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Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committee on Ways & Means
Senate Committee on Judiciary
Wednesday, April 8, 2026
10:15 a.m.
Via Videoconference
Conference Room 211

WRITTEN TESTIMONY ONLY

On the following measure:
H.B. 1642, H.D. 1, S.D. 1 RELATING TO CONSUMER PROTECTION

Chair Dela Cruz, Chair Rhoads, and Members of the Committees:

My name is Emma Olsen, and I am an Enforcement Attorney at the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department supports this bill.

The purpose of this bill is to mitigate fraud losses occurring through digital financial asset kiosks, or bitcoin kiosks, by prohibiting digital financial asset transaction kiosks from accepting United States currency by cash, credit card, or any other means, from a new customer in exchange for digital financial assets; and for existing customers, implementing daily and monthly transaction limits, requiring operators to use blockchain analytics to prevent fraud, requiring certain disclosures, providing printed receipts to consumers, providing full refunds under certain circumstances, requiring the operator to

provide live customer service, and requiring a dedicated phone line to certain government agencies.

Due to the high rates of fraud associated with cryptocurrency kiosks, we believe that a ban is the most effective way to protect consumers. The prior Committee, however, amended this measure by removing the prohibition on kiosks accepting United States currency from customers in exchange for a digital financial asset and instead inserting the contents of SB 2387 S.D. 1. Amending the bill to increase the hold period before a new customer transaction would mitigate losses through fraud at kiosks by prohibiting operators from accepting deposits from new customers. **We recommend amending the bill at Page 10, lines 10-13, to require a 168-hour (i.e., seven calendar days) hold period before an operator may complete a transaction made by a new customer.**

We do not support any amendment that would introduce a dollar threshold to the definition of a new customer. On the contrary, the definition of “new customer” should be as broad as possible, so that as broad a group of consumers as possible will benefit from the friction caused by a hold period before a transaction can be completed. Put another way, any individual who is a new customer should have the benefit of the seven-day cooling-off period from the establishment of a new account to contemplate the benefits of purchasing cryptocurrency and assess the risks that they might be the victim of fraud or scam, no matter how big or small their intended purchase.

We support mitigating harms to consumers from fraud occurring at digital financial asset kiosks. The hold period for new users, the \$2,000 cap on daily transactions, the \$10,000 cap on transactions in any thirty-day period, the provision requiring full refunds to remedy reported fraud, and the law enforcement cooperation requirement all have the potential to protect consumers from fraud losses. Should kiosk activity be allowed to continue in Hawai'i, these provisions must be enacted to protect Hawai'i consumers from fraud losses. The refund provision in this bill creates an important remedy that may encourage operators to innovate and implement new, more effective fraud deterrents. At present, many kiosk operators do not provide refunds, and when they do, they refund only the transaction fees, which comprise perhaps 20%-30% of the original transaction amount. Requiring full refunds, as this bill proposes, is a crucial first step. Operators who

face the prospect of issuing full refunds will be highly motivated to take appropriate steps to reduce fraud losses occurring through their kiosks.

Fraudulent activity involving bitcoin kiosks has resulted in significant financial losses to consumers. At present, Hawai'i has over two hundred bitcoin kiosks located in publicly accessible places like supermarkets, liquor stores, and gas stations. Credible reports nationwide and in Hawaii demonstrate scammers use digital financial asset kiosks to defraud consumers.³ The scammer creates a sense of urgency or builds trust with the victim and then, often over the phone, directs the victim to deposit large amounts of cash into a bitcoin kiosk, which goes directly to the scammer's digital wallet.

Attorney Generals in Iowa and Washington D.C. have sued kiosk operators and announced that scam transactions account for more than 90% of transactions at kiosks targeted by their investigations. In the Washington D.C. lawsuit, Attorney General Schwalb sued cryptocurrency kiosk operator Athena. When the lawsuit was filed, AG Schwalb announced that according to the Athena's own data, obtained during the course of investigation, 93% of all Athena BTM deposits were the direct result of scams, nearly half of all deposits were flagged to Athena as the product of fraud, and the median amount lost per scam transaction was \$8,000, with one victim losing a total of \$98,000.

Because of the startling revelations accompanying these and other enforcement actions, and credible reports of ongoing fraud compiled by the FBI, we have grave concerns that digital financial asset kiosks are misused for fraudulent activity more than they are used to conduct legitimate transactions. Moreover, these credible reports provide a sound basis for enacting stringent regulations regarding the operation of cryptocurrency kiosks. On March 9, 2026, Indiana Governor Mike Braun signed Public Law 143 (H.B. 1116), prohibiting the operation of virtual currency kiosks in Indiana and providing that a person violating the prohibition commits an act that is actionable under the law regarding deceptive consumer sales.² At present, we are not aware of any legal challenges, let alone successful legal challenges.

In 2024, Minnesota enacted a law that did not prevent new customers from depositing cash in exchange for cryptocurrency, but did impose daily transaction limits, clear disclosure, and full refund requirements for new customers. This session,

Minnesota legislators and law enforcement are now advocating for a bill banning cryptocurrency kiosks altogether. Even after Minnesota enacted its 2024 law, fraudsters were able to circumvent the new customer protections, and 2025 was the worst year to date for crypto kiosk scams reported to Minnesota's Department of Commerce.¹

Should the Committee pass this bill, enforcement of this new section of the HRS will be the responsibility of the Department and the Department of the Attorney General. Enforcement will require resources and may require appropriations for such resources. The Department will monitor the resources required for enforcement and may return next year with a request for resources commensurate with the exercise of appropriate enforcement authority.

We respectfully request that the Committee pass this bill, with the following amendment:

Increase the hold period for each new customer transaction from two to seven calendar days, by replacing the language on Page 10, lines 10-13 with the following: "(j) All operators shall hold each digital financial asset transaction made by a new customer for a period of at least one hundred sixty-eight hours, after which the operator may complete the transaction."

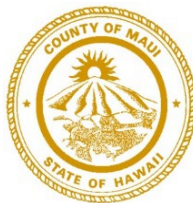
Thank you for the opportunity to testify in support of this bill.

LATE

RICHARD T. BISSEN, JR.
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Prosecuting Attorney

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TESTIMONY ON
H.B. 1642 HD1 SD1
RELATING TO CONSUMER PROTECTION

April 7, 2026

The Honorable Donovan M. Dela Cruz
Chair
The Honorable Sharon Y. Moriwaki
Vice Chair
and Members of the Committee on Ways and Means

The Honorable Karl Rhoads
Chair
The Honorable Mike Gabbard
Vice Chair
and Members of the Committee on Judiciary

Chairs Dela Cruz and Rhoads, Vice Chairs Moriwaki and Gabbard, and Members of the Committees:

The Department of the Prosecuting Attorney, County of Maui respectfully submits the following comments **in support of H.B. 1642 HD1 SD1, Relating to Consumer Protection**. This measure imposes various limitations and requirements for transactions at digital financial asset transaction kiosks.

The Department of the Prosecuting Attorney, County of Maui supports this bill in part because of the increasing number of financial scams involving innocent citizens tricked into sending cash, gift cards or wire transfers to criminals via phone or internet contact. Digital financial asset transaction kiosks are another tool in a scammer's arsenal: They're the electronic equivalent of an ATM, with the added danger that digital assets purchased at one of these kiosks can be immediately transferred to a scammer's digital wallet and are nearly impossible to recover.

