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April 17, 2025

Testimony in Support: LD 1339, An Act to Regulate Virtual Currency Kiosks

Greetings Senator Bailey, Representative Mathieson, and members of the Committee on Health Coverage, Insurance and Financial Services. My name is Paul Armstrong. I am from Palermo Maine and serve as the Lead Advocacy Volunteer for AARP Maine. AARP is a nonprofit, nonpartisan organization dedicated to helping people ages 50 and older age as they choose.

I thank you for the opportunity to testify in support of LD 1339. The written testimony you're receiving today contains more detailed information and recommendations from AARP Maine but I'd like to share some of the highlights.

The increasing use of cryptocurrency kiosks within the United States has created a new avenue for criminals to drain the bank accounts of residents around the country. Since 2020, we have seen a tenfold increase in the losses involved in cryptocurrency kiosk scams, totaling over \$189 million nationwide in 2023, and over \$65 million in just the first half of 2024.¹ Furthermore, individuals like myself over the age of 60 are three times as likely to lose money to a crypto kiosk scam, and of the nearly \$190 million lost in 2023, \$124 million of that belonged to those over 60.²

Upon review of the most recent 2023 report for scam victims within the state of Maine, more than 200 individuals were scammed in a manner involving cryptocurrency, totaling nearly \$6 million in losses.³ With over 120 and counting cryptocurrency kiosks scattered from Presque Isle to Kittery, the risk continues to grow that more Maine people will lose tens of thousands of dollars to these scams that take advantage of Maine's lacking cryptocurrency kiosk regulation.⁴

¹ New FTC data shows massive increase in losses to Bitcoin ATM scams. (2024, September 3). Federal Trade Commission. https://www.ftc.gov/news-events/news/press-releases/2024/09/new-ftc-data-shows-massive-increase-losses-bitcoin-atm-scams?utm_source=govdelivery

² Missakian, E. P. & N. (2025, March 20). AARP pushes states to crack down on crypto ATMs. AARP. <https://www.aarp.org/politics-society/advocacy/info-2024/states-crack-down-crypto-atm.html?msocid=216b327146c3684e1bca27c442c366eb>

³ 2023 Alabama IC3 Cryptocurrency Annual Report. (n.d.). <https://www.ic3.gov/AnnualReport/Reports/2023CryptocurrencyState/#?s=22>

⁴ Coin ATM Radar. (n.d.). <https://coinatmradar.com/state/20/bitcoin-atm-maine/>

In further evidence of foul play, a recent lawsuit by the Iowa Attorney General found that more than \$20 million was sent to scammers through cryptocurrency kiosks in less than three years, the majority of these crypto scams involved individuals over the age of 60, and more than 90% of transactions using these machines in Iowa were fraud related.⁵

By regulating these kiosks here in Maine and protecting our people from increasing crypto scams, this bill makes progress in several key areas. The \$1,000 limit would ensure folks are not losing tens or hundreds of thousands in a single fraudulent transaction. Additionally, the ability of new customers to obtain refunds for transactions they made in their first 90 days is critical to ensuring they have the recourse to obtain their stolen funds due to ongoing or repeat scams, and the reporting window of up to a year ensures that they and law enforcement will have ample time to realize a crime has been committed and report it as such.

There are more comments and suggestions for ways to strengthen the bill from our AARP team in the testimony that was submitted today, as well as their contact information.

I thank you for hearing my testimony and urge you to vote Ought to Pass on LD 1339 in order to protect Maine people from fraud.

Paul Armstrong
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Palermo

⁵ Iowa Attorney General's office. (2023). *LAUNCHING a FIRST-OF-ITS-KIND INVESTIGATION*.
https://www.iowaattorneygeneral.gov/media/cms/CryptoPresserFactSheet_025A49CA1858C.pdf

