

Senate Commerce Committee

Aaron Jones 271-2609

SB 482-FN, establishing consumer protections for digital access transaction kiosks.

Hearing Date: January 27, 2026

Time Opened: 9:48 a.m.

Time Closed: 11:31 a.m.

Members of the Committee Present: Senators Innis, Ricciardi, Murphy, McGough, Fenton and Reardon

Members of the Committee Absent : None

Bill Analysis: This bill establishes consumer protections for digital access transaction kiosks.

Sponsors:

Sen. McGough

Sen. Pearl

Sen. Gannon

Sen. Rosenwald

Rep. Ammon

Rep. Miles

Rep. Potucek

Rep. L. Walsh

Who supports the bill: Senator Tim McGough, Senator Daniel Innis, Senator Cindy Rosenwald, Senator Howard Pearl, Representative Julie Miles, David Hutton (AARP), Kyle Baker (CoinFlip), Shannon Hickey (AARP), Roger Desrosiers (AARP), Marc Lacroix (AARP), Lily Wellington (NH State Commission on Aging), Mike Padmore (AARP), Iris Altilio (AARP), Krysten Evans (ABLENH), Bryan Townsend II (NH DOJ), Cheryl Steinberg (NH Legal Assistance), Ryan Hale (NH Bankers), Jim Isaak (AARP), Janet Lucas, Jesse Bolin

Who opposes the bill: Steve Zemanek, Jeremy Olson

Who is neutral on the bill: Representative Keith Ammon, Detective Ray Lamy (NH Association of Chiefs of Police), Chief Alex Reno (Hampton Police Department), Sergeant Mike Foster (Tilton Police Department), Lieutenant Stephen Soares (Epping Police Department), Thomas Yerkes (Concord Police Department), Judith Jones (New Futures & Alliance for Healthy Aging), Emelia Galdieri (NH Banking Department), Seth Zoracki (NH Banking Department)

Summary of testimony presented in support:

Senator Tim McGough

- Cryptocurrency ATMs take up a small amount of space, and small store owners are paid if they install them. These machines allow users of cryptocurrency to

access their assets. Unfortunately, these devices are a place where individuals fall victim to scammers as well.

- This bill would place guardrails around the use of these devices. Senator McGough said industry promoters, consumer protection advocates, and law enforcement wanted these guardrails.
- This bill was designed to be balanced, and it has key protections, including identity verification, a waiting period, and withdrawal limits.
- Often, scammers exploit limitations by having their victims go from one ATM to another to make multiple withdrawals.
- Senator McGough said the Legislature would need to determine if these devices are regulated under the Banking Department or the Consumer Protection Bureau. They also will need to decide what the proper withdrawal limit should be, and how long an individual should have to request a refund.
- **Senator Ricciardi** said this was a big problem, and from her understanding, individuals who are scammed do not get their money back. She expressed concerns with the bill as it was written, and she believed the caps were too high to protect citizens. She asked if he agreed that the caps were too high.
 - **Senator McGough** said the number was what was in question. Like ATM withdrawals, operators make a fee based on a percentage and they pay for the floor space wherever it is located. Operators need a viable economic model. Bad actors are able to find a way around limits, so they need to find a way to prevent scams from taking place, while also allowing good actors to provide a service. In Vermont, they set limits low and they required businesses to escrow money for three months. As a result, all reputable providers left the state. It could be \$500; however, he did not think it would be an economically viable number to allow them to stay in business in New Hampshire.

Lily Wellington, Executive Director, New Hampshire State Commission on Aging

- While fraud and scams have a financial cost, victims also carry an emotional burden.
- Scams are often underreported because individuals feel humiliated or embarrassed.
- In New Hampshire, scams cost older adults exponentially more than the average citizen. If fraud is disclosed, elderly individuals fear it will impact their independence and autonomy.
- While they are supportive of this bill, Ms. Wellington said it did not go far enough. She believed the window should be weeks because an individual is not likely to understand they have been scammed within hours.
- **Senator McGough** asked if based on her written testimony, it should be thirty days.