This bill would protect our community by, *inter alia*, creating daily and monthly transaction limits on kiosk transfers by a single person, as well as requiring multiple warnings and disclosures to consumers about digital assets in general and their potential for use in scams. It would also require each kiosk operator to implement transaction receipts, a transaction delay for new customers, a refund process for fraudulent transactions and transaction analytics to prevent same, and provide point of contact information for regulating government entities. These protections are a vital part of ensuring that digital asset transactions at these kiosks are safe, secure and legitimate.

For these reasons, the Department of the Prosecuting Attorney, County of Maui **supports H.B. 1642 HD1 SD1**. Please feel free to contact our office at (808) 270-7777 if you have any questions or inquiries. Thank you very much for the opportunity to provide testimony on this bill.

HB-1642-SD-1

Submitted on: 4/6/2026 7:07:56 PM

Testimony for JDC on 4/8/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
GARY SIMON	Testifying for Policy Advisory Board for Elder Affairs (PABEA)	Support	Written Testimony Only

Comments:

Dear Chair Dela Cruz, Vice Chair Moriwaki, Honorable Members of the Senate Committee on Ways and Means, Chair Rhoads, Vice Chair Gabbard, and Honorable Members of the Senate Committee on Judiciary:

I am Gary Simon, a member of the Policy Advisory Board for Elder Affairs (PABEA), which is an appointed board tasked with advising the Executive Office on Aging (EOA). My testimony does not represent the views of EOA but of PABEA.

PABEA strongly supports HB 1642 HD 1 SD 1, which establishes limits on transactions through digital financial asset transaction kiosks. HB 1642 HD 1 SD 1 also requires operators of digital financial asset transaction kiosks to use blockchain analytics and tracing software to prevent fraud; make certain disclosures; provide receipts to customers; provide full refunds under certain circumstances; hold new customer transactions for a period of at least forty-eight hours; and provide live customer service and a dedicated communications line for the Attorney General, Office of Consumer Protection, Department of Law Enforcement, and county police departments.

Cryptocurrency transactions come with many real risks, including scams. Legislation is required to protect Hawaii's residents from these cryptocurrency scams.

We urge you to protect Hawaii's consumers and to recommend passage of HB 1642 HD 1 SD 1.

Mahalo for seriously considering the bill.

Gary Simon

Policy Advisory Board for Elder Affairs (PABEA)

Honolulu, Hawaii



Aloha, Chair Dela Cruz, Chair Rhoads, and honorable members of the Senate Judiciary and Ways and Means Committees,

My name is Louise Pais Meyers with Hilt Ventures, a locally operated crypto kiosk company here in Hawaii.

Hilt Ventures supports reasonable efforts to combat fraud at cryptocurrency kiosks. However, HB 1642 HD1 SD1 is significantly overreaching as it is currently drafted as it does not differentiate between new and existing customers with respect to refunds and transaction limits.

Most states — including Arizona, Arkansas, Colorado, Florida, Illinois, Kansas, Oklahoma, Maryland, Nebraska, Rhode Island, Virginia, and West Virginia — have passed/adopted a **risk-based, tiered system**. These laws provide stronger safeguards for new customers (who are the primary targets of scams) while allowing higher limits for established customers who have demonstrated a legitimate pattern of use.

Under this widely accepted model:

- New customers typically face a low daily transaction limit (generally **\$2,000**).
- Existing customers are permitted significantly higher daily limits (usually **\$10,000** or **\$10,500**).

Refund protections are similarly differentiated under this model:

- **full refunds for new customers** within a reasonable timeframe
- existing customers receive more limited remedies (fee refunds only).

In contrast, **HB 1642 HD1 SD1** applies the same restrictive **\$2,000 daily limit** and **\$10,000 monthly cap to all customers**, regardless of their history with the operator. It also creates an **open-ended, perpetual full refund right** with no meaningful time limit. This approach deviates significantly from the balanced, risk-based legislation successfully adopted in other states.

In practice, we resoundingly see this tiered approach being highly successful in stopping scams. By way of example, we recently stopped a scam in Honolulu using our new customer hold policy. A new user received a call from a person identifying himself as a lieutenant from the Honolulu Police Department contacted him. He was told he failed to appear for jury duty and that there was a contempt-of-court issue that could result in his arrest. He was instructed to go to our kiosk to purchase crypto. He was then told to pay the remaining amount using Apple Cash, so he sent additional monies to Apple Cash to the phone number he was provided. We stopped the transaction at our kiosk using our first time user hold period. During the hold/review period, compliance determined that the transaction was fraudulent. The customer acknowledged that he had been scammed. The crypto was not sent to the criminals, and the customer received a full refund of his money. We would like to point out that the customer reported to us that he did NOT receive the other monies back from Apple Cash.

Consumer protection organizations, including the **AARP**, have strongly supported the tiered model across multiple states. Just last month, AARP Arizona highlighted **real success stories** under their law, **where new customers were able to obtain full refunds after reporting fraud**, calling the targeted protections **highly effective**. Similarly, AARP Kansas strongly backed legislation (now awaiting the Governor's signature) that distinguishes between new and existing customers for both transaction limits and refunds.

We respectfully request that the Committees amend HB 1642 HD1 SD1 to differentiate between new and existing customers in the transaction limits and refund provisions, consistent with the tiered approach taken in other states.

Proposed Amendments:

Transaction Limits

- **New Customer:** \$2,000 (or equivalent in digital financial assets) per day.

- **Existing Customer:** \$10,500 (or equivalent) per day.

Refund Provisions

- If a **new customer** has been fraudulently induced to engage in a digital financial asset transaction and contacts the kiosk operator and a law enforcement or government agency within **thirty (30) days** after the transaction, the operator shall issue a **full refund** (including all associated fees) upon the customer's request.
- If an **existing customer** has been fraudulently induced and provides the same timely notice, the operator shall issue a refund of the **fees charged** in association with the transaction.

Definitions

- **"New Customer"** means a customer who has been a customer of the operator for less than 48 hours.
- **"Existing Customer"** means a customer who has transacted with the operator for 48 hours or more.

These changes align naturally with the bill's existing 48-hour hold provision for new customers.

Hilt's concerns were previously noted by your Committees in Standing Committee Report 3036 on SB 2387 SD1.

Hawaii should not be the outlier – and should not be the only state moving forward with unworkable, one-size-fits-all transaction limits and an unprecedented open-ended, perpetual full refund right with no time limitation. Adopting language that significantly deviates from the successful approach now used in other states risks creating regulatory uncertainty, operational challenges, and potential other legal concerns.

We strongly encourage the Committee to align HB 1642 with the proven, balanced framework used across the country by differentiating between new and existing customers in both transaction limits and refund provisions.

Thank you for your consideration.

