March 10th, 2026

Members of the Senate Commerce and Consumer Protection Committee
Minnesota Senate
St. Paul, Minnesota

Committee Chair and Committee Members,

Good morning, my name is Evan Patullo, and I have served as a peace officer with the Elk River Police Department for over 21 years, the last six in investigations. Thank you for allowing me to share what we are seeing in the field regarding digital currency ATMs, sometimes referred to as crypto kiosks.

When most people think of fraud, they imagine suspicious emails or obvious scams. What we are seeing now is far more calculated.

These criminals are organized, technologically sophisticated, and psychologically skilled. They often target older Minnesotans — people who worked their entire lives, saved responsibly, and trust that if someone claims to be from a bank, a technology company, or even law enforcement, that claim is legitimate.

They create panic. They tell victims their bank account has been compromised, their identity has been stolen, or that their computer has been linked to serious criminal activity. They isolate them. They keep them on the phone for hours. They walk them step-by-step through withdrawing cash and feeding it into a cryptocurrency kiosk.

By the time the victim hangs up the phone, large amounts of money may be gone.

Even with existing state requirements — warning screens, transaction limits, disclosures — scammers simply adapt. They instruct victims to split transactions into smaller amounts. They direct them to multiple kiosk locations. They tell them exactly what to say if questioned. In some cases, victims are coached to lie to store employees to avoid intervention.

As recently as February 17th in Elk River, a quick-thinking convenience store employee recognized something was wrong when observing an older adult at a cryptocurrency kiosk and called 911. An officer responded and stopped the transaction. But just minutes earlier, that same victim had already sent $2,000 from a kiosk at another location.

That is how fast this happens. Minutes.

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Once converted, the funds move rapidly through digital wallets, often across international borders and through non-compliant exchanges. Traditional financial safeguards no longer apply. Recovery becomes extraordinarily difficult, and often impossible.

The financial loss is devastating. The emotional toll is often worse. Many victims feel embarrassment, shame, and fear. Some delay reporting because they believe they will be blamed or investigated themselves. These are just my experiences with those that have reported it- but I know there are many others too embarrassed to come forward.

While current regulations were well-intentioned and represent progress, they have not kept pace with the adaptability of the criminals exploiting these systems. From an investigative standpoint, digital currency kiosks have become a consistent and effective mechanism for fraud.

The policy decision is yours. My role is simply to share what we are seeing. And what we are seeing is real financial and emotional damage happening quickly, repeatedly, and often to those least equipped to recognize the threat.

Thank you for your time.

Sincerely,

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