

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

KENNETH FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

**STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
EXECUTIVE OFFICE ON AGING**
NO. 1 CAPITOL DISTRICT
250 SOUTH HOTEL STREET, SUITE 406
HONOLULU, HAWAII 96813-2831

CAROLINE CADIRAO
DIRECTOR
Executive Office on Aging

Telephone
(808) 586-0100

Fax
(808) 586-0185

**Testimony in SUPPORT of HB2003
RELATING TO DIGITAL FINANCIAL ASSET TRANSACTION KIOSKS**

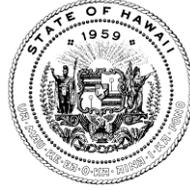
COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

Rep. Scot Z. Matayoshi, Chair
Rep. Tina Nakada Grandinetti, Vice Chair

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing: Thursday, February 5, 2026, 10:00A.M. Conference Room:229

- 1 **Purpose:** This measure proposes consumer protection safeguards for cryptocurrency transactions
- 2 conducted through kiosks and ATMs to reduce the risk of fraudulent activities.
- 3 The prevalence of cryptocurrency and kiosk-related scams in Hawai'i is a growing concern. In
- 4 2024, the FBI reported nearly 11,000 complaints involving crypto kiosks nationwide, resulting in
- 5 losses totaling approximately \$247 million. These figures are likely to be underreported,
- 6 meaning the actual impact could be significantly higher.
- 7 **Recommendation:** EOA strongly supports this measure as an important step toward protecting
- 8 the financial security and well-being of our kūpuna.
- 9
- 10 Thank you for the opportunity to provide testimony.



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
KA 'OIHANA PILI KĀLEPA
335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: 1-844-808-DCCA (3222)
Fax Number: (808) 586-2856
cca.hawaii.gov

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I. HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Consumer Protection & Commerce
Thursday, February 5, 2026
2:00 p.m.
Via Videoconference
Conference Room 329**

**On the following measure:
H.B. 2003, RELATING TO DIGITAL FINANCIAL ASSET TRANSACTION KIOSKS**

Chair Matayoshi and Members of the Committee:

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 the intent of this measure and offers the following comments.

The purpose of this bill is to curb fraud occurring through digital financial asset kiosks, or bitcoin kiosks, by 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.

We support mitigating harms to consumers due to financial losses from fraud occurring at digital financial asset kiosks. We strongly support H.B. 1642, which would enact a ban on digital financial asset kiosk activity, as a ban would protect the consumer

public while preserving Hawaii residents' access to digital financial assets. We support the intent of this bill, however, and in the absence of a ban, this bill provides meaningful consumer protections. Those consumer protections could be strengthened by clarifying that the daily and monthly transaction limits both apply, and the daily and monthly limits imposed on each operator are intended to be aggregate limits, not to be separate limits at each of the operators' 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. 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 93% of transactions. Iowa Attorney General Bird sued two cryptocurrency kiosk operators, Bitcoin Depot and CoinFlip. AG Bird announced that the investigation had to that point found that more than 98% of funds sent through Bitcoin Depot ATMs and more than 94% of funds sent through CoinFlip ATMs were scam transactions, and Iowans had lost at least \$20 million in transactions through the two operators. Washington D.C. Attorney General Schwalb sued cryptocurrency kiosk operator Athena. AG Schwalb announced that according to the company'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.

The refund provision in this bill creates a critical new remedy and 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, and could spur innovation by legitimate kiosk operators.

Should the Committee intend to vote this bill through, we respectfully request the following amendments clarifying that the daily and monthly transaction limits both apply, and the daily and monthly limits imposed on each operator are intended to be aggregate limits, not to be separate limits at each of the operators' kiosks.

At page 1, line 9, delete "or" and replace it with "and" to clarify that both the \$2,000 aggregate limit and the \$10,000 aggregate limit apply, and kiosk operators may not choose to apply one limit and ignore the other. At page 1, line 11 add the following underscored language to clarify that the \$2,000 daily limit and the \$10,000 30-day limit apply to each operator in the aggregate, not per kiosk:

- (1) \$2,000 or the equivalent in digital financial assets per day; ~~[or]~~ and
 - (2) \$10,000 or the equivalent in digital financial assets in any thirty-day period
- The \$2,000 and \$10,000 transaction limits apply to each operator in the aggregate. No operator shall accept transactions exceeding the applicable \$2,000 or \$10,000 aggregate limit for their respective time period.