Summary

State	Bill / Law	New Customer Daily Limit	Existing Customer Daily Limit	Refunds	Effective / Status
Arizona	HB 2387	\$2,000	\$10,500	Full refund for new customers only. The victim must report the fraud to the operator and law enforcement / Attorney General's office within 30 days of the transaction and provide a law enforcement or government report confirming the customer was fraudulently induced. No full refund right for existing customers (fee refunds may apply in some cases).	Active (Sept 2025)
Arkansas	Act 557 (2025)	\$2,000	\$7,500	Full refund for new customers only. Operator must allow cancellation and provide a full refund for fraudulent transactions that occurred within 72 hours of the customer's first transaction. The customer must contact the operator and file a report with law enforcement/government agency within 14 days after the last transaction in that 72-hour window.	Active (Sept 2025)
Colorado	SB 25-079	\$2,000	\$10,500	Full refund for new customers only (and limited to the customer's first transaction only). Operators must provide a full refund for a customer's first virtual currency transaction only if: (1) it was sent to a wallet or exchange outside the United States, (2) the customer contacts the operator and a government/law enforcement entity within 60 days, and (3) submits proof of fraud (e.g., police report or notarized declaration). The refund must be issued within 72 hours of notification.	Active (Jan 1, 2026)
Florida	HB 505 (2026)	\$2,000	\$10,000	Full refund for new customers only (and limited to customer's first virtual currency transaction). Customer must notify operator and law enforcement within 60 days and provide proof of alleged fraud (e.g., police report or notarized affidavit). Operator must refund customers within 72 hours after receiving the police report.	Passed (March 13, 2026); awaiting Governor
Illinois	Digital Asset Kiosk Act (SB 2319)	\$2,500	\$10,500	Full refund to new customers only. Operators must issue full refunds for fraudulent transactions to new customers (during the new-customer period — first 3 transactions or 7 days). The new customer must submit a police report or government agency report within 60 days after the last transaction in the new-customer period. Existing customers may recover fees only under similar reporting conditions.	Active (Aug 2025)
Kansas	(HB 2591 / HB 2515)	\$1,000	\$10,500	Full refund for any transaction within 14 days of initial (no-questions for very early ones); existing customers limited to fee refund with police report within 30 days 72-hour hold on funds for early transactions	Passed March 2026; awaiting Governor signature
Maryland	SB 305 (Chapter 117, 2025)	\$2,000	\$10,500	Fee refund only. No full principal refund is required by statute. Customer must submit a Notice of Fraud no later than 90 calendar days after the alleged fraudulent transaction. The operator has 30 calendar days from receipt of the Notice of Fraud to investigate the claim. Within 3 business days after completing the investigation, the operator must mail the user either grant the fee refund, or issue a letter denying the refund.	Active (Jan 2026)

Nebraska	LB 609	\$2,000	\$10,500	Full refund for new customers if reported to operator and law enforcement within 30 days; fees only for existing	Active (Sept 2025)
Oklahoma	SB 1083	\$2,000	No specific higher daily cap mentioned (standard limits apply)	Full refund for new customers if reported within 14 days (and within 72 hours of first use in some interpretations); fees only for all other customers	Active (November 2025)
Rhode Island	S 0016	\$2,000	\$5,000	Full refund for new customers if reported within 90 days; fees only for existing	Active (June 2025)
West Virginia	HB 5353	\$1,000	\$10,000	Full refund for new customers only if reported within 30 days	Signed April 2026; now law
Federal	S. 710	\$2,000	\$10,000	Full refund for new customers if reported within 30 days; fees only for existing	Proposed

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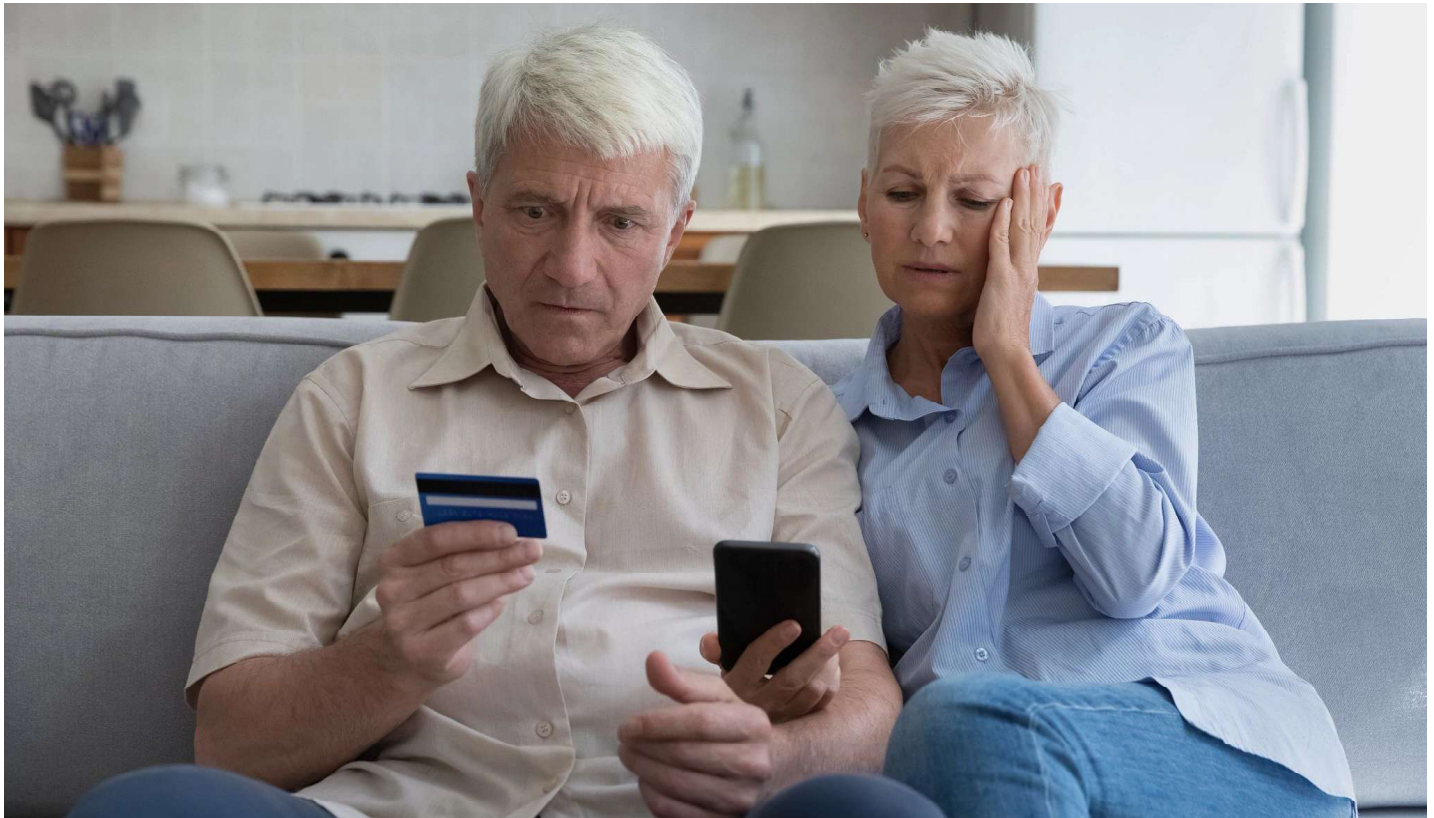
AARP Arizona

Arizona Law Aims to Stop Crypto ATM Scams

The new refund rule helps fraud victims

Julie Halpert, AARP

Published March 01, 2026



GETTY IMAGES

Gale Barr, a nurse practitioner living in Goodyear, got a voicemail on her 70th birthday this past October. The caller said he was a deputy sheriff and asked her to contact him about an important legal matter. Barr was curious. So, she returned the call.

