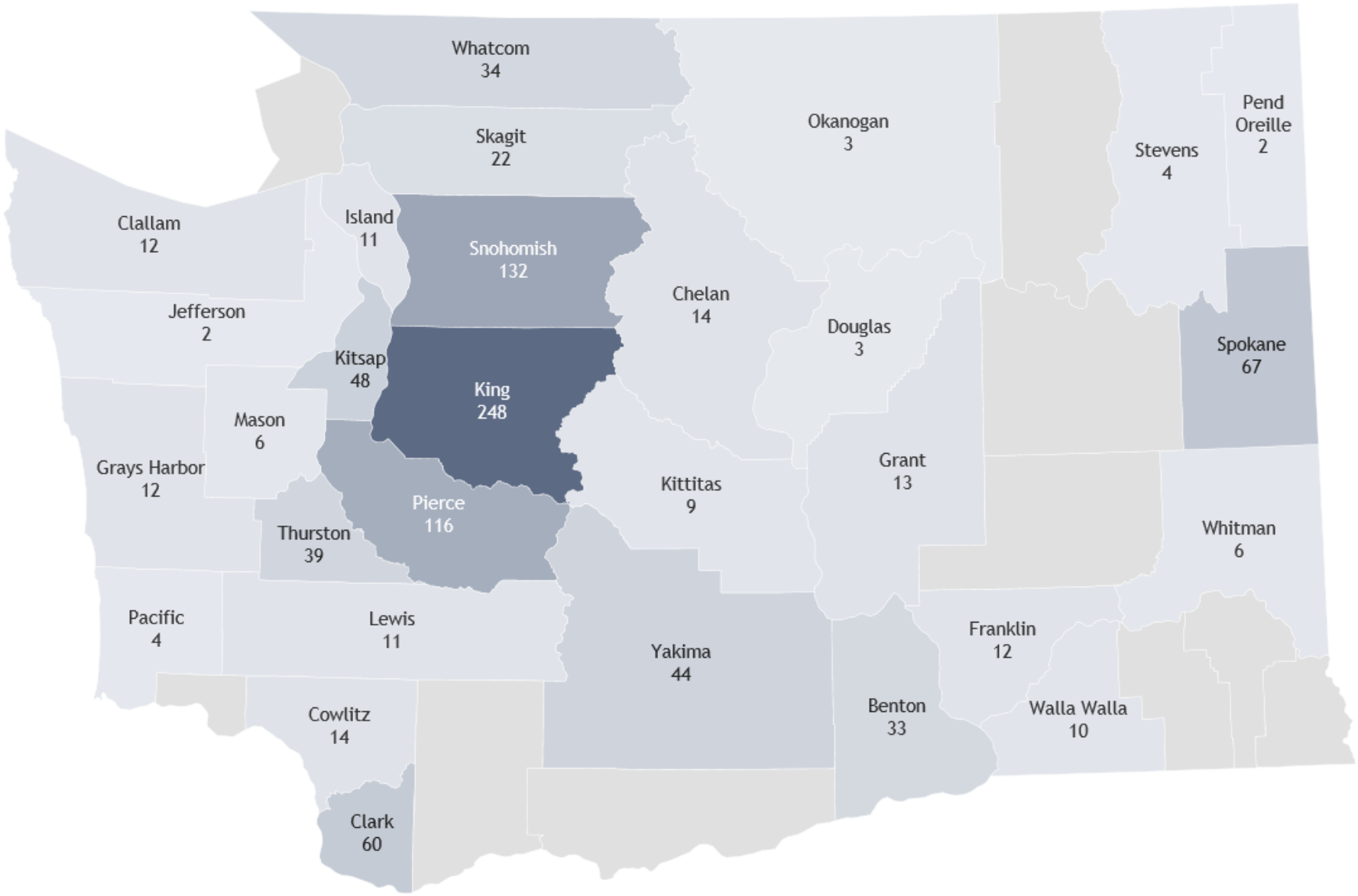
- Uniform Money Services Act
- Guidance from DFI
- Other federal and state laws and regulations