We respectfully suggest that OCP may require additional resources for the enforcement of the bill's proposed consumer protections. We appreciate the proposed increase of enforcement responsibilities and we are open to discussing additional resources.

Thank you for the opportunity to testify on this bill.

**DEPARTMENT OF THE PROSECUTING ATTORNEY
KA 'OIHANA O KA LOIO HO'OPI'I
CITY AND COUNTY OF HONOLULU**

ALII PLACE
1060 RICHARDS STREET • HONOLULU, HAWAII 96813
PHONE: (808) 768-7400 • FAX: (808) 768-7515 • WEBSITE: www.honoluluprosecutor.org

STEVEN S. ALM
PROSECUTING ATTORNEY
LOIO HO'OPI'I



THOMAS J. BRADY
FIRST DEPUTY PROSECUTING ATTORNEY
HOPE MUA LOIO HO'OPI'I

**THE HONORABLE SCOT Z. MATAYOSHI, CHAIR
HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
Thirty-Third State Legislature
Regular Session of 2026
State of Hawai'i**

February 3, 2026

**RE: H.B. 2003; RELATING TO DIGITAL FINANCIAL ASSET TRANSACTION
KIOSKS.**

Chair Matayoshi, Vice-Chair Grandinetti, and members of the House Committee on Consumer Protection and Commerce, the Department of the Prosecuting Attorney of the City and County of Honolulu (“Department”) submits the following testimony in **support** of H.B. 2003 **with recommended amendment**.

H.B. 2003 establishes reasonable transaction limits, mandatory fraud warnings, and clear disclosures regarding fees, exchange rates, and risks. These measures are critical. Many victims—particularly elderly or vulnerable individuals—lose life-altering sums of money in a single day or over a short period. The bill’s daily and monthly caps meaningfully reduce the potential harm while still allowing lawful use of the technology.

Required on-screen scam warnings, written in plain language and displayed prominently, mirror fact patterns we see repeatedly in criminal cases. Posing as government agents, law enforcement, or bill collectors, con artists may frighten victims into parting with their money. Conversely, some swindlers impersonate helpful computer technicians or acquaintances of a family member. Timely warnings can interrupt the emotional hijacking critical to many of these schemes.

H.B. 2003 requires kiosk operators to use blockchain analytics and tracing software. This provision is particularly important. While digital assets are often described as anonymous, modern investigative tools can identify fraud patterns and trace transactions when operators enable commonsense recordkeeping software. Not only can this assist in combating fraud, but it is also essential for defeating money laundering schemes.

The refund provision deserves special mention. In many fraud cases, even when a suspect is identified, restitution is unlikely or delayed. Requiring operators to issue refunds when fraud is promptly reported provides immediate relief to victims and reduces the long-term emotional and financial harm caused by these crimes.

The Department recommends one small but significant amendment. At page 1, line 9, we recommend replacing the “or” with an “and.”

“The English word ‘or’ is ambiguous, having two related but distinguishable meanings.”¹ In its exclusive or disjunctive sense, “or” denotes mutually exclusive propositions. The mugger who threatens “Your money or your life” offers the victim a choice to keep one or the other, but not both. Conversely, in its inclusive or conjunctive sense, “or” permits the combination of alternatives: a sound homeowner’s policy covering fire or flood should still protect the unlucky dwelling struck by both disasters.

This bill is best read in its conjunctive sense: it can only work if there is both a discrete and an aggregate limit on transactions. And ordinarily, a Hawai‘i can freely construe “or” in its conjunctive sense.² But penal statutes are different: one instead presumes the disjunctive.³ Substituting “and” would clarify the ambiguity: it would make it clear that both a daily limit and a monthly limit apply.

Thank you for the opportunity to testify.

¹ IRVING M. COPI ET AL., INTRODUCTION TO LOGIC 269 (15th ed. 2019). See also Layman E. Allen, *Symbolic Logic: A Razor-Edged Tool for Drafting and Interpreting Legal Documents*, 66 YALE L.J. 833, 842-848 (1957) (distinguishing formally between the inclusive and exclusive “or”).

