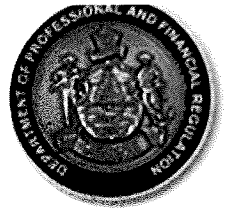




Janet T. Mills  
Governor

STATE OF MAINE  
DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION  
BUREAU OF CONSUMER CREDIT PROTECTION

Linda Conti  
Superintendent



Joan F. Cohen  
Commissioner

**Testimony of Linda Conti  
Superintendent  
Bureau of Consumer Credit Protection  
Department of Professional and Financial Regulations  
In Favor of LDs 1205 and 1339**

**“An Act to Set Limits on Virtual Currency Kiosks” and “An Act to Regulate  
Virtual Currency Kiosks”**

**Before the Committee on Health Coverage, Insurance and Financial Services**

**Thursday, April 17, 2025; 1:00 P.M.**

Senator Bailey, Representative Mathieson and Members of the Committee on Health Coverage, Insurance and Financial Services, I am Linda Conti, and I serve as the Superintendent of the Bureau of Consumer Credit Protection (BCCP).

Both bills, L.D. 1205, a legislator bill, and L.D. 1339, a department bill, are intended to address the same problem, crypto kiosks. These kiosks are a type of vending machine that allows consumers to deposit cash to purchase and then transfer cryptocurrency. When a consumer uses cash to purchase cryptocurrency at a kiosk, there is a large exchange rate imposed. There are less expensive ways to purchase cryptocurrency for those who choose to do so. In addition, to adding undisclosed transaction costs to the purchase of crypto currency, the kiosks have become a favorite tool of scam artists. Because of the inherent anonymity of cryptocurrency, and because of the use of unhosted wallets, these scam artists are beyond the reach of local law enforcement. Bureau investigations have shown that the most common type of schemes employed by the scammers are so-called “imposter schemes,” 2024 data<sup>1</sup> from the Federal Trade Commission (“FTC”) shows that imposter scams are the most common type of scams reported to the FTC by consumers. In 2024, the FTC received 845,806 imposter scam reports with total consumer losses of 2.9 billion dollars. Below are some examples of the types of complaints we are hearing.

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<sup>1</sup> FTC Consumer Sentinel Network, 2024 “Top Reports” tab:  
<https://public.tableau.com/app/profile/federal.trade.commission/viz/TheBigViewAllSentinelReports/TopReports>

**77-year-old Maine Consumer Lost \$19,800.** On March 13, 2025, Bureau staff received a complaint from a 77-year-old Lyman, Maine resident who reported that they suffered a financial loss of \$19,800.00 on March 5, 2025, when they were directed by scammers to use a Bitcoin Depot VC kiosk located at 432 Alfred Road, Sanford, ME 04073. The scammers employed an imposter scheme and convinced the victim that her savings were at risk at her credit union. Live on the phone with the victim, the scammers directed the victim to a local Bitcoin Depot VC Kiosk. The scammers directed the victim to deposit \$19,800.00 cash in the VC Kiosk to purchase Bitcoin, the scammers then directed the victim to transfer the Bitcoin to the criminal's wallet. The scammers supplied the victim with a QR code identifying the scammer's Bitcoin public wallet address and directed the consumer to use the VC kiosk's scanner to identify the scammer's wallet as the destination address for the consumer's Bitcoin.

Similar complaints include:

On March 11, 2025, Bureau staff received a police report identifying a 67-year-old Portland resident who reported that they suffered a financial loss of \$30,000.00 on March 8, 2025, by using a Bitcoin Depot VC Kiosk located at 801 Washington Avenue, Portland;

On December 10, 2024, Bureau staff received a police report identifying a 20-year-old Portland resident who reported that they suffered a financial loss of \$2,800.00 on March 8, 2025, by using a Bitcoin Depot VC kiosk located at 327 Main Street, South Portland;

On August 6, 2024, Bureau staff received a police report identifying an 82-year-old Augusta resident who reported that they suffered a financial loss of \$19,500.00 on March 20, 2024, by using a Bitcoin Depot VC kiosk located at 284 Civic Center Drive, Augusta;