Concerns

- Allows for anonymous transactions
- Inability to pursue restitution for victims
- Disproportionate target toward elderly and vulnerable consumers

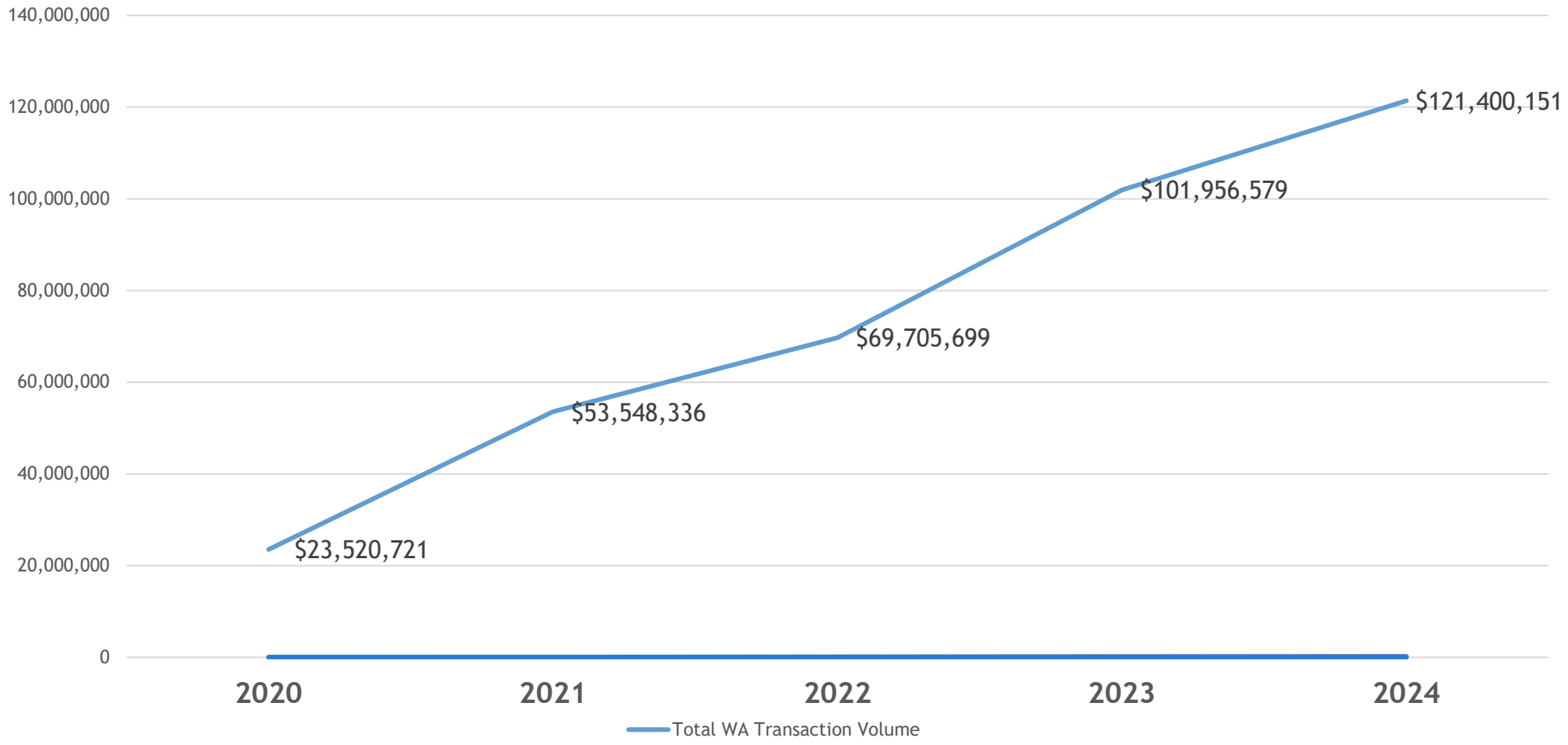


Virtual Currency Kiosk Licensee Locations



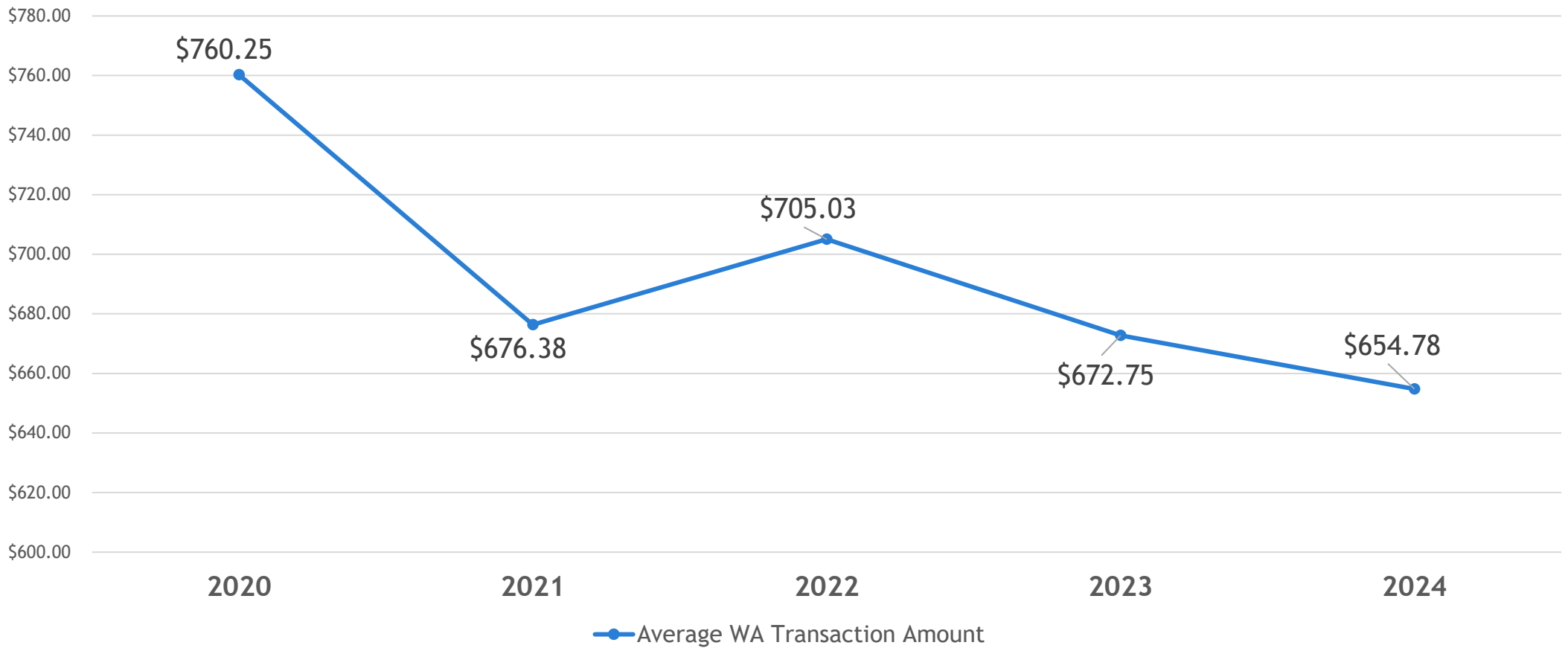
Virtual Currency Kiosk Volume