² HRS § 1-18.

³ *State v. Sorenson*, 44 Haw. 601, 604-05, 359 P.2d 289, 291 (1961).

RICHARD T. BISSEN, JR.
Mayor

ANDREW H. MARTIN
Prosecuting Attorney

SHELLY C. MIYASHIRO
First Deputy Prosecuting Attorney



DEPARTMENT OF THE PROSECUTING ATTORNEY
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
PHONE (808) 270-7777 • FAX (808) 270-7625

LATE

TESTIMONY ON
H.B. 2003
RELATING TO DIGITAL FINANCIAL ASSET TRANSACTION KIOSKS

February 5, 2026

The Honorable Scot Z. Matayoshi
Chair
The Honorable Tina Nakada Grandinetti
Vice Chair
and Members of the Committee on Consumer Protection and Commerce

Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee:

The Department of the Prosecuting Attorney, County of Maui respectfully submits the following comments **in support of H.B. 2003, Relating to Digital Financial Asset Transaction Kiosks**. This measure imposes various restrictions on 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,¹ as well as requiring multiple warnings

¹ We would note that the transaction limit language may need to be clarified. As drafted, it is ambiguous whether the \$10,000.00/month limit takes precedence over multiple \$2000.00 transactions over six or more days. We think the intent is to prohibit more than \$2000.00 or the equivalent each day, with a maximum transfer amount of \$10,000.00

LATE

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 a refund process for fraudulent transactions 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. 2003**. 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.

or equivalent in any thirty day period, regardless of the amount transferred per day.



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

The Thirty-Third State Legislature
House Committee on Consumer Protection and Commerce
February 5, 2026
Conference Room 329, 2:00 p.m.

TO: The Honorable Scot Matayoshi, Chair
FROM: Keali'i S. López, State Director
RE: Strong Support for H.B. 2003 Relating to Digital Financial Asset Transaction Kiosks

Aloha Chair Matayoshi and Members of the Committee:

I am Keali'i Lopez, State Director for AARP Hawai'i. AARP is a nonprofit, nonpartisan, social impact organization dedicated to empowering people fifty and older to choose how they live as they age. We advocate for the issues that matter most to older adults and their families. On behalf of our 135,000 members, thank you for the opportunity to share our testimony.

AARP Hawai'i is in strong support of H.B. 2003, which strengthens consumer protections and reduce fraud risk at cryptocurrency kiosks. The bill would require:

- Setting a limit of \$2,000 per transaction per day, not exceeding an aggregate of \$10,000 over any 30-day period to prevent significant financial losses.
- Cryptocurrency kiosk operators to refund fraudulent transactions.
- Clear terms and conditions be displayed before a transaction, including all fees and exchange rates.
- Posting visible notices on the kiosks that tell people what to do if they suspect fraudulent activity.
- Giving paper receipts with relevant transactional information to the customer in case law.
- Enforcement needs to investigate fraudulent activity.
- Providing live customer service support during operating hours.
- Providing dedicated line of communications for law enforcement.

AARP is not opposed to cryptocurrency, nor are we “against” cryptocurrency kiosks. We simply want safeguards in place to protect consumers from criminals carrying out fraudulent activity using these kiosks.



Recommended Amendment

AARP respectfully requests the following amendment to clarify the transaction limit provisions. As currently drafted with the word “or,” H.B. 2003 would permit a scammer to have a victim deposit up to \$10,000 in a day if the consumer doesn’t do another transaction within a 30-day period. We believe this is not the intent of the language. Lower transaction limits reduce harm and give victims a chance to stop before losing more money. The additional clarification ensures that both the daily and aggregate monthly limits are applied consistently and enforceable.

Amendment Language

Under Section I, modify the transaction limits as follows:

- Line 5-11: replaced in its entirety with the following:
a) An operator shall not accept transactions from a single customer of more than \$2,000 in U.S. dollars or the equivalent in digital financial assets per day through a digital financial asset transaction kiosk. In addition, the transaction limit shall not exceed \$10,000 in U.S. dollars or the equivalent in digital financial assets in any thirty (30) day period.