- **Ms. Wellington** said at a minimum that is what they would suggest. This would be similar to what other states have done. She said they have a vested interest that these machines are functional for older adults.

Senator Cindy Rosenwald

- Senator Rosenwald asked the Committee to consider lowering the limits that can be withdrawn on Page 2, Lines 14 and 17 because \$5,000 in a day was a lot of money. She believed lower limits would be better for consumer protection.

Kyle Baker, on behalf of CoinFlip

- CoinFlip is a Chicago-based global digital currency platform that provides consumers with a way to buy and sell virtual currency.
- Mr. Baker said they were in support of this bill as it was written because they supported establishing consumer protections for digital transaction kiosks.
- This bill would require identity verification for customers who are using kiosks; establish a two-day transaction hold for first-time customers; during the two-day period, customers would be limited to only their first transaction; require operators to fully refund purchased crypto assets and fees charged within the two-day period; set transactions limits of \$5,000 for new customers and \$15,000 for established customers; require disclosure of fees, pricing, and a receipt with contact information on it if there are problems; and require operators to use commercially available blockchain analytics.
- Blockchain analytics is a way for operators to track and identify potential scams and crypto wallets that are tied to fraud. It also allows those transactions to be immediately blocked.
- While these components are already being done within the industry, Mr. Baker said they support clear guidelines at the state level to create impediments for bad actors.
- CoinFlip and other kiosk companies are registered under the Financial Crime Enforcement Network. They are required to follow the Bank Secrecy Act, the Patriot Act, and other federal rules and regulations.
- CoinFlip applied for a money transmitter license. Under existing law, however, they are not eligible. Nationally, they have a money transmitter license in 38 jurisdictions.
- **Senator Murphy** asked how they would recoup money if an individual put \$3,000 into a crypto ATM and the next day, they said it was a scam.
 - **Mr. Baker** said they use blockchain analytics and other tools to identify wallets being used. Often, there is no way to recoup the money, and it is a loss for the company. They are supportive of this bill because they feel it is important for consumers. In some cases, their law enforcement liaisons partner with local law enforcement to try to identify the wallet used. Sometimes wallets are linked to other commercial exchange platforms, so they can go to that company to help with identification and get the money

back. When crypto is transferred into a personal crypto wallet, and it is not tied to any exchanges, there is no way for the company to recoup funds.

- **Senator McGough** asked if 48 hours was long enough for an individual to realize they had been scammed. If it was not, he asked how long would be viable.
 - **Mr. Baker** said based on blockchain software, they have determined that the scam rate was 2 percent on transactions conducted on their machines. In most cases where CoinFlip has been contacted, it is within a 48-hour window. They have a 24/7 customer service line. He said they would work with the Committee if the number needed to be adjusted.
- **Senator McGough** asked if it would work for them if it were pushed out to 30 or 45 days.
 - **Mr. Baker** said he could not speak to specifics. Under this legislation, crypto kiosks would be the only money service businesses required to hold legally conducted transactions on their books for that amount of time. Nothing would stop a wire, or withdrawn cash from being sent in the mail. They felt the limits in place were workable, so they were cautious in extending it too far.
- **Senator McGough** asked if a legitimate user might have their liquidity or availability of their funds held up. For example, when stock is sold, it takes time for a transaction to be completed before funds are available in a brokerage account.
 - **Mr. Baker** said he would follow up with how the hold worked. Crypto has changing values, so he understood the concerns if an individual chose to deposit \$500 one day and something happened over the two-day period that caused the cost to double.
- **Senator McGough** asked for clarification if CoinFlip was not eligible to register as a money transmitter under current law.
 - **Mr. Baker** said CoinFlip and other crypto kiosks own their supply of Bitcoin. Current money transmitter licensing bars banking regulation over crypto-related finances. Also, there is no transmission other than buying an asset from someone else.
- **Senator Ricciardi** said the bill as written seemed to favor the industry versus protecting consumers. She asked if he was aware the Iowa Attorney General's Office had filed a lawsuit against CoinFlip and Bitcoin Depot. Their investigation found 94 percent of transactions were fraudulent, and 98 percent of transactions with Bitcoin Depot were fraudulent. She asked if he could address the lawsuit and these figures.
 - **Mr. Baker** replied he could not comment on pending litigation, but he could connect the Committee with the general counsel at CoinFlip.