Total Dollar Volume from 2020-2024

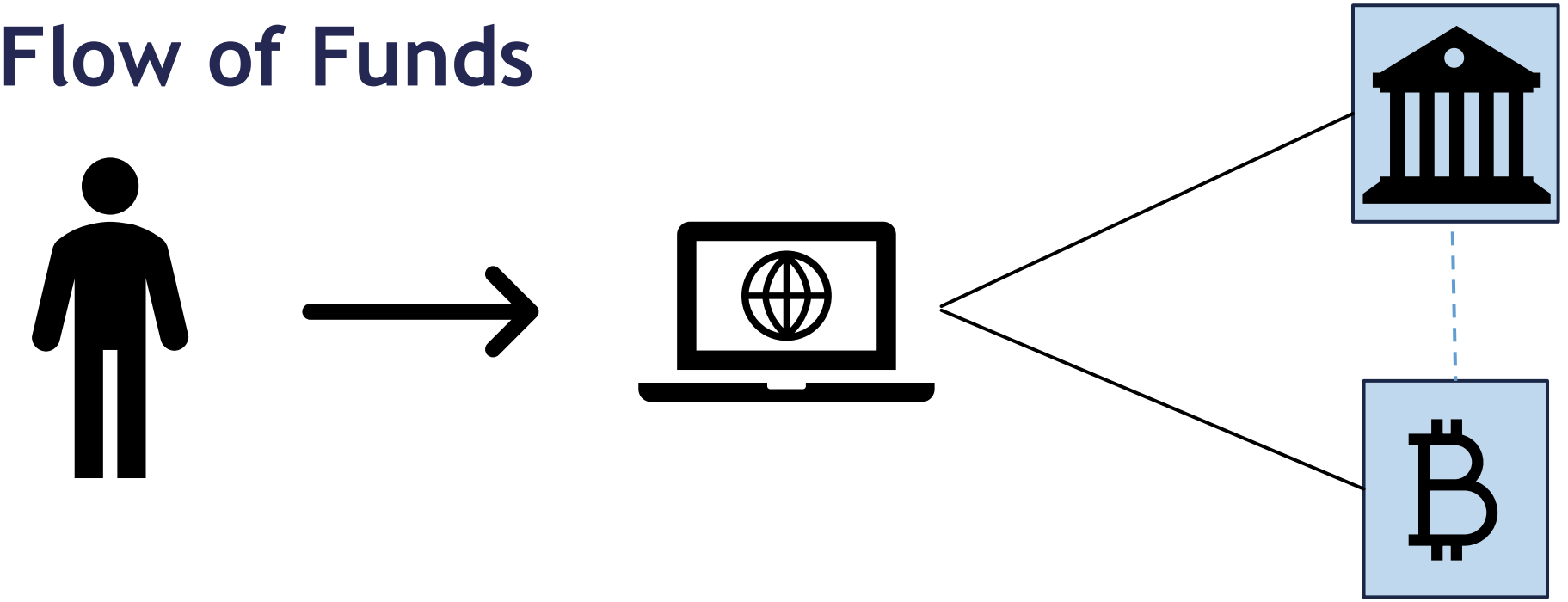


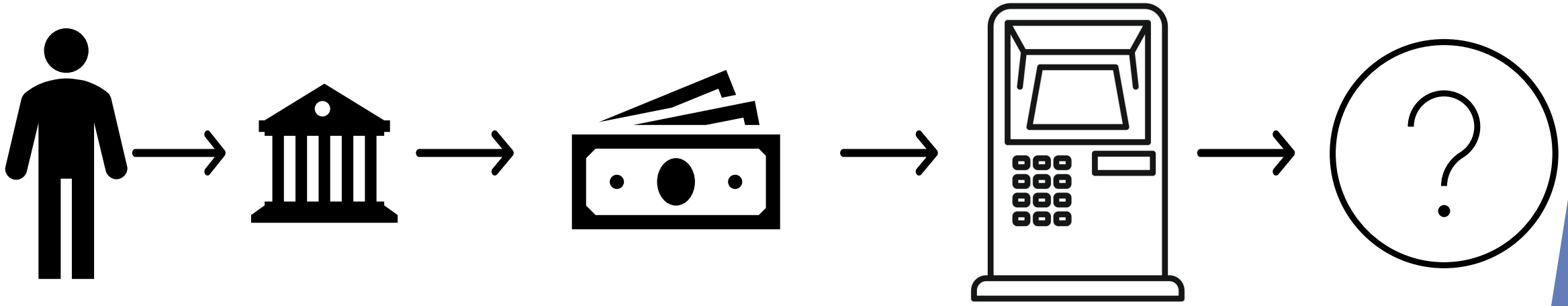
Average Virtual Currency Kiosk Transaction Amount

