City of Apple Valley
7100 147th Street West
Apple Valley, MN 55124-9016

POLICE DEPARTMENT
NICK FRANCIS Chief of Police
GREG DAHLSTROM Deputy Chief of Police
Telephone (952) 953-2700
FAX (952) 953-2733

March 9th, 2026

Members of the Minnesota Senate Commerce Committee
Minnesota Senate
St. Paul, Minnesota

Dear Chair and Committee Members,

I am a Detective serving with the Apple Valley Police Department as our city's primary cryptocurrency fraud investigator. I have met with dozens of victims over the last two and half years and logged hundreds of hours investigating these complex crimes.

In the past two years, Apple Valley citizens alone have reported over $248,000 in individual losses just through cryptocurrency kiosks. Most of these losses occurred after Minnesota Statute 53B.75 was put in place. This legislation was well intentioned, but unfortunately the techniques and tactics of organized crime have rendered it largely ineffective. Of that $248,000 stolen by swindle from our citizens, only about 15% ($38,620) was refunded by the kiosk operators under Minn. Stat. 53B.75.

Organized criminal fraud groups are using many tactics, endlessly creative in their means to induce fear, panic, confusion and above all urgency in adults from their 30's to their 80's. Criminals present themselves as law enforcement, bank officials, or government agents, sending digitally edited images of badges, identification, and arrest warrants. They spoof phone numbers to appear in caller ID as legitimate sheriff's offices or federal agencies. Victims are threatened with immediate arrest if they don't comply, or told family members in "custody" can only be freed if the victims immediately transfer funds.

The common thread among these victims is inexperience with cryptocurrency of any kind, and no familiarity with cryptocurrency kiosks. Victims follow step-by-step instructions, often being lied to about what they are doing. They sent QR codes, read numbers to punch into a screen, told to type names, all while experiencing intense pressure from suspects on the phone with them for hours at a time. While kiosk operators employ basic anti-fraud countermeasures, they are easily bypassed again and again by suspects manipulating victims.

In December of 2025, the City of Apple Valley unanimously approved an ordinance banning cryptocurrency kiosks within city limits. This ordinance was just in time, as in the last few months new kiosks in Apple Valley have been used by scammers to fleece some of our most vulnerable citizens.

Unfortunately, even this ban in Apple Valley will not be enough to stem the tide. Many

victims are already directed to kiosks in neighboring jurisdictions, sometimes visiting as many as six different kiosks in as many different cities in the span of an afternoon, on the phone with scammers the entire time. A patchwork of city-wide bans will not prevent the majority of these losses. A state-wide ban is a far more effective approach.

In this fight against a raft of highly motivated, highly organized and technologically sophisticated criminal syndicates abroad and within the United States, Minnesota needs a cohesive, coordinated, and concrete approach to preventing cryptocurrency kiosk fraud.

I am respectfully asking for your support of MN SF3868 to ban cryptocurrency kiosks throughout our state and protect all of our residents.

If you have any further questions feel free to contact me.
Sincerely,

Dave Gysbers, Detective
Apple Valley Police Department
7100 147 Street West | Apple Valley, MN 55124
Desk: 952.953.2851 | Fax: 952.953.2733
david.gysbers@applevalleymn.gov