Fraud involving cryptocurrency kiosks is rising sharply nationwide. According to the FBI’s Internet Crime Complaint Center (IC3), there were 68 reported complaints in 2024, with losses totaling \$922,022 in Hawai’i. Nationally, there were 11,000 complaints reporting \$250 million in losses, reflecting a 99% increase over 2023.

There are at least 96 cryptocurrency kiosks across Hawai’i (source: coinatmradar.com). These machines—often located in supermarkets, gas stations, convenience stores, bars, and restaurants—closely resemble traditional ATMs but are subject to far fewer consumer-protection regulations. Unlike traditional financial transactions, cryptocurrency transfers are typically irreversible, making them highly attractive to scammers.

Older adults are disproportionately vulnerable to financial exploitation through cryptocurrency ATMS. Without strong statutory safeguards, criminals take advantage of these kiosks to siphon millions of dollars through fraudulent payment schemes. Establishing clear transaction limits and mandatory consumer protections helps safeguard residents while giving regulators and law enforcement stronger tools to deter and investigate fraud.

By adopting the safeguards in H.B. 2003—with the recommended amendments—Hawai’i can enact legislation that fights fraud and protects the pocketbooks of kūpuna and other consumers.

Thank you for the opportunity to testify in strong support of this important legislation.

HB-2003

Submitted on: 2/3/2026 7:58:41 PM

Testimony for CPC on 2/5/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
GARY SIMON	Hawai'i Family Caregiver Coalition	Support	Written Testimony Only

Comments:

Dear Chair Matayoshi, Vice Chair Grandinetti, and Honorable Members of the House Committee on Consumer Protection and Commerce:

I am Gary Simon, a member of the board of the Hawai'i Family Caregiver Coalition, whose mission is to improve the quality of life of those who give and receive care by increasing community awareness of caregiver issues through continuing advocacy, education, and training. I am offering testimony on behalf of the Hawai'i Family Caregiver Coalition.

The Hawai'i Family Caregiver Coalition strongly supports HB 2003, which establishes limits on transactions through digital financial asset transaction kiosks. HB 2003 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; 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 2003.

Mahalo for seriously considering the bill.

Gary Simon

Hawai'i Family Caregiver Coalition

Honolulu, Hawaii

Email garysimon@hawaii.rr.com



**TESTIMONY SUBMITTED TO THE HAWAII HOUSE COMMITTEE ON CONSUMER
PROTECTION & COMMERCE**

Clara Wulfsen, Associate Director of Government Affairs

February 5, 2026

Chairs Matayoshi and honorable members of the House Consumer Protection and Commerce Committee, thank you for the opportunity to provide testimony today regarding several bills related to the regulation of cryptocurrency kiosks.

CoinFlip supports strong, commonsense consumer protections in this space. While we oppose certain provisions in the proposed legislation, we support regulatory measures that meaningfully enhance consumer safety, including licensure, mandatory consumer disclosures, compliance program requirements, and appropriate technology standards.

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. CoinFlip looks forward to continuing to work with the State of Hawaii and this Committee to strengthen protections for consumers while preserving access to lawful, regulated financial services.

Company Background

CoinFlip is a Chicago-based, global digital currency platform, focused on providing consumers 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 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 approximately 39 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.

Our third-party blockchain analytics firm monitors our transaction data, blocks blacklisted wallets, and is what law enforcement uses to track the flow of funds. CoinFlip's data shows less than 1% of our transactions are related to illicit activity, in-line with other traditional financial institutions.

HB 1560

CoinFlip supports HB 1560. We have already implemented internal controls to ensure that two people cannot use the same wallet. This is called "wallet pinning", and that ensures that a wallet is tied to one person. Our terms of service require that you affirmatively acknowledge you are using a wallet you control. We have even blacklisted customers when we found out spouses were sharing a wallet.

HB 1642

CoinFlip respectfully opposes HB 1642, which would ban cryptocurrency kiosks in Hawaii. Cryptocurrency kiosks provide a safe and regulated way for residents to access digital assets using cash, which remains how many people, including unbanked and underbanked consumers, manage their finances day to day. For many communities, kiosks serve an important role in expanding financial access and consumer choice.