Average Transaction Amount for 2020-2024



Flow of Funds





Virtual Currency Kiosk Customers



Cash users: People who prefer to transact in cash and may be unbanked or underbanked.



Elder adults: Older users who may not be as adept with current technology but are used to traditional ATMs. These users tend to prefer familiar, personal, and tangible experiences.



Privacy seekers: Users who want greater anonymity than is provided by a crypto exchange.



Convenience-focused consumers: Users who want quick and easy transactions and are willing to pay a fee for this convenience.



Cross-border payments: Users who send virtual currency as a form of remittance.

Source: Federal Reserve of Kansas City, as of August 30, 2023

Virtual Currency Kiosk Fraud Demographics

Cryptocurrency ATMs/Kiosks

10,956 Complaints; $246.7 Million in Losses

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

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

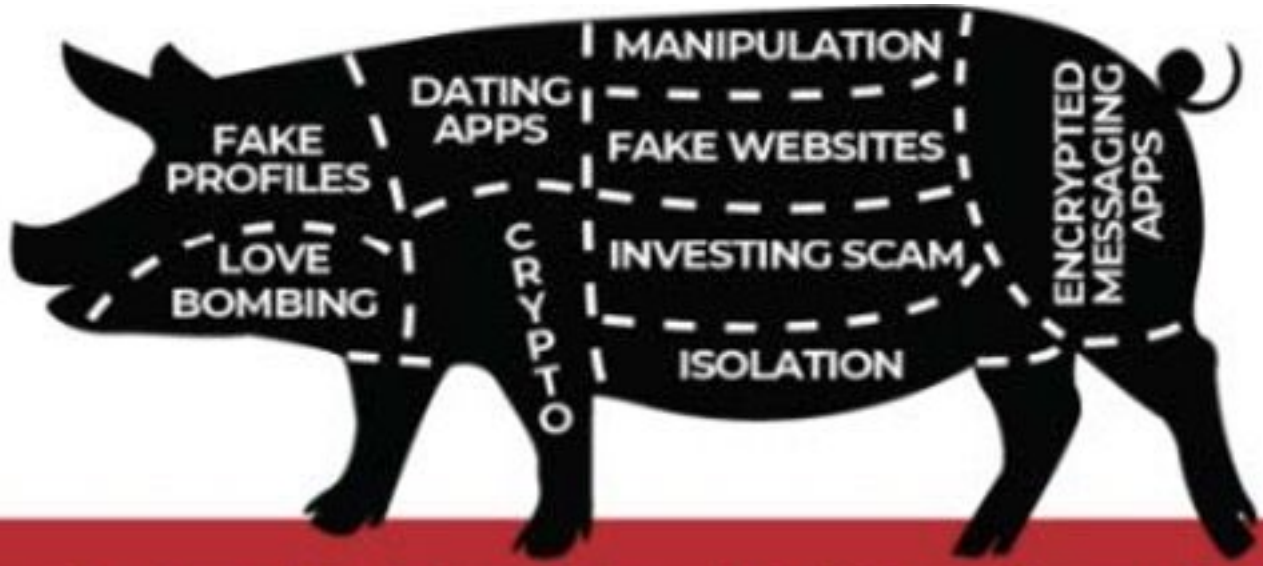
REPORTS of CRYPTO ATM/KIOSK USE by AGE GROUP