On May 17, 2024, Bureau staff received a complaint from an 81-year-old Eliot resident who reported that they suffered a financial loss of \$26,050.00 by using a Bitcoin Depot VC kiosk located at 28 Levesque Drive, Suite 12, Eliot;

On February 6, 2024, Bureau received a complaint from a 79-year-old Biddeford resident who reported that they suffered a financial loss of \$30,600.00 by using a Bitcoin Depot VC kiosk located at 564 Alfred Road, Biddeford;

On November 8, 2023, Bureau staff received a complaint from a 74-year-old Lyman resident who reported that they suffered a financial loss of \$15,000.00 by using a Bitcoin Depot VC kiosk located at 4 Goodwins Mills Road, Lyman.

While BCCP and the Office of Securities, other state and federal agencies and nonprofit organizations all strive to educate the public about scams, public outreach will never reach everyone or prevent all scams, which is what makes this bill so important. It interrupts the common vehicle that facilitates scams and makes it more likely that people will realize what is going on before the losses reach tens of thousands of dollars.

These bills address the issue by limiting the daily amount a consumer can send via a kiosk and by capping the fees that can be charged. The Department bill, L.D. 1339, also provides for consumer refunds in certain circumstances, and requires disclosures and receipts. The Department bill was developed based on our investigations and our collaboration with other states working on the same problem. Because L.D. 1205's provisions are included in L. D. 1339, which provides greater consumer protections, we ask that you vote L.D. 1339 ought to pass.

Finally, American Express has asked us to make a language change to L.D. 1339 to clarify that a virtual currency kiosk in an electronic device that "is capable of facilitating the transfer of value to a public key that is recorded on a blockchain as directed by the sender." A copy of the amended language is attached to this testimony.

Thank you for your time and I would be happy to answer any questions now or at the work session.

## **An Act to Regulate Virtual Currency Kiosks**

Be it enacted by the People of the State of Maine as follows:

**Sec. 1. 32 MRSA c. 80, headnote** is amended to read:

### **CHAPTER 80**

#### **CHECK CASHERS AND, CASH-DISPENSING MACHINES AND VIRTUAL CURRENCY KIOSKS**

**Sec. 2. 32 MRSA c. 80, sub-c. 4** is enacted to read:

### **SUBCHAPTER 4**

#### **VIRTUAL CURRENCY KIOSKS**

##### **§6163. Short title**

This subchapter may be known and cited as "the Maine Virtual Currency Kiosk Act."

##### **§6164. Definitions**

Terms defined in the Maine Money Transmission Modernization Act have the same meanings when used in this subchapter. Additionally, as used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

**1. Blockchain.** "Blockchain" means distributed ledger technologies where data are shared across a network that creates a digital ledger of verified transactions or information among network participants and the data are typically linked using cryptology to maintain the integrity of the ledger and execute other functions, including transfer of ownership or value.

**2. Transaction hash.** "Transaction hash" means a unique identifier made up of a string of characters that acts as a record of and provides proof that a virtual currency transaction was verified and added to the blockchain.

**3. Virtual currency kiosk.** "Virtual currency kiosk" means an automated, unstaffed electronic machine that allows users to engage in money transmission, including any machine that is capable of accepting or dispensing cash in exchange for virtual currency that is capable of facilitating the transfer of value to a public key that is recorded on a blockchain as directed by the sender at the virtual currency kiosk or at a later time by other means facilitated by the virtual currency kiosk operator.

**4. Virtual currency kiosk operator.** "Virtual currency kiosk operator" means a person that owns, operates or manages a virtual currency kiosk located in this State through which virtual currency business activity is offered.

**5. Virtual currency kiosk transaction.** "Virtual currency kiosk transaction" means a transaction conducted or performed, in whole or in part, by electronic means via a virtual currency kiosk. "Virtual currency kiosk transaction" also means a transaction made at a virtual currency kiosk to purchase virtual currency with fiat currency or to sell virtual currency for fiat currency.

