



February 11, 2025

To: Representative Jacquelyn Baginski, Chair
Members, House Committee on Innovation and Technology

From:

On behalf of The Senior Agenda Coalition of Rhode Island I am pleased to support H 5121, AN ACT RELATING TO FINANCIAL INSTITUTIONS -- CURRENCY TRANSMISSIONS, sponsored by Rep. Julie Casimiro.

Older adults are disproportionately the target of a variety of fraudulent activity. And scams against older persons are a serious and growing problem -- one could even call it an epidemic. One of the newest types of financial fraud involves Crypto Kiosks which are popping up in supermarkets, gas stations and convenience stores. There are about 120 of them in Rhode Island. These ATM look-alikes or virtual currency kiosks are used legitimately to convert dollars into digital currency. However, criminals can use them as a fast, easy or often untraceable way to get access to their victim's cash. They use them as part of an extortion or impersonator scam such as the famous "your grandson is in jail and needs money for bail" depicted in the movie THELMA. The criminal will instruct the victim to withdraw cash from their own bank and deposit it into a Crypto ATM to buy virtual currency. The virtual currency is then sent to the criminal's digital wallet usually irreversibly.

Older adults are a particular target of cryptocurrency schemes. Of the over 5,500 complaints involving crypto currency kiosks reported to the FBI in 2023, almost half came from persons over 60 with losses totaling \$124million. Some have lost their life savings.

Although Crypto kiosks must be licensed as money services businesses at the federal level, a number of states are considering laws such as proposed in H5121 aimed at increasing the safety of these new Crypto ATMs to prevent older adults from being scammed out their money. The bill calls for licensing of cryptocurrency operators, limiting daily transactions, clearly displaying the fees and exchange rate charged and providing for refunds if fraud occurred.

I urge you to please vote to recommend passage of H5121 to help keep Rhode Island older adults safe from these new types of cyber criminals.