- **Senator Ricciardi** asked if he could show independent third-party audits demonstrating that the fraud rate was substantially lower than what law enforcement has found.
 - **Mr. Baker** said he could connect the Committee with the general counsel at CoinFlip.

Michael Padmore, Director of Advocacy, AARP New Hampshire

- Mr. Padmore said they had a few recommendations on lowering transaction limits and extending the refund period.
- Other states, including Maine and California, have enacted a transaction limit of \$1,000 a day.
- A detective with the Fraud and Cyber Crimes Bureau in the Los Angeles Sheriff's Department said there had been a "reduction in crypto kiosk scams and fraud since the daily transaction limit became effective in 2024. I have also determined there has been a reduction in the use of crypto kiosks for escort services, which are known to involve human trafficking."
- Mr. Padmore said there is evidence that transaction limits help to reduce fraud and other illicit activities.
- Other states, such as Maine and Vermont, have adopted a 90-day refund window. Often, it can take time for an individual to determine if they are a victim.
- Nationally, 24 states have enacted similar legislation.
- If this bill were passed, Mr. Padmore said criminals would not target New Hampshire residents.
- **Senator Ricciardi** said there are different limits for first-time and existing customers. She asked what would stop a scammer from having a victim make a \$5,000 transaction as a first-time customer, then have them come back 72 hours later once they are considered an existing customer, to deposit \$15,000. She saw this as a loophole, and she asked if it had been exploited in other states.
 - **Mr. Padmore** said there was nothing that prevented it from happening. Scammers are clever, and they will try to exploit the law. If they can convince an individual to make a first-time transaction, their scam could evolve to coach them to wait 72 hours until the limit has expired. This is the reason states have adopted a single transaction for any customer whether they are new or existing. Based on information they have received from operators, the median transaction is \$350. He felt this is why the \$1,000 limit was adequate to allow legitimate transactions to occur.

Pat McDermott, Volunteer State President, AARP

- Caregivers are the first line of defense for fraud and scams.

- Mr. McDermott told a personal story about his mother who had been asked to transfer \$12,500. If there were no caregivers in her life, he said she would have been a victim of the scammer.
- Mr. McDermott said many older adults do not have a caregiver to provide support or a safety net, so they are at high risk.
- While the transaction limit of \$1,000 would not stop scams from happening, it would help to prevent catastrophic losses.

Roger Desrosiers and Mary Roberge, AARP

- As caregivers, Ms. Roberge said they can undercover the truth from parents, spouses, and neighbors weeks later. If an individual is scammed, they are often reluctant to let others know. She said she supported the changes proposed by Mr. Padmore.
- While caregivers may have power of attorney or financial oversight, they might not see a bank statement until months after a withdrawal. Once money is gone, it can be impossible to recover.
- A 90-day refund would allow caregivers to piece together what has occurred.
- Other states like Maine and Vermont have implemented stronger protections. Mr. Desrosiers said New Hampshire should not let criminals target residents because our limits are higher or our systems are slower to respond to.
- As caregiver volunteers, Ms. Roberge said they see the emotional and financial toll fraud takes on families and loved ones.

Marc LeCroix, AARP

- Mr. LeCroix told a personal story about his father who did not use electronic banking, so he had to review physical bank statements to ensure everything was fine. He said a 30-day timeframe was not enough to review bank statements.
- Given there are guardrails for financial investors, Mr. LeCroix said there should be guardrails around crypto.

Linda Hodgdon, Iris Altilio, and Charlene Puzzo, AARP

- Ms. Altilio said they gave 46 presentations on fraud last year, which reached over 800 adults.
- Nationally, fraud losses from these machines went from \$12 million in 2020 to over \$247 million in 2025.
- In New Hampshire, 27 percent of the population is 60 years and older. 85 percent of theft losses from crypto ATMs were from this population, and the average amount was \$40,000.
- Ms. Hodgdon said criminals went where safeguards are the weakest.
- Ms. Puzzo told a personal story of being a victim of an imposter scam. She said she lost about \$2,000 in an hour.