##### **§6165. License required**

132nd Maine Legislature  
An Act to Regulate Virtual Currency Kiosks  
L.D.

A virtual currency kiosk operator must be licensed as a money transmitter pursuant to the Maine Money Transmission Modernization Act unless exempt pursuant to sections 6074 and 6075.

**§6166. Disclosure of virtual currency kiosk locations by operator**

A virtual currency kiosk operator shall provide the bureau with the physical locations of the operator's kiosks in operation in the State.

**§6167. Record retention**

A virtual currency kiosk operator shall preserve and retain all transaction records of a virtual currency kiosk transaction for no less than 3 years, including, but not limited to:

1. **Customer information.** The customer's name, address, date of birth and driver's license number;
2. **Recordings.** Video or other recordings of the transaction; and
3. **Biometric data.** Any biometric data collected.

**§6168. Required disclosures; risks of using virtual currency kiosks**

Before entering into a virtual currency kiosk transaction for, on behalf of or with a person, a virtual currency kiosk operator shall disclose in a clear, conspicuous and easily readable manner all material risks generally associated with virtual currency kiosk transactions, including the risk of fraud or loss and the exchange rates charged by the virtual currency kiosk operator for the purchase and sale of the virtual currency involved in the transaction.

**§6169. Consumer protections**

1. **Transaction limits; dollar amount.** A virtual currency kiosk operator may not accept or dispense more than \$1,000 in a day from or to a customer via a virtual currency kiosk owned by the operator.

2. **Transaction charges.** A virtual currency kiosk operator may not collect charges, whether direct or indirect, from a customer related to a single virtual currency kiosk transaction that exceed the greater of:

- A. Five dollars; and
- B. Three percent of the United States dollar value of the transaction.

3. **Transaction receipt.** A virtual currency kiosk operator shall provide a customer with a receipt for any transaction made at a virtual currency kiosk that includes the following information:

- A. The name of the customer;
- B. The date and time of the transaction;
- C. The name and license number of the operator;
- D. The amounts of fiat currency and virtual currency exchanged or purchased in the transaction and any fees charged to the customer;
- E. The virtual currency transaction hash; and
- F. The exchange rate.

4. **Refunds for customers.** A virtual currency kiosk operator shall issue a refund to a customer for the full amount of all transactions made within 90 days of the customer's first virtual currency kiosk transaction with the virtual currency kiosk operator. To receive a refund under this subsection, a customer must:

- A. Have been induced to engage in the virtual currency kiosk transactions by fraud or by an unfair, deceptive or abusive practice; and

132nd Maine Legislature  
An Act to Regulate Virtual Currency Kiosks  
L.D.

B. Within one year of the last transaction induced by fraud or by an unfair, deceptive or abusive practice, file a report with a government or law enforcement agency that includes a sworn statement attesting to the details of the fraud or unfair, deceptive or abusive practice and information sufficient to identify the virtual currency kiosk transactions subject to a refund pursuant to this subsection.

**§6170. Implementation, administrative authority and enforcement**

The implementation, administrative authority and enforcement provisions of sections 6078, 6079 and 6100-X to 6100-EE apply to this subchapter.

**§6171. Information security**

The administrator shall adopt rules that specify how virtual currency kiosk operators must implement and maintain an information security program. The information security rules must be consistent with the provisions of the federal Gramm-Leach-Bliley Act, 15 United States Code, Section 6801 et seq. (1999), as amended, and the applicable implementing federal regulations as adopted by the Federal Trade Commission. Rules adopted under this subchapter are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**SUMMARY**

This bill requires licensing of virtual currency kiosk operators, caps fees at the greater of \$5 and 3% of the dollar amount of the transaction, establishes a \$1,000 per day transaction limit per customer, requires virtual currency kiosk operators to make certain disclosures to customers and provides a process to refund customers for fraudulent and unfair, deceptive or abusive transactions.