RAMSEY POLICE DEPARTMENT

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Senate Commerce Committee
Minnesota State Senate
St. Paul, Minnesota

Dear Chair and Members of the Committee,

I want to begin by thanking you for discussing the impact of cryptocurrency fraud on residents of our state. I serve as an investigator with the Ramsey Police Department, where I have observed the risks, cryptocurrency poses to the public. Since 2017, our department has received 96 reports involving cryptocurrency, totaling approximately $1,000,000 in losses. Financial crimes in our city have been increasing, and cryptocurrency is a contributing factor.

While these numbers are concerning, it is important to remember that not all crimes are reported to law enforcement. National crime victimization data shows that only about 25% of theft and larceny incidents are reported to police. The actual number of victims of cryptocurrency fraud is likely much higher than our reports reflect.

In Ramsey, we have used social media, held in-person staff training sessions, presented on a local television station, and published an article in our community newsletter. These efforts are proactive attempts to warn residents about the dangers of fraud and encourage them to share this information with loved ones, as these crimes typically result in low clearance rates and cost victims thousands of dollars. There are significant constraints when investigating these cases. The global reach of cryptocurrency, the use of obfuscation techniques, limited resources, and delays in victims reporting the crimes all make these investigations challenging.

Since 2022, we have received 19 reports involving cryptocurrency ATMs, with an average loss of approximately $8,588 per victim and an average victim age of 61. While this number may appear small, it represents significant financial harm to residents in our community.

The FBI's Internet Crime Complaint Center estimates that Americans lost $333 million to cryptocurrency ATM scams in 2025. Defenders of these ATMs may note that only about 2% of total cryptocurrency ATM transaction volume is linked to illicit activity, which appears low; however, this rate is higher than the confirmed illicit transaction rate in traditional financial systems, which is around 1% or less.

The City of Ramsey is believed to have approximately 8 cryptocurrency kiosks at gas stations, restaurants, grocery stores, and liquor stores. The city has decided to regulate the use of these machines through a permitting process; however, we are awaiting the outcome of SF 3868

before moving forward. We believe these machines are used to facilitate fraud and serve little legitimate day-to-day purpose, as cryptocurrency can be easily obtained through online exchanges and brokerages.

Our agency believes that state legislation will have a greater impact on preventing these crimes in the future. We look forward to assisting the State of Minnesota in ensuring that fewer residents fall victim to these scams.

Thank you again for taking the time to review this matter and for your service to the State of Minnesota.

Respectfully,



Derek Anderson
Investigator
Ramsey Police Department