Bryan Townsend II, Senior Assistant Attorney General and Lead Prosecutor for the Elder Abuse and Financial Exploitation Unit, New Hampshire Attorney General's Office

- The Elder Abuse and Financial Exploitation Unit is housed within the Consumer Protection Bureau.
- Attorney Townsend agreed this bill was a good start, but he asked the Committee to review its placement in RSA 358-A.
- When an additional industry is regulated under RSA 358, it is tucked under a separate subchapter. When subchapters are enacted, it clarifies that violations of the subchapter are unfair and deceptive practices under RSA 358-A.
- By placing this bill under RSA 358-A, Attorney Townsend said it was unclear if violations by operators were already unfair and deceptive practices. He felt it made sense to place these provisions into their own subchapter and refer it back to RSA 358-A to allow the Bureau to regulate these as potentially unfair and deceptive business practices.
- Attorney Townsend said some of the language within the bill was unclear. For example, this bill referred to a “reference price” and it asked the Department to designate a widely used public exchange or composite index. Since they are not experts in cryptocurrency, he said it needed to be further defined.
- This bill states, “designated by the Attorney General by rule...,” but this bill does not provide the Department with any rulemaking authority.
- This bill requires that operators use “commercially reasonable blockchain analytics.” They have a general understanding of blockchain analytics, but for enforcement purposes, Attorney Townsend asked what it meant to be “commercially reasonable.”
- If they are required to enforce this statute, Attorney Townsend asked for consistency.
 - Digital financial assets and virtual currency are used interchangeably, but only digital assets have been defined.
 - Customer, consumer, and user are used interchangeably. They asked for a consistent use of customer, which is defined in the definitions section.
 - First-time customers are defined in this bill, but new customers are used several times throughout without a definition.
- Based on their investigations, victims who are 60 years or older are being taken advantage of by these kiosks.

Cheryl Steinberg, Director of Justice in Aging Project, New Hampshire Legal Assistance

- Financial exploitation has become a huge problem in New Hampshire and nationally.
- Scammers are savvy, and they can manipulate individuals to do things that are unimaginable.
- Similar to previous testifiers, Attorney Steinberg supported the \$1,000 limit.

- Attorney Steinberg said she believed these kiosks should be banned.
- In Iowa, they filed two lawsuits against Bitcoin Depot and CoinFlip.
 - They subpoenaed 14 cryptocurrency companies, and interviewed users of crypto ATMs, during their investigation.
 - Once it was completed, they found that over \$20 million was lost to scammers. Over \$7 million was attributed to Bitcoin Depot, and \$13 million was attributed to CoinFlip.
 - They also found that 98 percent and 94 percent of money sent through Bitcoin Depot and CoinFlip respectively was for fraudulent purposes.
 - Fees for transactions using these machines were 20 percent or higher.
- Attorney Steinberg said using the term “ATM” was a misnomer because individuals can only put money in, they cannot get money out.
- According to one victim, scammers and cryptocurrency machine holders were the only individuals who benefited whereas victims were the losers.

Summary of testimony presented in opposition: None

Neutral Information Presented:

Ray Lamy, Fraud and Financial Crimes Investigator, Manchester Police Department and New Hampshire Association of Chiefs of Police

- Detective Lamy preferred having these machines banned statewide. If that was not an option, this bill needed to be stricter to protect residents from being defrauded.
- According to the FTC, consumers over the age of 60 were more than three times as likely as younger adults to report losing money to crypto ATM scams.
- By posing as authority figures, Detective Lamy said criminals can scare susceptible victims. Often, victims do not listen to warnings by bank staff.
- According to the FTC, consumers have reported losing over \$110 million in 2023 to scams involving Bitcoin ATM machines.
- Due to the high fees associated with transactions made through crypto ATMs, legitimate consumers are more likely to use an online cryptocurrency exchange. Exchanges, such as Coinbase, charge a transaction fee of 1.5 percent. In contrast, crypto ATMs charge transaction fees up to 30 percent.
- In Manchester, there are 22 crypto ATM machines. These machines are deposit only.
- Between 2021 and 2025, Manchester had 66 fraud cases. The average monetary loss per transaction was \$17,000, and the average age of the victim was 73 years old.
- This is a statewide issue because if a victim does not have an ATM in their town, they are directed to drive elsewhere.

