Minnesota Department of Commerce
Virtual Currency Businesses and Virtual Currency Kiosks

Michael Carter| ***Enforcement Audit Director***

Virtual Currency State Regulation

- Licensure required for virtual currency business activity
- Criminal penalties for knowingly operating while unlicensed
- BSA reporting requirements must be followed
- Recordkeeping requirements
- Virtual currency kiosks
- Specific disclosure requirements
- Transactional limits for new customers
- Refund requirements for new customers

Statewide Statistics

- 34 Direct Consumer Complaints
- 51 Law Enforcement Reports
- $718,168 in reported losses
- $92,982 in reported refunds

Scam Type Reported Since Law Came Into Effect	Count of Scam Type
Amazon Scam	1
Apple account compromise resulting in bank account freeze	1
Apple Security Alert	1
Arrest warrant	1
Bank Account Hacked	2
Bank error - decimal point error/overpayment	1
Bank impersonation	1
Computer hacked with porn	1
Computer Security	2
Fake FTC arrest warrant email	2
Fake Paypal Email	1
iCloud/Apple account breach text	1
Law Enforcement Impersonation	20
Microsoft IT	5
Norton Anti-Virus phishing scam	1
PayPal	1
Phone (missed jury duty)	1
Phone (warrant)	2
Phone scam	2
Phone scam by text	1
Social Media Grooming	1
Theft by Swindle	1
Xfinity network breach/FTC impersonation	4
Grand Total	55

St. Paul Kiosk Statistics

- 1 Direct Consumer Complaint
- 8 Law Enforcement Reports
- $55,521 in reported losses
- $0 in reported refunds

Scam Type Reported Since Law Came Into Effect	Count of Scam Type
Apple Security Alert	7
Theft by Swindle	1
Xfinity network breach/FTC impersonation	1

Commerce Administrative Actions

- Coinme, Inc. (Seattle, WA)
  - Related to net worth and financial soundness
- Athena Bitcoin, Inc. (Miami, FL)
  - Related to unlicensed activity
- GPD Holdings LLC dba Coinflip (Chicago, IL)
  - Related to unlicensed activity

Available on our website:

Welcome · CARDS

What is Working?

- Law enforcement is more aware and engaged with Commerce
- Companies are getting licensed
- More consumers are aware of the new law due to publications by the Department, media reporting, and interdepartmental and interagency coordination

What is Not Working?

- Limiting refunds and requirements to new customers only
- Entities avoiding refund obligations because of new customer definition limitations
- Tight deadlines and requirements for refunds
- Scam prevention

Questions?