Even with the growth of online banking and mobile payments, not every consumer is comfortable or able to use online exchanges. With the prevalence of online data hacking, many consumers do not want to link their bank accounts to an online exchange. Many people prefer a physical, in-person option, similar to why people still visit bank branches, use money orders, or rely on other cash-based financial services. Kiosks function as a bridge between the cash economy and the digital economy.

Kiosks can also provide meaningful consumer protections. For individuals who find online exchanges confusing or intimidating, kiosks offer a step-by-step, guided transaction flow with multiple, prominent scam warnings before a transaction is completed. Many kiosk operators, like us, also offer 24/7 live customer service with staff who are trained twice a year in anti-money laundering and scam identification. It is often impossible to contact anyone at online exchanges.

Rather than eliminating this option for Hawaii consumers, CoinFlip supports robust licensure and targeted regulatory safeguards that protect consumers, enhance transparency, and remove bad actors from the market without restricting access for law-abiding residents who rely on cash and prefer an in-person option.

HB 1647

CoinFlip respectfully opposes HB 1647, which would impose liability on host locations that provide space for cryptocurrency kiosks. Host businesses are not agents of the kiosk operator, and store employees are not trained or equipped to monitor compliance with complex financial regulations or identify fraudulent activity.

The bill also appears vague as to what specific actions a host must take to prevent fraud and what standard would satisfy the law. In practice, this would force third parties to potentially even retain staff to assume legal risk they should not be expected to manage.

As a result, HB 1647 would discourage businesses from hosting kiosks altogether, creating a de facto ban. CoinFlip supports targeted, enforceable safeguards that hold licensed kiosk operators accountable, rather than shifting enforcement responsibility to host businesses.

HB 2003

Unfortunately, HB 2003 relies on policy recommendations that may create a false sense of consumer protection. The proposed transaction limits do not adequately account for existing federal anti-money laundering and reporting requirements. Under federal law, CoinFlip is required to file a Suspicious Activity Report (SAR) for suspicious transactions of \$2,000 or more, and a Currency Transaction Report (CTR) for transactions above \$10,000. These reports are maintained in a centralized database that supports timely and accurate law enforcement 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 HB 2003 are unprecedented for money service businesses. No other financial services product is subject to statutory refund requirements for authorized transactions like those proposed here. Under Regulation E, consumers are entitled to refunds for unauthorized transfers, not transactions they 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.

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 2003 are a de facto ban on operating in

Hawaii and do not take into consideration federal regulatory and 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.

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 clearly alerted at the point of transaction. The best defense for companies is to have the right tools in place to help identify and prevent fraud- and to provide law enforcement with the information needed to hold bad actors accountable.



BITCOIN DEPOT

Dear Chair Matayoshi and Members of the Committee:

Bitcoin Depot respectfully submits this testimony in **opposition to HB 2003** in its current form. As the leading provider of virtual currency kiosks in North America and a publicly traded company, we share the legislature's commitment to consumer safety. However, we believe certain provisions must be refined to ensure that Hawaii's regulatory framework protects vulnerable citizens without inadvertently penalizing legitimate users or creating an unsustainable model for compliant businesses.

Bitcoin Depot does not wait for regulation to catch up; we actively lead the way in setting high standards for the industry. Our own operations serve as a prime example of this commitment to security and transparency:

- **Universal ID Verification:** We recently set a new industry standard by requiring identification for every customer, regardless of the transaction amount—a safeguard that goes well beyond current federal law.
- **Senior Protections:** We have pioneered specific protections for seniors, utilizing enhanced safeguards to identify and disrupt patterns associated with scams targeting older adults.
- **Law Enforcement Collaboration:** Our efforts are bolstered by routine engagement with local, state, and federal law enforcement. As active participants in information sharing campaigns, we contribute to public education and anti-scam mobilization, and we share real-time intelligence through the Deconflict app. This proactive collaboration ensures that

through the Deconnect app. This proactive collaboration ensures that investigations are not "siloed," giving agencies the coordinated data they need to pursue bad actors effectively.

As it pertains to the refund portion of the bill, Bitcoin Depot's position is firm: we have zero desire to profit from fraudulent activity. Scams are detrimental to our customers, harmful to our reputation, and a threat to the long-term viability of the industry. While we support the concept of fee refunds for verified victims of fraud, we believe the refund process must be carefully balanced to ensure operators do not become unfunded insurance brokers for criminal syndicates.