She had two citations, he said, for failing to report for jury duty. A withdrawal of \$9,260 from a bank account would take care of the legal issue, he said. All she had to do was deposit the cash into a Circle K convenience store cryptocurrency kiosk (also called a crypto ATM).



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AARP REWARDS

Barr was diagnosed with mild cognitive impairment after COVID, and she says that may have made her more vulnerable. "I was frightened," she says—and also worried about going to jail. "I thought it was real."

Barr deposited the cash. Then the "deputy sheriff" told her she had another citation. This one was for \$12,000. She told the man she had only \$3,000 in her account, and he said that would be enough. She headed to withdraw the money from a different bank branch, where a suspicious manager broke the news that she had been scammed.

The money had been set aside to help care for her son's mental and physical challenges. "I just cried," she says. "I worked for that money, for my son."

But thanks to an Arizona law passed last May that aims to clamp down on cryptocurrency ATM fraud, Barr was able to get all her money returned from the ATM operator. The law requires that ATM operators issue full refunds to those who report to local law enforcement or the attorney general's office that they have been victims of fraud within 30 days of the transaction.

AARP advocated for the law as part of its ongoing efforts — including prevention programs and anti-fraud resources — to teach older Americans how to stay safe.

With ATM crypto scams, the scammers use Bitcoin machines, typically found at convenience stores. They ask consumers to deposit cash withdrawn from their bank accounts into these machines, which then convert the cash to cryptocurrency. A QR code that the criminals provide allows the money to be deposited into the perpetrator's crypto account, and the scammer remains anonymous.

ARTICLE CONTINUES AFTER ADVERTISEMENT

According to the FBI, the amount nationally lost to crypto ATM fraud was \$246.7 million in 2024. Older Americans faced the largest losses to crypto ATM fraud. For those ages 50 to 59, the total loss was \$5.5 million. For those over 60, it was \$107.2 million. Beyond that, in a September 2024 report, the Federal Trade Commission indicated that in the first half of that year, people older than 60 were more than three times as likely as younger adults to report losing money to crypto ATM-related scams.

In 2024, the AARP Fraud Watch Network started a project to develop a broad message aimed at helping older adults and other consumers recognize and avoid scam attempts. The network came up with the “Pause. Reflect. Protect.” program.



AARP Destination Guides

Exclusive guides to popular cities in the U.S. and fun vacation spots around the globe

Education and knowledge are critical weapons against scams, says Laura Flannigan, AARP Arizona’s advocacy analyst. AARP has 253 volunteers in Arizona who educate the public on fraud through events, presentations and other resources. “We want the public to know that any request to pay for something through a crypto ATM deposit is extremely suspicious,” she says.

- [AARP Fraud Watch Network](#) Learn more about AARP Fraud Watch Network resources.
- **AARP Fraud Watch Network Helpline** 877-908-3360

Julie Halpert covers aging and many other topics for publications including The Wall Street Journal and The New York Times.

More From AARP

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DATE: April 7, 2026

TO: Senator Karl Rhoads, Chair
Committee on Judiciary

Senator Donovan Dela Cruz, Chair
Committee on Ways & Means

FROM: Tiffany Yajima / Mihoko Ito

RE: **HB1642, HD1, SD1 – Relating to Consumer Protection**
Hearing Date: Wednesday, April 8, 2026 at 10:15 a.m.
Conference Room: 211

Dear Chair Rhoads, Chair Dela Cruz, and Members of the Joint Committees:

We submit this testimony on behalf of the Hawaii Bankers Association (HBA). HBA represents seven Hawai'i banks and one bank from the continent with branches in Hawai'i.

HBA **supports** the SD1 version of H.B. 1642, HD1, SD1, which among other things establishes safeguards on cryptocurrency kiosks by setting a daily transaction limit of \$2,000 and a transaction limit of \$10,000 in any thirty-day period to prevent large sums of money from being withdrawn or deposited via cryptocurrency kiosks.

The digital asset market includes a range of instruments – from speculative and highly price volatile cryptocurrencies (e.g., bitcoin and ether), to so-called stablecoins that are backed by a collection of assets (e.g., USDC and Tether), to digital representations of customer bank deposits on a blockchain. Each category of digital asset has unique risk characteristics depending on its issuer and use case.

As of December 2024, the total value of cryptocurrencies, including stablecoins, stands at around \$3.7 trillion, besting its previous peak of \$3 trillion in November 2021 and recovering from a recent low of about \$1 trillion in the first half of 2022.

In 2022, the drop in cryptocurrency valuations coupled with risky, highly leveraged, and largely unregulated business models resulted in some digital asset companies becoming insolvent, wiping out some customers and leaving others frozen out of accounts they thought were protected.

Given there is no comprehensive regulatory framework that establishes guidelines for risk management and consumer protection in the digital asset market, HBA supports the intent of the bill because of the significant risks of fraud against consumers.



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Scams and fraud have reached epidemic proportions. The Federal Trade Commission reports that fraud losses in the U.S. topped \$23.7 billion last year, though some estimate that number could be as high as \$158 billion. While these kiosks enable people to make legitimate financial transactions every day, these kiosks are also increasingly being used in scams targeting older adults. In these scams, victims are convinced to use the kiosks to transfer cryptocurrencies to a wallet address controlled by the scammer.

HBA supports this measure as a way to protect consumers from fraud, exploitation, and coercive schemes in digital asset transactions.

Thank you for the opportunity to submit this testimony.



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**TESTIMONY SUBMITTED TO THE HAWAII SENATE COMMITTEES ON JUDICIARY
& WAYS AND MEANS**

Jon Turke, Director – Government Affairs

April 8, 2026

Chairs Dela Cruz & Rhoads and honorable members of the Senate Judiciary and Ways & Means Committees, thank you for the opportunity to provide testimony today regarding legislation related to cryptocurrency kiosks.

CoinFlip does support proposed regulatory measures that would further consumer protection including but not limited to licensure, mandatory disclosures, compliance program requirements, and technology requirements. We appreciate the opportunity to offer additional consumer protection-focused recommendations that we know to be highly effective in preventing fraudulent transactions at virtual currency kiosks and look forward to continuing to work with the State of Hawaii to protect consumers.

Company Background

CoinFlip is a Chicago-based, global digital currency platform, focused on providing consumers with a simple and secure way to buy and sell virtual currency. Founded in 2015, CoinFlip is one of the world’s largest operators of virtual currency kiosks, with more than 5,000 locations across the United States and in nine countries around the world, employing more than 200 people.

CoinFlip’s kiosks make buying and selling major cryptocurrencies accessible and secure for consumers who wish to purchase their virtual currency using cash. CoinFlip has operated in the State of Hawaii since 2020. We applied for a money transmitter license in 2025 but were told by the department that none was required. Additionally, CoinFlip is a money service business (“MSB”) registered with the Financial Crimes Enforcement Network. As an MSB, CoinFlip is subject to the Bank Secrecy Act (“BSA”), the United States PATRIOT Act, and their implementing rules and regulations.