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

Source: Federal Bureau of Investigation Internet Crime Report 2024



PIG BUTCHERING

Helping investors protect their assets

The Scam Process

Initial Contact

- Social Media
- Dating apps
- Wrong number text messages

Building Trust

- Foster a relationship: romantic or platonic by engaging in regular conversations to establish a bond

Inducing Action

- Lucrative investment opportunity typically involving crypto
- Evidence of own success
- Insider knowledge

Payment and Theft

- Victims are directed to fake websites or platforms
- Scammers occasionally allow victims to withdraw small profits

Disappearance and Loss

- Once victim tries to withdraw funds, they will be hit with fees, taxes, etc.
- Once money runs out, or victim catches on, the scammer disappears
- Victim suffers financial harm and significant emotional distress

How Fraudsters Use Cryptocurrency A.T.M.s to Target Victims

The kiosks, which resemble conventional A.T.M.s and convert cash into virtual currencies, are increasingly under scrutiny as a tool for scammers.



Spokane City Council Votes to Prohibit Virtual Currency Kiosks

Lisa Gardner, City Council Communications Director, lgardner@spokanecity.org

LOCAL

Scammer told woman to withdraw $25,000 from credit union account, Centralia cops say

By **Rolf Boone**

Updated March 13, 2025 3:54 PM

CNN

Crypto crime scene

How the companies behind crypto ATMs profit as Americans lose millions to scams

By Curt Devine, Majlie de Puy Kamp, Yahya Abou-Ghazala, Casey Tolan, Kyung Lah, Amy O'Kruk, Byron Manley and Eleanor Stubbs, CNN

Published October 14, 2025

Federal Highlights

- **FinCEN**
  - Advisory on Illicit Activity Involving Convertible Virtual Currency
  - Notice on the Use of Convertible Virtual Currency Kiosks for Scam Payments and Other Illicit Activity
- **FTC**
  - Bitcoin ATMS: A Payment Portal for Scammers
- **FBI/Internet Crime Complaint Center** (IC3)
  - Internet Crime Report 2024



