



Engrossed House Bill 1447 – Support
March 10, 2025
Senate Industry and Business Committee
Janelle Moos, AARP jmoos@aarp.org

Chairman Barta and members of the Senate Industry and Business Committee,

My name is Janelle Moos, Associate State Director of Advocacy, with AARP North Dakota. AARP is a nonpartisan, nonprofit, nationwide organization with nearly 38 million members. Approximately, 82,000 of those members live in North Dakota. I'm here to testify in support of Engrossed HB 1447, including the amendments proposed by the Department of Financial Institutions regarding the daily transaction limit.

Scams involving cryptocurrency ATMs are on the rise—and AARP ND is urging you to take action this legislative session. HB 1447, sponsored by Representative Swiontek, will create important consumer protections to save older North Dakotans from having their hard-earned money, sometimes their life savings, stolen by criminals misusing crypto kiosks or “ATMs” for fraudulent activity.

Cryptocurrency fraud has taken a quantum leap in recent years. The FBI says that in 2023, Americans reported losing more than \$5.6 billion through fraud involving cryptocurrency, North Dakotans lost over \$6 million in cryptocurrency fraud. One area of growth is in payments using cryptocurrency ATMs, also known as “crypto kiosks” or “virtual currency kiosks.” These devices can be found in supermarkets, convenience stores, gas stations, bars, restaurants, and shopping malls. Today, there are more than 45,000 crypto ATMs nationwide. Attached to the testimony are maps of where some of these machines are located in North Dakota.

Because crypto ATMs are still relatively new and largely unregulated at the state level compared to traditional financial institutions and money service businesses, they lack sufficient consumer fraud protections. As a result, criminals are using crypto ATMs to steal hundreds of millions of dollars from Americans each year through fraudulent purchase schemes. In the same report referenced above, the FBI received over 5,500 complaints involving crypto kiosks, and Americans reported over \$189 million in stolen funds. Fraud is significantly underreported, so the amount stolen is likely far higher.

Perpetrators convince individuals that they must address an urgent matter, directing them to withdraw large amounts of cash from their banks. The individual then inserts that money into a

crypto “ATM” and is told to direct the money to a “secure wallet.” Once the payment is made it’s transferred to the criminal and virtually untraceable. We have included a copy of one email we recently received directing a local Bismarck resident to keep some internet searches private by making a payment at a cryptocurrency kiosk. This resident understood the warning signs and shared the email so we could help others.

As Representative Swiontek mentioned in his testimony, HB 1447 is designed to prevent North Dakotans from losing their savings to criminals by implementing important consumer protections including:

- **Licensing cryptocurrency kiosk operators in the state.** This is accomplished in section 2 of the bill specifically starting on page 4 line 7. Currently, North Dakota statute could use some clarity on requiring cryptocurrency kiosk operators to be licensed in North Dakota. This section would make it clear that they require licensure under the ND Department of Financial Institutions as a money transmitter. It also ensures that operators locate the kiosks in commercial areas and submit quarterly reports.
- **Posting fraud warning notices that are visible and identify steps people should take if they suspect fraudulent activity.** Because these crypto kiosks can look like bank ATMs, including disclosures and warnings is an important consumer protection. The language on page 5 lines 8-31, outline the notice that operators would be required to post and prompts to notify law enforcement if they suspect fraud. Additional disclosure requirements are on pages 6-7.
- **Clearly displaying terms and conditions before a transaction, including any fees charged and the exchange rate.** You can find these requirements spelled out on page 6 and continuing onto page 7 lines 1-13 .
- **Giving receipts with relevant transactional information.** Page 7, lines 14-31, make it clear that crypto kiosk operators must provide paper or digital receipts with the operator’s name and contact information, relevant state and local law enforcement in which to report fraud, the transaction details like sender and recipient names, transaction values and data, fee amounts. These and the other items aid law enforcement being able to investigate immediately, helping in victim recovery efforts.
- **Imposing daily transaction limits to avoid potential risks associated with higher transactions.** Page 9, lines 12-17 specifies a \$2,000 limit on daily transactions per vendor. Currently, we are unaware of daily limits on transactions using cryptocurrency kiosks and we’ve been made aware of North Dakotans that have lost as much as \$25,000 in one transaction. We support the amendment proposed by the Department of Financial Institutions that removes the 5 transactions over a 30 day period.

AARP regularly provides free timely information to consumers and their families through the work of our AARP Fraud Watch Network (aarp.org/fraud). In North Dakota alone, we regularly

provide consumer updates via media partnerships, free shredding events, educational community events, telephone townhalls, webinars, and volunteer presentations. We also support laws and regulations that strengthen and enhance consumer protections, like those contained in HB 1447.

Fraud and other financial crimes, including cryptocurrency kiosk/ATM fraud, create real financial devastation —billions of dollars are lost each year. The impact of fraud on victims and their families is wide reaching and emotionally devastating, especially for older Americans. It's a crime that deserves more attention and effort to combat. **AARP North Dakota strongly supports protections against fraud, and we urge you to support HB 1447.**

Thank you.