CoinFlip embraces licensing regimes as an effective means to create baseline requirements for operations, as well as effective oversight. CoinFlip holds 41 money transmitter licenses with additional applications currently pending. CoinFlip has moved to obtain these licenses, even in states where there is no current licensing requirement, like Hawaii.

It is vital that smart, pro-consumer regulations are enacted to provide needed guardrails to the industry. However, it is important to remember that of all cryptocurrency scams that happened in the U.S. in 2024 (latest year data available), 3% happened at a kiosk, and 97% at another product. Additionally, the vast majority of the financial fraud still occurs at traditional financial institutions, gift cards, and payment apps like Venmo and PayPal.

HB 1642

CoinFlip supports HB 1642, as amended, but offers further amendments to further protect consumers while allowing individuals to continue to purchase cryptocurrency in the manner of their choosing. The proposed transaction limits in the bill do not adequately consider federal reporting requirements. Under federal law, CoinFlip is required to file a Suspicious Activity Report (“SAR”) for any suspected suspicious transactions of at least \$2,000 and a Currency Transaction Report (“CTR”) for transactions above \$10,000. This information is placed in a repository for law enforcement to quickly and accurately conduct investigations.

Hawaii’s proposed \$2,000/day transaction limit and \$10,000 monthly aggregate limit would encourage bad actors to split transactions across multiple operators (“stacking”) in order to avoid state thresholds, undermining AML monitoring and making scams harder to detect. These limits would also reduce reporting: if transactions are forced below federal CTR thresholds, kiosk operators will not file CTRs, resulting in less information available to law enforcement.

Lastly, the refund provisions found in SB 2387 are unprecedented for money service businesses. No other financial service product has statutory requirements for authorized transactions like contained in this bill. Under Regulation E, a consumer is entitled to a refund only for an unauthorized transfer, not for transactions the consumer authorized or participated in (12 C.F.R. §§ 1005.2(m), 1005.11). Imposing this refund obligation solely on kiosk operators implies that no other participant in the scam ecosystem, such as phone carriers, social media platforms, email providers, or financial institutions, shares responsibility for the transaction, despite their role in enabling the fraud.

However, we do recognize that new customers are among the most vulnerable to scams, so we support refunds for new customers and refund of fees for any customer, as we do not want to profit off fraud. CoinFlip already voluntarily refunds fees to victims of scams.

Proposed Consumer Protection Policies

CoinFlip believes smart regulation is good for business. We believe that a regulatory framework is necessary to protect consumers and encourage innovation in the industry; however, transaction limits and refund provisions as currently proposed in HB 1642 do not take into consideration federal reporting requirements. Instead, we developed the following best practices that would further enhance consumer protections and support their inclusion in any legislation:

- **Require licensure with the state.** CoinFlip believes a money transmitter license should be required for all virtual currency kiosk operators, allowing for state oversight and periodic audits to determine the adequacy of compliance, finance, and cybersecurity programs.
- **Require robust compliance programs.** Kiosk operators should be required to directly employ a qualified, in-house, Chief Compliance Officer and compliance team, that does not have a large ownership interest in the company. At CoinFlip, we take compliance seriously: our Chief Compliance Officer is a former federal prosecutor, and our general counsel is a former Illinois Assistant Attorney General.

- **Require clear, highly visible warnings and fee disclosures.** We agree with the proposed legislation regarding the requirement of clear disclosures regarding all fees and terms of service. We also believe highly visible fraud warnings should be required to be displayed and acknowledged by the customer prior to the initiation and completion of any transaction.
- **Require blockchain analytics.** The use of blockchain analytics technology should be required to fight fraud by automatically blocking customer transactions to high-risk digital wallets.
- **Require live customer service.** Customer service is the first line of defense for consumer protection. We believe every virtual currency kiosk operator should be required to provide trained, live customer service at minimum during business hours.
- **ID Verification.** Require operators to follow federal law for money service businesses and take photo identification for transactions over \$1,000 in a day. We use a third-party company to verify customer IDs are legitimate and match who is at the kiosk.
- **Daily Transaction Limits.** New customers are defined as those using machines in the first three days with a daily limit of \$2,500. After the new customer period, existing customers have a limit of \$10,500.
 - These limits track with Illinois, Maryland, Colorado, Nebraska, Oklahoma, Arizona. Missouri has no limits. Similar limits are currently proposed in Alabama, Florida, Georgia, Ohio, and New Hampshire.
- **Fee Cap.** Place a fee cap of 18% on kiosk transactions.
 - States that have instituted a fee cap have been between 15-18%.
- **First Transaction Hold.** Hold the first transaction of a new customer for 48 hours, during which time a customer can call and cancel the transaction with no questions asked.
- **Customer Refunds.** Require operators to refund fees of all transaction fees related to fraud.
- **Dedicated law enforcement contact.** Require operators to have a dedicated phone, email, and staff person assigned to receive law enforcement contacts.
- **Wallet Pinning.** Operators must link one wallet to one customer so that if it is attempted to be used by another customer, the transaction can be blocked.

CoinFlip shares your goals of consumer protection. Although blockchain technology and virtual currency kiosks are new, the fraud we see reported is all too familiar. Whether it's phone, email, text or an online pop-up, scammers repackage the same old tactics and utilize whatever methods they have at hand – Venmo, PayPal, Zelle, Gift Cards, MoneyGram or virtual currency kiosks – to dupe people out of their money.

The best defense for consumers is to be well-informed and well-alerted at the point of transaction. The best defense for companies is to have the right tools in place to help identify and fight fraud and help law enforcement catch the bad actors.

Sincerely,

/s/ Jon Turke

Jon Turke

Director – Government Affairs



1001 Bishop Street #625 | Honolulu, HI 96813
866-295-7282 | aarp.org/hi | hiaarp@aarp.org |
[Twitter.com/aarpHawaii](https://twitter.com/aarpHawaii) | facebook.com/aarpHawaii

LATE

**The Thirty-Third State Legislature
Senate Committee on Judiciary
Senate Committee on Ways and Means
Wednesday, April 8, 2026
Conference Room 211, 10:15 a.m.**

TO: The Honorable Karl Rhoads, Chair
The Honorable Donovan Dela Cruz, Chair
FROM: Keali'i S. López, State Director
RE: Strong Support for H.B. 1642, HD1, SD1 Relating to Consumer Protection

Aloha Chair Rhoads, Chair Dela Cruz and Members of the Committees:

My name is Keali'i López, and I serve as State Director for AARP Hawai'i. AARP is a nonprofit, nonpartisan organization dedicated to empowering people age fifty and older to choose how they live as they age. We advocate on behalf of the issues that matter most to older adults and their families. On behalf of AARP's more than **135,000 Hawai'i members**, I write in **strong support of H.B. 1642, H.D.1, S.D.1.**

Fraud prevention is one of AARP's highest priorities, and the threat posed by cryptocurrency-related frauds is growing rapidly. As criminals evolve their tactics, state policy must keep pace. Cryptocurrency kiosks also known as crypto ATMs or bitcoin ATMs have quickly become a **preferred tool for scammers** to extract money from victims. These machines are widely available in everyday locations such as supermarkets, gas stations, convenience stores, and pharmacies, and they closely resemble traditional bank ATMs, making them particularly deceptive and dangerous for consumers.

