MINNESOTA DEPARTMENT OF PUBLIC SAFETY

Bureau of Criminal Apprehension

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Alcohol and Gambling Enforcement

Bureau of Criminal Apprehension

Driver and Vehicle Services

Emergency Communication Networks

Homeland Security and Emergency Management

Minnesota State Patrol

Office of Communications

Office of Justice Programs

Office of Traffic Safety

State Fire Marshal

Dear Chair Klein and Committee Members,

I am writing to support SF3868, which prohibits virtual currency kiosks, to be heard in the Senate Commerce and Consumer Protection committee on Tuesday, March 10.

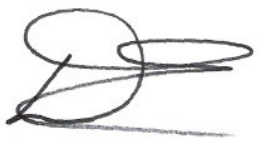
Cryptocurrency fraud is one of the fastest-growing categories of financial fraud and victimization. The BCA's Financial Crimes and Fraud section has seen significant and growing challenges facing law enforcement agencies investigating cryptocurrency-related fraud, particularly involving crypto kiosks. These crimes are victim-driven, frequently targeting seniors and vulnerable adults. The current statutory framework presents practical enforcement gaps that bad actors are continuing to exploit.

These fraud schemes commonly involve impersonation scams, tech-support fraud, government impersonation, romance scams and investment schemes. Victims are directed – often under extreme psychological pressure – to deposit funds into crypto kiosks or to transfer cryptocurrency directly to wallets controlled by offenders. Unlike traditional banking fraud, once cryptocurrency is transferred, recovery is nearly impossible.

Virtual currency or crypto kiosks present a disproportionate and escalating threat to Minnesota consumers, particularly seniors and vulnerable adults. Existing regulatory structures have proven insufficient to prevent misuse and fraud schemes and will likely never be able to keep pace with the increasing scope of fraud associated with them.

For these reasons, BCA strongly supports SF3868 and prohibiting crypto kiosks. This language will go a long way to reduce fraud, protect vulnerable Minnesotans and improve overall public safety. Thank you for your time and consideration.

Sincerely,



Drew Evans, Superintendent