- In 2024, Detective Lamy said he was able to intercept and recover more than \$1 million for victims of fraud. In cases where money was deposited into crypto ATMs, however, he has been unable to recover any money.
- Despite written warnings on crypto machines and warnings by store clerks, it does not deter victims from depositing money into these machines.
- Maine, Vermont, Connecticut, and Rhode Island have recently passed similar legislation.
- As these companies leave surrounding states, Detective Lamy said New Hampshire residents will be a higher target.
- The definition of a "new customer" needed to be changed because it was easy for scammers to work around it and provide different identifications.
- A daily transaction limit should be no more than \$1,000 a day, which is what surrounding states have done.
- Reiterating previous testifiers, Detective Lamy said the refund policy should be 90 days.
- Detective Lamy said municipalities should have the ability to enact local ordinances that can be more restrictive than what is enacted by the state.
- **Senator Ricciardi** asked if she heard correctly that in cases involving crypto fraud, he has recovered zero dollars.
 - **Detective Lamy** said that was correct.
- **Senator Ricciardi** asked why these machines are allowed given the egregious fraud.
 - **Detective Lamy** said they would like them to be banned. From a business perspective, he did not understand why someone would pay a 15 to 30 percent fee versus 1.5 percent on an online exchange.

Alex Reno, Chief, Hampton Police Department and New Hampshire Association of Chiefs of Police

- Chief Reno said he has seen a sharp increase in online and cryptocurrency scams that have had a significant economic impact on Hampton residents.
- Chief Reno was concerned this bill did not go far enough to protect the average user of digital asset transaction kiosks. He said he supported the amendments suggested by Detective Lamy.
- Since the end of 2024, \$2.6 million dollars in Hampton has been lost to scammers. The average age of the victims is 66 years old.
- Since financial crimes are underreported by victims, Chief Reno believed the financial impact could be much higher.
- According to the FBI, New Hampshire received 2,340 complaints for computer-related scams resulting in a reported overall loss of \$52,811,455 in 2024.
- Chief Reno provided two examples of cases in Hampton.
 - First, there was a 68-year-old woman who deposited \$3,000 into a crypto ATM. The victim was contacted by a scammer who convinced her that an image of child pornography was downloaded onto her computer. She also

sent gift cards and the redemption codes to the scammer. The next day, the victim reported the incident to the police.

- Second, there was a 80-year-old female who was attempting to close out an online retailer account. After conducting an online search, she clicked on a link that she believed was legitimate and she was convinced to bring \$17,000 to a crypto ATM. After she spoke to a friend, she realized that she had been victimized.
- In Hampton, there are 30 machines within a 15-mile radius.
- Chief Reno said putting protections in place for New Hampshire residents was critical in assisting them with preventing and investigating these schemes.
- **Senator Murphy** asked how Western Union was different.
 - **Chief Reno** said he could not speak to that.
- **Senator Murphy** asked what protections are in place for an individual if they are told to send \$5,000 and they walked into a Western Union and send it electronically to the person.
 - **Chief Reno** said he was not an expert, but he knew there were safeguards. Western Union used to be the big scam that individuals fell victim to, but he could not answer what the safeguards were.
- **Senator McGough** asked if it was one vendor.
 - **Chief Reno** replied it was not one vendor.
- **Senator McGough** asked if they would be given the tools they needed if they were regulated like conventional ATMs.
 - **Chief Reno** replied that anything would be better than what was in place right now. He reiterated that their position is that they should be banned in their entirety. He said he was not someone who would ask for regulations, but in this situation, there should be strict regulations.
- **Senator Ricciardi** asked if there were two companies, Bitcoin Depot and CoinFlip.
 - **Chief Reno** said yes.
- **Senator Ricciardi** asked for justification as to why individuals go to these machines rather than go online.
 - **Chief Reno** said he could not speak to the justification, and he recognized that the 1.5 percent fee on an individual's phone was significantly lower than other ATMs.