The scope of the harm is staggering. In just the **first eleven months of 2025**, the FBI reported that more than **12,000 consumers lost \$333 million** through cryptocurrency kiosk fraud. These figures reflect only reported losses; the true impact is far greater, as many victims, especially older adults, are reluctant or embarrassed to report fraud. Data from the FBI and the Federal Trade Commission consistently show that **kupuna are disproportionately targeted and harmed** by these schemes.



H.B. 1642, HD1, SD1 Relating to Consumer Protection
April 8, 2026
Page 2

H.B. 1642, H.D.1,S.D.1 takes decisive action by putting up safeguards on the crypto-ATMs/Kiosks. These provisions disrupt one of the most effective mechanisms scammers use to collect stolen funds quickly and irreversibly. The Legislature can meaningfully reduce fraud and protect Hawai'i consumers from devastating monetary loss.

Versions of this comprehensive framework have already passed in eighteen other states and have demonstrated success in reducing fraud. As **H.B. 1642, H.D.1** moves forward, we respectfully ask that legislators ensure this measure will be supported by the Governor and enacted into law. AARP also supports S.B.2387, HD1 which include the safeguard provisions as well as a ban on deposits for new customers initially, with an eventual ban for all users in 2030.

AARP supports both measures, and we strongly urge the Legislature, once these bills reach Conference, to **come to agreement on a single bill that will become law this session.** Hawai'i residents cannot afford inaction or delay. Every month without meaningful safeguards results in **millions of additional dollars lost** to scams that exploit regulatory gaps and consumer confusion. Failure to enact legislation this year would leave consumers exposed to ongoing and preventable harm. That is not an acceptable outcome particularly when effective policy solutions are clearly before you.

Mahalo for the opportunity to submit testimony in strong support of **H.B. 1642, H.D.1,S.D.1** and for your continued commitment to protecting Hawai'i's consumers.

HB-1642-SD-1

Submitted on: 4/6/2026 2:37:50 PM

Testimony for JDC on 4/8/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Dan Gardner	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Rhoads, Chair Dela Cruz, and Members of the Committees:

My name is Dan Gardner, and my wife Deborah and I are both in strong support of HB 1642 HD1 SD1 to establish critical safeguards for crypto currency transactions conducted through ATM-like kiosks in Hawai'i.

Sadly, while ATMs are normally used to obtain cash, Crypto kiosks are being used by clever scammers to fraudulently take hard earned savings dollars from poorly informed unfortunate citizens, with sadly a large proportion being seniors. The number of people being scammed this way has been growing yearly with 68 reported losses in 2024 totaling over \$920,000. Final 2025 results will likely show many more losses. These losses by scammers must be stopped. We respectfully ask you to pass HB 1642 HD1 SD1 which, as written, will help to eliminate these scams. It will help protect our seniors and ensure this latest financial technology goes forward in a more safe and responsible manner.

Thank you for taking this proactive action with this legislation to better protect Hawai'i's consumers.

Dan and Deborah Gardner, 1599 Kalaniuka Circle, Honolulu HI 96821

HB-1642-SD-1

Submitted on: 4/6/2026 2:01:45 PM

Testimony for JDC on 4/8/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
William Caron	Individual	Comments	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Aquino, and Members of the Committee,

I am writing to provide **comments** on HB1642 as amended by the previous committee.

The bill has been dramatically weakened to the point of being mostly useless.

House Draft 1 of HB1642 took the only truly effective approach to preventing cryptocurrency kiosk scams: a **full ban on the ownership, operation, or management of a digital financial asset transaction kiosk that accepts United States currency from a customer in exchange for a digital financial asset.** In plain language, it stopped the cash-in function that scammers rely on to steal life savings from our kūpuna and vulnerable residents.

This ban was necessary because, as investigations by the attorneys general for the District of Columbia and Iowa determined, **more than 93% of transactions at the kiosks they investigated were scam transactions.** When more than nine out of 10 transactions are fraudulent, warning labels and disclosure requirements are not enough. Scammers coach victims on what to say and how to dismiss concerns. A sign on a machine will not stop them.

The previous committee replaced this effective ban with a weak regulatory framework borrowed from SB2387.

The amended version now includes blockchain analytics, disclosure requirements, refund provisions, and customer service mandates. While these sound reasonable, they do nothing to prevent the core mechanism of the scam: a victim walking up to a kiosk, inserting cash, and sending cryptocurrency to a scammer's wallet address in real time. A 48-hour hold for "new customers" is easily circumvented—scammers will simply instruct victims to lie or use a different kiosk.

Eighteen other states may have passed such regulatory frameworks, but none have demonstrated success in eliminating the 93% fraud rate. The only proven method is to shut off the cash-in valve entirely.

I respectfully request that the committee revert HB1642 to its House Draft 1 version and ban the cash-in function at cryptocurrency kiosks outright.

Consumers who wish to invest in cryptocurrency legitimately have other options: online exchanges, brokerage platforms, and other regulated channels that offer consumer protections, fraud monitoring, and the ability to reverse or report suspicious transactions. Kiosks offer none of that. They are not legitimate financial tools—they are weapons aimed at our most vulnerable.

How the Scams Work

Cryptocurrency kiosks, often placed in convenience stores, gas stations, and other easily accessible locations, may look like a harmless new technology. But the evidence from across the country paints a starkly different picture: these machines have become a primary tool for scammers to steal life savings from vulnerable individuals, especially older adults.

The pattern is now familiar and devastating. A scammer contacts a victim—often an older adult—posing as a government agent, a tech support representative, a family member in distress, or a romantic interest. They create a story of urgency and fear: your bank account is compromised, you owe back taxes, your grandchild is in jail and needs bail.

The victim is instructed to withdraw cash, go to a cryptocurrency kiosk, and deposit that cash into a digital wallet address provided by the scammer. Once the cash is converted to cryptocurrency and sent, it is gone. Irretrievably. There is no "undo" button, no fraud department to call, no chargeback to file. The money vanishes into the anonymous world of digital assets, and the victim is left with nothing.

Please restore the full ban. Our kūpuna cannot afford a half-measure.

Mahalo for your consideration.

THE SENATE
KA' AHA KENEKOA

NOTICE OF DECISION MAKING

Wednesday, April 8, 2026

10:15 a.m.

RELATING TO CONSUMER PROTECTION

H.B. 1642, HD1, SD1

Committee on Ways and Means

Committee on Judiciary

Aloha Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee on Ways and Means. Aloha Chair Rhoads, Vice Chair Gabbard and Members of the Committee on Judiciary.

My name is Carol Wakayama and I wish to express my **STRONG SUPPORT** for H.B. 1642, HD1, SD1.

During 2025, I heard comments about cryptocurrency machines springing up in Hawaii. These machines are a relatively new concept. However, there is a huge risk - especially to those with limited digital knowledge - that machine users could potentially lose huge amounts of monies and even their life/retirement savings - to criminal fraudsters.

Over the past several decades, I have heard numerous stories of phone calls that are allegedly from law enforcement, attorneys or other individuals - but the calls are actually from fraudsters. These fraudster-callers seem to have one thing in common.... They prey on someone's "tendency for concern" by either pretending to be someone they are not or having a traumatic story that frightens the listener into handing over monies. These fraudsters are predators.

