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AARP Comments on Ord 25-76
City of St. Paul City Council
November 12, 2025

President Noecker and St. Paul City Council Members,

Thank you for the opportunity to submit written testimony on Ord 25-76.

AARP is a nonpartisan, nonprofit organization that helps strengthen communities, promote healthy living, and empowers people to choose how they live as they age. More than 620,000 Minnesotans are AARP members, including more than 54,000 in Ramsey County. The AARP Minnesota state office is located in St. Paul.

AARP has long worked to educate consumers, support fraud victims, and improve fraud detection and prevention across industries, including work on policy solutions at the federal, state, and local level. We believe strong consumer protections against fraud are needed, especially given the fast-growing problem of cryptocurrency kiosks being used as a vehicle for delivering money to scammers. The impact of fraud on victims and their families is wide reaching and can be financially and emotionally devastating, especially for older adults.

What are cryptocurrency kiosks?
Today, it is estimated there are more than 30,000 crypto kiosks (or crypto ATMs) nationwide, including more than 400 in the state of Minesota, and around 20 in St. Paul. In its most basic form, crypto kiosks are a simple way for individuals to convert fiat currency (general government currency like the U.S. dollar) into cryptocurrency. Crypto kiosks are unstaffed machines that look like a traditional ATM and are often found at convenience stores, gas stations, and other high-traffic areas. Instead of *distributing* cash like a traditional ATM, these machines *take in* cash in exchange for digital cryptocurrency. A person walks up to a stand-alone kiosk to purchase cryptocurrency by inserting cash or their debit card and completing a few basic steps.

Photo credit: NBC News

How are crypto kiosks used to defraud victims?

Crypto kiosk scams usually consist of two parts. First, a criminal will contact a potential victim and intentionally move that person to a heightened emotional state of mind using strategies such as a deceptive romance scam, investment scam, tech support scam, sweepstakes scam, or identify theft scams. Once a scammer has their victim believing them, they will direct them to send money using one of a variety of different payment methods, including crypto kiosks.

Criminals are known to give detailed instructions to their victims, including how to withdraw cash from their bank, locate a kiosk, and then use the kiosk to deposit the cash to buy and send virtual currency to the criminals in irreversible transfers. With the widespread availability of Generative Artificial Intelligence (AI) tools, criminals are becoming more sophisticated in their approach, thereby making it harder for individuals to detect fraud. As a result, criminals are more successful in their attempts, which is a greater challenge for law enforcement and policymakers who are trying to stay ahead of new scams.

Criminals, often impersonating government officials or businesses, convince individuals that they must address an urgent financial matter, directing them to purchase gift cards, share credit card details, or withdraw large amounts of cash and put that money into a crypto kiosk, which is then transferred to a digital wallet controlled by the criminal.

(*Athena security camera photos of District scam victims.*)

Photo credit: District of Columbia Office of Attorney General

The FBI's annual 2024 Internet Crime Complaint Center (IC3) Annual Report revealed that in 2024 individuals over the age of 60 reported losses exceeding $4.8 billion, marking an almost 43% increase from 2023. Older adults are disproportionately affected by fraud and scams using crypto kiosks. In 2024, the FBI's IC3 received over 10,956 complaints involving crypto kiosks, and Americans reported over $246.7 million in stolen funds. This represents a 99 percent increase in the number of complaints and a 31 percent increase in reported victim losses from 2023.

What is AARP doing to address this problem?
In 2024, AARP Minnesota worked with the state legislature to enact Minnesota Statute 53B.75, which regulates crypto kiosk machines. The law requires signage, disclosure of important information like fees and receipts, refunds for new customers, and daily transaction limits for new customers. Unfortunately, reports of fraud continue as scammers have worked around the law to continue defrauding Minnesotans through these machines, including circumventing the definition of a "new" customer.

AARP's fraud prevention work has grown over time as we have heard from our members that fraud is a top concern for them and their financial security. The AARP Fraud Watch Network (FWN) was created in 2013 and fraud prevention work through our state offices has grown significantly in recent years. AARP regularly provides free timely information to consumers and their families through the work of our FWN (aarp.org/fraud) and FWN Helpline, which is available to people of any age even if they are not an AARP member.

AARP Minnesota regularly provides consumer education on fraud prevention and scam alerts. We partner with law enforcement, regulatory agencies, the Better Business Bureau, and the

Attorney General to host webinars, media partnerships, shredding events, tele-town halls, volunteer presentations and training, and other fraud prevention and awareness events. We have more than 800 volunteers nationwide, including 20 in Minnesota, who deliver fraud education in their communities and work directly with victims of fraud.

AARP's comprehensive approach to fraud prevention – spanning education, advocacy, direct support, and industry collaboration – demonstrates our steadfast commitment to safeguarding financial well-being and peace of mind of older Americans. Through continued community engagement, we can work to ensure that everyone is equipped to recognize, resist, and recover from scams – protecting not only personal assets, but also restoring trust and security across communities.

Conclusion
Given the alarming rise in fraud perpetrated through cryptocurrency kiosks, it is clear that current safeguards are insufficient. The state law enacted in 2024 was a step forward, but it falls far short of addressing the scale and sophistication of this growing threat. These machines continue to serve as easy targets for criminals, putting consumers—especially older adults—at significant financial risk. AARP Minnesota remains steadfast in its commitment to advocate for stronger, more comprehensive regulations that close loopholes, enhance oversight, and prioritize consumer protection.

Sincerely,

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