Mike Foster, Sergeant, Tilton Police Department

- Sergeant Foster told a personal story about an older individual who had \$22,000 in cash, and he had already deposited \$3,000 into the machine. He said he was more afraid of law enforcement than the scammer. Except for the transaction fee, they were unable to recover any of the money despite contacting the company immediately.

- Sergeant Foster said scam cases are some of the most frustrating cases for law enforcement. He has seen hundreds of thousands of dollars taken from individuals ranging from high schoolers to senior citizens.
- In smaller towns, such as Tilton and Pembroke, they do not have the resources that larger agencies have.
- Cryptocurrency kiosks are high tech and official looking, thereby allowing scammers to rob victims of their lifesavings before they have realized what has happened.
- A waiting period of 90 days would provide law enforcement with time to receive reports and obtain refunds.
- **Senator Ricciardi** asked if there was a reason a town could not go to a select board or council to ban these machines since they are hurting citizens.
 - **Sergeant Foster** said they were working on it in Tilton. They have Belmont and Franklin in their vicinity, so if they do not enact a ban, they will make the same deposit elsewhere. In the example he provided, the victim was from Franklin and they drove to Tilton.

Representative Keith Ammon

- Representative Ammon said they should not demonize a whole industry. Fraudsters use ATMs and gift cards, yet no one was talking about banning them.
- Representative Ammon said a ban was not the right approach; instead, it was anti-consumer.
- **Senator Murphy** asked what the legitimate uses of these machines were.
 - **Representative Ammon** said they were vending machines, but instead of getting a soda, they are getting cryptocurrency. To conduct certain transactions on a smart contract network, you might need a machine to pay a fee to the operator. Machines can be used to pay a friend, or it can be held in an app on a smartphone to settle a business. He said it is a legitimate form of payment. Recently, President Trump said “America is going to be the crypto capital of the world.” Federal legislation has been delayed because there is a divide between whether they are a security or a commodity. Attention will turn to the states if it passes, and the industry will be looking for which states are friendly. If this bill went too far, the wrong signal would be sent to the world.
- **Senator McGough** said they wanted good legislation to protect consumers and the industry. He asked what was the best way to balance expanding the state’s favorable business climate for this industry, while still protecting good actors and consumers.
 - **Representative Ammon** said they did not need the heavy hand of government to stamp out an industry because there are technological solutions. Blockchain analytics and other tools are provided to law enforcement for free. These devices have a programmable iPad that could

require a series of warnings or a red button to call law enforcement. This is a new technology, but he also understood the need for safeguards for the elderly.

- **Senator McGough** asked if a kiosk could have a trigger for a certain level of transactions or require a phone call to a law enforcement agency or banking regulator before a transaction goes through.
 - **Representative Ammon** thought it could be done. While there might be some companies who are facilitating legitimate scams, he worried that onerous regulation would crush competition. Regulatory compliance is a cost, which is passed on to the user as a fee. These are voluntary transactions. Grown adults are making choices, and the Legislature should respect their autonomy while protecting against fraudsters.
- **Senator Ricciardi** asked why they would charge higher fees when an individual could go online, which has lower fees and less fraud. Based on testimony, these machines are problematic. She said one person scammed is one too many.
 - **Representative Ammon** said that was called safety-ism wherein you value safety so much that innovation is crushed. Banning these machines is not a balanced approach.
- **Senator Ricciardi** asked if he agreed that there was a problem right now that needed to be resolved.
 - **Representative Ammon** said based on a federal study, there has been \$16 billion in total fraud. Less than 2 percent of it is tied to kiosks. Scammers invite someone from another country, they take their passport, and they force them to work in call centers. These individuals are also under duress, so it is a complicated network of how fraud works. He said banning kiosks would not solve a vast majority of problems; instead, it would send a signal that they are afraid of new technology and resistant to the future of the financial industry. With crypto, money can be held on an individual's own device, and no one else has access to it.