Passage of H.B. 1642, HD1, SD1 will help provide some protection and safeguards to the consumer, for example, setting a dollar amount limit on transactions; posting clear instructions on how to contact law enforcement should a user suspect fraud and; warnings of potential scams when using a crypto-currency ATM. By increasing protections for machine users, I hope that crypto-currency fraudsters will realize that Hawaii's residents are better protected/educated against fraud and may think twice before increasing the number of these machines in Hawaii. Thank you for your support of H.B. 1642, HD1, SD1.

Carol Wakayama
Punchbowl District

Testimony on House Bill No. 1642, HD1, SD1
RELATING TO Consumer Protection (Crypto-Kiosks)
Wednesday, April 8, 2026 at 10:15 am
Conference Room 211 & Videoconference
State Capitol

Aloha Chair Rhoads, Chair Dela Cruz and Members of the Committees:

I am in support of House Bill no. 1642, HD1, SD1.

The number of cryptocurrency kiosks on all Hawaii islands has dramatically increased over the last two years. In 2024, 68 complaints were reported with losses of over \$920,000 in Hawaii. The losses nationwide reached \$250 million. These are very alarming numbers. Unfortunately, most of the victims of frauds involving cryptocurrency kiosks are kupunas. Many of them do not understand how transactions work with these machines. Without regulations limiting transaction amount and other protection measures, more kupunas will be victimized. The predators targeting kupunas are not going to stop their fraudulent acts.

I respectfully ask you to support and pass this bill.

Mahalo for giving me this opportunity to testify!

Sai Peng Tomchak
Maui resident

April 8, 2026

Committee on Ways and Means
Committee on Judiciary
State Capitol
415 South Beretania Street
Honolulu, HI 96813

TESTIMONY IN SUPPORT OF HB1642 HD 1 SD 1

Chairs Donovan M. Dela Cruz and Karl Rhoads, Vice Chairs Sharon Y. Moriwaki and Mike Gabbard, and Committee Members:

I write to express my strong support for HB1642 HD 1 SD 1 and ask the Committee to pass it.

HB1642 HD 1 SD 1 concerns cryptocurrency kiosks, also known as cryptocurrency ATMs. These kiosks enable people to purchase cryptocurrency, like Bitcoin and others, using cash. Cash is fed into the machine to complete the purchase of cryptocurrency. The user of the kiosk can then send the cryptocurrency to themselves or others.

This Bill would ban cryptocurrency kiosks in Hawai'i, which would provide immense assistance to protecting our citizens from scams.

The story of the scam can take many forms—you owe the IRS; you need to pay off a bench warrant or fine;¹ your bank account is compromised, and you have to protect your money by changing it to crypto; etc.—but the end goal for the scammer is the same: get the victim to a kiosk with cash, and tell them how to send it. This video shows what that looks like as it's happening: <https://youtu.be/lfHuSkQnBLk>.

Besides a general under-resourcing of law enforcement to combat cyber and financial crimes, cryptocurrency-involved crimes pose additional challenges to investigate. Transactions involving cryptocurrency can move quickly and are very difficult to trace, leaving the final destination of funds unknown. Even if the destination can be determined, scammers are frequently overseas, in countries where US-based law enforcement has little influence.²

¹ *E.g.*, HNN Staff, Kauai Police Warn Public of Cryptocurrency Phone Scam, HawaiiNewsNow (Feb. 27, 2026), <https://www.hawaiinewsnow.com/2026/02/27/kauai-police-alert-public-cryptocurrency-phone-scam/>; Angela Cifone, Scammers Posing as Police Pressuring Kupuna to Send Thousands of Dollars, KITV (Jan. 31, 2026), https://www.kitv.com/news/crime/scammers-posing-as-police-pressuring-kupuna-to-send-thousands-of-dollars/article_10aac682-3335-4804-898d-64f868aa2c9c.html.

² For example, a large scam compound called KK Park was located in Myanmar. See Lewis Sanders IV et al., How Chinese Mafia Are Running a Scam Factory in Myanmar, DW (Jan. 30, 2024), <https://www.dw.com/en/how-chinese-mafia-are-running-a-scam->

The speed at which transactions can occur and the challenges to tracing where funds end up are why reports by kiosk companies to the US Treasury Department's Financial Crimes Enforcement Network ("FinCEN") are not a sufficient safeguard. Such reports do not prevent a victim's money, once put into a cryptocurrency kiosk, from swiftly disappearing down a path of untraceable transactions to a country or region where law enforcement cannot follow.

If, instead of putting \$20,000, \$30,000, or \$50,000 into a cryptocurrency kiosk during one visit, victims could only put in \$2,000 total per day, that hard limit would severely restrict how lucrative Hawai'i victims would be for scammers.

The transaction limit would not preclude anyone from buying or investing in cryptocurrency in other ways, and indeed, cryptocurrency kiosks with their high transaction fees are not used by legitimate cryptocurrency investors anyway. The limit would only affect illegitimate users of cryptocurrency.

I urge the Committees to pass HB1642 HD 1 SD 1 and to ask their colleagues to do the same.

Thank you for the opportunity to be heard on this important Bill.

Thomas J. Michener, Esq.

[factory-in-myanmar/a-68113480](https://www.bbc.com/news/articles/cd60611407no); Koh Ewe, How a Viral Post Saved a Chinese Actor From Myanmar's Scam Centres, BBC (Jan. 9, 2024), <https://www.bbc.com/news/articles/cd60611407no>; see also LastWeekTonight, *Pig Butchering Scams: Last Week Tonight with John Oliver* (HBO), YouTube (Feb. 22, 2025), <https://www.youtube.com/watch?v=pLPpl2ISKTg>.

HB-1642-SD-1

Submitted on: 4/6/2026 8:02:48 PM

Testimony for JDC on 4/8/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Rick Tabor	Individual	Support	Written Testimony Only

Comments:

Thank you Chair & committee members for hearing HB1642 HD1, SD1 Cryptocurrency ATM Transactions Bill.

This bill is similar to the bill initiated by AARP, SB2387 Cryptocurrency ATM Kiosk - Fraud Prevention.

I'm Rick Tabor & I serve on several Kupuna nonprofits after retiring from fifty years in the mental health field. I also worked as an operations manager in an in-home caregiver program.

Cryptocurrency scams targeting Hawai'i's *kupuna* (seniors) are rising rapidly, often involving fraudsters posing as police, utility, or government officials to pressure victims into depositing cash into crypto kiosks.

Your help with this out of control issue would be greatly appreciated.

Thank you for your time and thoughtful consideration on this important matter.

Mahalo Nui Loa,

Rick Tabor,

Honolulu, Hawaii

HB-1642-SD-1

Submitted on: 4/7/2026 2:50:12 AM

Testimony for JDC on 4/8/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
BLYTH KOZUKI	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Rhoads, Chair Dela Cruz and Members of the Committees:

My name is Blyth Kozuki, and I am a kupuna writing in strong support of House Bill 1642 HD1, SD1 which provides safeguards on cryptocurrency transactions conducted through kiosks in Hawai'i.