FBI FRAUD ALERT

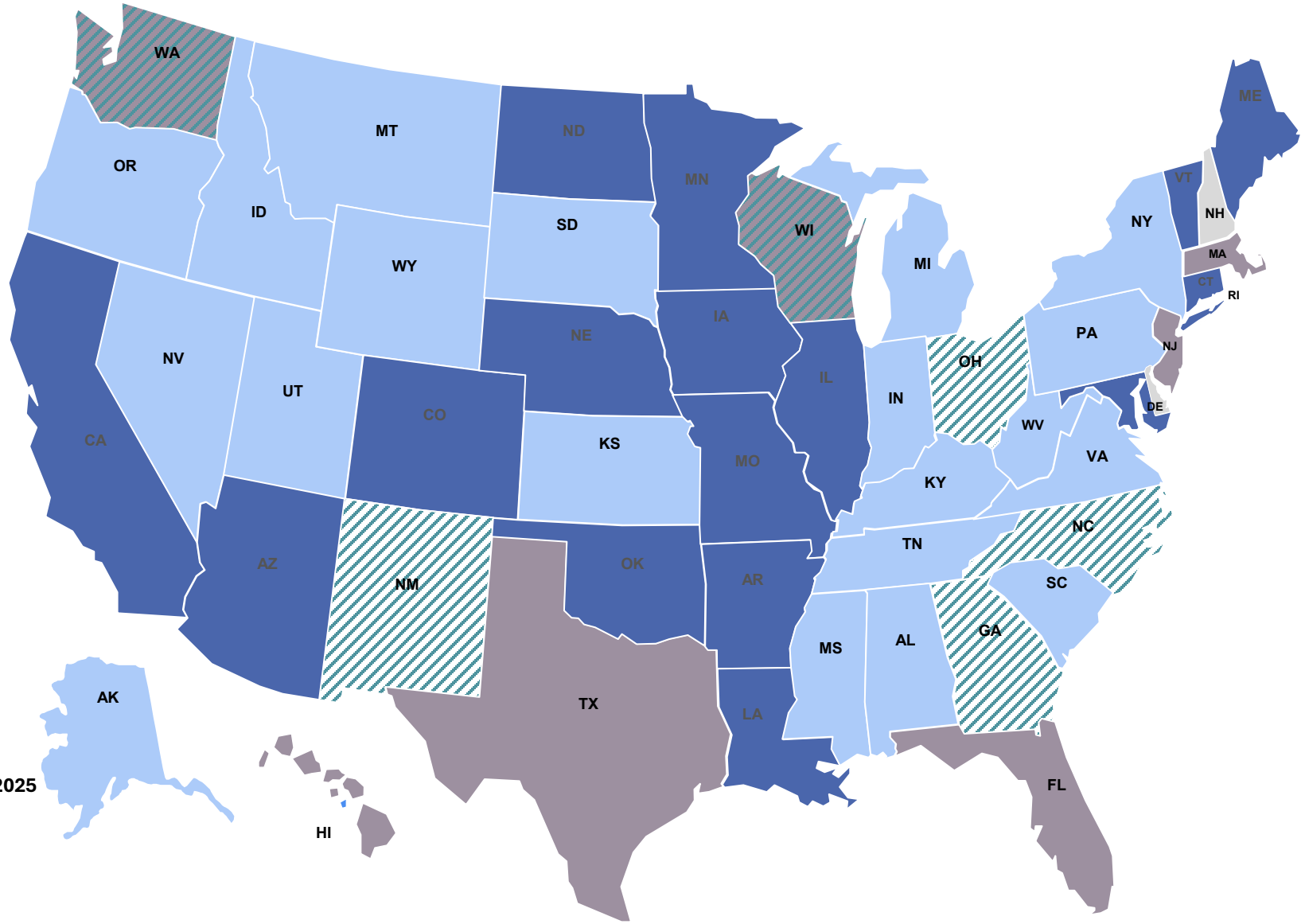
If you or a loved one were solicited through a computer pop-up, social media site, dating site, text, email, or phone call by someone you have never met, and answer "YES" to one of the following questions, you may have been targeted by a SCAM.

- Have you been asked to invest in cryptocurrency or in gold futures?
- Has someone claiming to be a bank or government agency requested money, or for you to liquidate your accounts, in order to clear you of a crime or secure your accounts?
- Has someone claiming to be a tech or customer support representative requested money to remove a virus or child pornography from your computer or secure your account?
- Has someone contacted you claiming a family member is in danger or jail, and you must send money now to avoid further harm?
- Has someone you never met claimed to be romantically interested in you but requests you send them money or something else of value?
- Have you ever been directed to withdraw cash to purchase gold or silver bars to give someone else?
- Has someone sent individuals to your home or directed you to meet in a public place to drop off or pick up money, or other items of value, to deliver to an unknown person?
- Has someone asked you to obtain cash to either purchase gift cards or deposit in a cryptocurrency ATM—or given you a QR code to deposit money into an ATM?

If you answered "YES" to any of these questions, please go to www.ic3.gov for additional resources or to file a complaint with the FBI INTERNET CRIME COMPLAINT CENTER (IC3).
Persons 60 and older may call the National Elder Fraud Hotline at (833) 372-8311 for assistance in filing with IC3.

Source: Federal Bureau of Investigation Internet Crime Report 2024

Legislation and Regulatory Actions



Source: AARP, as of August 21, 2025

Consumer Protection Elements

Protections Other States have Enacted



LICENSING AND REGISTRATION REQUIREMENTS



RECEIPTS AND DISCLOSURE REQUIREMENTS



DAILY TRANSACTION LIMITS



TRANSACTION FEE LIMITS

Questions

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