Judith Jones, New Futures and New Hampshire Alliance for Healthy Aging

- From January 2024 to June 2024, the FTC estimated that losses from fraud was \$65 million.
- Ms. Jones asked the Committee to look at what other states have done, and if there could be a more robust holding period for customers and a reduction on daily transaction limits.
- Ms. Jones said protections would help, not hurt, the industry.

Emelia Galdieri, Commissioner, and Seth Zoracki, General Counsel, New Hampshire Banking Department

- The Banking Department is responsible for licensing, regulating, and chartering financial institutions ranging from banks to credit unions to money transmitters.
- Teams of examiners go out to look at entities under their jurisdiction. They review money transmitters for compliance with laws, rules, and regulations, including the Bank Secrecy Act, countering the financing of terrorism, and anti-money laundering laws.
- A few years ago, the Department worked with the Bankers Association to provide anyone in a bank who interacts with a consumer with the ability to put a transaction on hold if there is concern over fraud or duress.
- **Senator Murphy** asked what the practical difference was between Western Union and other money transmitters versus a crypto ATM.
 - **Commissioner Galdieri** said it depended on the type of transaction. Crypto kiosks are exempt from the jurisdiction of the Department. With kiosks, there is no third-party in between them.
- **Senator Murphy** asked what was different between driving to Western Union to send \$5,000 versus driving to a Bitcoin ATM to send the same amount. He asked if Western Union had a hold period or a limit.
 - **Commissioner Galdieri** said she would need to talk to those who go out and examine these companies. Western Union is regulated by the Department, so they can look at a transaction, know where money was sent, and when it was sent. While it was looking backwards, they have a consumer complaint process.
 - **Attorney Zoracki** said a difference with Western Union was that an individual will interact with a human who is trained, and subject to regulations on how they are trained, in anti-money laundering. They are a line of defense in trying to block a fraudulent transaction. With crypto kiosks, there are typically no humans there. There could be a convenience store operator, but they would not have the same level of training.
 - **Commissioner Galdieri** said when examiners go to institutions, they ensure they have a fraud program in place that complies with relevant laws, including Know Your Customer. Entities are not required to do this if they do not have the same regulations. Some departments in other states regulate these companies through licensure. The Department offered their services, but it would take a change in their law.
- **Senator Ricciardi** asked if fraud would be minimized if these kiosks were moved under their jurisdiction.
 - **Commissioner Galdieri** said she did not know if it would minimize fraud, but it would give them a way in. They would send examiners to ensure policies and procedures are in place. It can be very challenging to

stop fraud. If transaction limits were imposed, they would send a team of examiners in to ensure that they are done on every transaction.

- **Attorney Zoracki** stated that in some states, these companies are regulated as money transmitters.
- **Senator McGough** said there had been a lot of discussion on where to place this law. He asked if it was properly placed under consumer protection, or if it should be under them. If it were under the Department, he asked if they had better protections and an ability to claw back funds.
 - **Commissioner Galdieri** said clawing back funds was challenging. Fraudsters are creative, so it is a constant struggle. She said she was neutral on where this should be placed. By the end of the year, her examiners will be trained in the fundamentals of cryptocurrency transactions and blockchain analytic software. Since they regulate Western Union, PayPal, Venmo, and other companies, examiners need to be aware of this area that is separate from fiat currency.
- **Senator McGough** asked if they would have to determine how to regulate these as money transmitters if they were placed under the Department.
 - **Commissioner Galdieri** said different things could be done. They could amend the exemption in the money transmitter statute to allow the Department to have oversight over cryptocurrency. They also could do a separate licensure under its own statute. She requested it to be full licensure, not just registration. Previously, the Department registered non-bank cash dispensing machines. They preferred not to do that because they have no ability to go and examine them despite receiving consumer complaints.

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Date Hearing Report completed: February 6, 2026