I support innovation and the use of digital financial technology because it has proven to be convenient and efficient. But as someone who grew up before the advent of computers, it is difficult to keep pace with technology. So I am alarmed that cryptocurrency kiosks have rapidly expanded across our islands and I know that kupunas with limited digital literacy are easy targets to be scammed. These scams are especially tragic for kupunas because they often do not have the time nor the ability to rebuild their financial losses. In addition, it is easy to confuse a cryptocurrency kiosk for an ATM machine so kupunas may believe these kiosks are regulated in the same manner as banking ATMs. This bill is reasonable and takes measured steps to protect all consumers.

My hope is that by establishing safeguards on cryptocurrency ATMs as written in House Bill 1642 HD1, SD1 will discourage scammers from seeing our state as an easy target for our kupunas. I think it is urgent to PASS House Bill 1642 HD1, SD1 because the people who scam and their ability to scam keeps growing. Mahalo for your time, your consideration, and your commitment to protecting Hawai'i's consumers.

Respectfully submitted,

Blyth Kozuki - Honolulu, Hawai'i

Testimony on House Bill No. 1642, HD1, SD1
RELATING TO Consumer Protection (Crypto-Kiosks)
Wednesday, April 8, 2026 at 10:15 a.m.
Conference Room 211 & Videoconference
State Capitol
415 South Beretania Street

Aloha Chair Rhodes, Chair Della Cruz and Members of the Committee:

My name is Christina Enoka, and I am in STRONG SUPPORT of HB 1642, HD1, SD1 which would set up critical safeguards and consumer protection for cryptocurrency transactions conducted through kiosks in Hawaii.

Cryptocurrency fraud is on the rise, and the kiosks offer a simple opportunity to launder funds and/or defraud unsuspecting victims. Oversight and regulation safeguards must be in place to reduce significant financial risk to the consumer, especially our kupuna.

I respectfully ask you to PASS House Bill 1642, HD1, SD1.

Mahalo for the opportunity to testify!

Christina Enoka
Mililani, Oahu
Ncsmn150@gmail.com

HB-1642-SD-1

Submitted on: 4/7/2026 4:46:00 AM

Testimony for JDC on 4/8/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
John A. H. Tomoso	Individual	Support	Written Testimony Only

Comments:

04/06/26

RE: HN1642 HD1 SD1

Aloha kākou,

I understand that this Bill has been amended to include "safeguards" to further protect consumers, without which they will remain vulnerable and, in the extreme, especially our kūpuna. I continue to be in strong support of this Bill and am appreciative of your strategic support of it!

Mahalo a nui,

John A H Tomoso+, MSW, ACSW

51 Ku‘ula St., Kahului, HI 96732-2906

john,a.h.tomoso@gmail.com

HB-1642-SD-1

Submitted on: 4/7/2026 5:33:31 AM

Testimony for JDC on 4/8/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Chip Meyers	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Chair Rhoads, and Honorable Members of the Judiciary and Ways and Means Committees.

The initial purpose of this bill was to protect Kupuna from scammers which was advocated by the bill's own writer; the \$ 3 billion lobbying organization aka the AARP who's own mission statement is to protect America's seniors. But yet this bill now overreaches to cover all age groups younger than 55 years old which are the majority of users of these kiosks and who are not represented by the AARP nor wanting to limits on their access to federally legal financial tools in the manner they choose.

Further this bill targets only kiosks and not the numerous other ways to purchase crypto in Hawaii which Kupuna will still be able to access without any restriction if scammed in the same manner that is done via kiosks.

Additionally, according to the FBI Internet Crime Complaint Center, there were approximately 11,000 reports of kiosk scams in 2024 for the entire country yet there were over 41,000 gift card scams reported. Why is there zero outrage and restriction on gift cards that produced 4x more scams in Hawaii mostly on Kupuna?

If the goal is to protect Kupuna from scams in buying crypto then the focus should be on restricting their access specifically across all platforms equally and them alone; not the general younger populace who make up the vast majority of all kiosk users.

Thank you.

HB-1642-SD-1

Submitted on: 4/7/2026 9:39:46 AM

Testimony for JDC on 4/8/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Jerry Orten	Individual	Support	Written Testimony Only

Comments:

Aloha esteemed legislators!

Vote in favor of this bill and enhance consumer protection while closing a fraud loophole.

Crypto ATMs should be prevented from being a tool to allow criminals to defraud residents, especially kapuna.

Mahalo!

Jerry Orten, Lihue

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

COMMITTEE ON JUDICIARY

Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

NOTICE OF DECISION MAKING

Wednesday, April 8, 2026, 10:15am

Re: [HB 1642, HD1 SD1](#) RELATING TO CONSUMER PROTECTION.

Aloha Chais Dela Cruz and Rhoads, and Vice Chairs Moriwaki and Gabbard, I am Linda Dorset and I am testifying in support of HB1642 HD1 SD1 which would establish critical safeguards for cryptocurrency transactions conducted through kiosks in Hawai'i.

Cryptocurrency kiosks are rapidly expanding across our islands AND, many consumers who use kiosks do not realize they are converting cash into crypto assets that cannot be disputed, refunded, or traced once sent. Kupuna, especially, have been the victims of significant financial risk, fraud, and irreversible losses. These kiosks mirror traditional ATMs—but without the same protections.

House Bill 1642 HD1 SD1 is a reasonable, necessary, and consumer-focused response to these documented harms.

I respectfully urge you to PASS House Bill 1642 HD1 SD1

Mahalo for your time, your consideration, and your commitment to protecting Hawai'i's consumers.

Linda Dorset
Maui Senior Citizen

HB-1642-SD-1

Submitted on: 4/7/2026 9:51:34 AM

Testimony for JDC on 4/8/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Sara Lenzer Medeiros	Individual	Support	Written Testimony Only

Comments:

Thank you for the opportunity to submit testimony.

I don't pretend to begin to understand the way crypto currency works or even the vocabulary. What I do know and have experienced, is the confusion between one kiosk and another. The ATM bank machines, the DMV renewal machines and the crypto/coin machines are all clustered together. I have observed several folks I know try to pay for the DMV at the ATM and at the crypto coin machines. I feel they are deliberately confusing in an attempt to get customers to use their bank cards at the crypto machines mistakenly, thinking that they are either renewing their registrations. Also, I've witnessed kupuna and homeless, putting their coins into the machine thinking they will get a receipt to use for groceries. But somehow they end up purchasing bitcoin instead. They asked the store to help them retrieve their "lost" money, but it seems it wasn't possible. It feels like it is yet another scam.

Yes, buyer beware! However, placement of these machines at grocery stores and other locations needs to be reconsidered.

LATE

HB-1642-SD-1

Submitted on: 4/7/2026 6:21:55 PM

Testimony for JDC on 4/8/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Angela Serota	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Rhoads, Chair Dela Cruz, and Members of the Committee,

My name is Angela Serota and I am in **STRONG SUPPORT** of HB 1642, SD1.

As you know, cryptocurrency kiosks are now found throughout the islands and many consumers believe that they operate like traditional ATMs, but they do not. Cash deposits made to crypto kiosks are converted into cryptocurrency and these transactions cannot be reversed, refunded, or traced once sent. As a result, cryptocurrency kiosks are often used to scam consumers, especially kupuna.

Critical safeguards and limits are needed for cryptocurrency deposits through these kiosks to protect Hawai'i residents.

Please pass House Bill 1642.

Mahalo for your time and for your commitment to protecting Hawai'i consumers.

Angela Serota

Kilauea, Kauai