Data consistently indicates that "new customers" are at the highest risk for social engineering and high-pressure scams. Conversely, existing customers understand our terms and have passed through our rigorous identity verification protocols. To address this, we recommend:

- **A Defined "New Customer" Window:** Establishing a 72-hour period where full refund requirements—contingent upon a verified law enforcement report—are focused on first-time users.
- **Tiered Transaction Limits:** We recommend aligning with standards seen in states like Nebraska, Minnesota, Colorado, Illinois, and Oklahoma—specifically a \$2,000 limit for new customers and either no cap or a \$10,500 limit for existing customers. This ensures we deter scammers without eliminating access for legitimate users.

Bitcoin Depot endorses the majority of the provisions in HB 2003, particularly the requirements for mandatory blockchain analytics and robust consumer disclosures. However, we believe our experience can help make this legislation even more effective. We have a proven track record of collaborating with state legislators, Attorneys General, Banking Commissions, and organizations such as the AARP to develop balanced regulatory frameworks. A prime example of this is our work with the AARP to craft a model bill that protects vulnerable consumers through targeted refund provisions and a tiered transaction structure—specifically, a \$2,500 limit for new customers and a \$10,500 limit for established, verified users.

Because this committee's goal is to ensure an effective bill, we respectfully ask for the opportunity to collaborate further with you and the sponsors. As a compliant industry,

opportunity to collaborate further with you and the sponsors. As a compliant industry leader, Bitcoin Depot is committed to being a resource to ensure we craft a final version that provides rigorous oversight without unintentionally shuttering local businesses.

Thank you for your time and for the opportunity to share our perspective today.

Sincerely,

Bitcoin Depot



Testimony to the House Committee on Consumer Protection and Commerce
Thursday, February 5, 2026, 2:00 PM
Conference Room 329

LATE

To: The Honorable Scot Matayoshi, Chair
The Honorable Tina Nakada Grandinetti, Vice-Chair
Members of the Committee

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League (HCUL), the local trade association for 45 Hawaii credit unions, representing over 879,000 credit union members across the state.

HCUL offers the following testimony in support of HB 2003. This bill establishes limits on transactions through digital financial asset transaction kiosks and requires operators of digital financial asset transaction kiosks to use blockchain analytics and tracing software to prevent fraud

Credit unions prioritize the financial well-being and security of our members. As member-owned financial cooperatives, we are committed to ensuring consumer protection in financial transactions for our members. This bill aligns with these values by providing safeguards that protect from potential financial harm while maintaining access to emerging financial technologies.

Implementing a transaction cap aligns with best practices in financial regulation. Many other financial services, including cash withdrawals from traditional ATMs, are subject to daily limits to prevent large-scale fraud and ensure compliance with anti-money laundering regulations. By extending similar safeguards to digital asset transactions, Hawaii can maintain a balanced approach to financial innovation and consumer protection.

Thank you for the opportunity to provide comments on this important issue.

**TESTIMONY BEFORE THE
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

Rep. Scot Z. Matayoshi, Chair

Rep. Tina Nakada Grandinetti, Vice Chair

Thursday, February 5, 2026

LATE

RE: HB1560 (SUPPORT), HB1642 (OPPOSE), HB2003 (OPPOSE), HB1647 (OPPOSE)

Relating to Digital Financial Asset Transaction Kiosks

Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee:

America Digital Inc d/b/a America Bitcoin submits this testimony on the above-referenced measures. This testimony is submitted by Patrick May, Compliance Officer, and Chris McAlary, Founder and Chief Executive Officer. Mr. McAlary is a pioneer in the virtual currency kiosk industry who previously built Coin Cloud, one of the first companies to implement proactive fraud intervention measures in kiosk operations. Both will be available via teleconference to answer questions.

America Bitcoin operates ten virtual currency kiosks across Hawaii and has been serving Hawaii residents since August 2024. Since launching, we have served Hawaii residents, processed transactions, and maintained a low reported fraud rate. Our operations support local host businesses and local technicians. We share this Committee's deep concern about protecting consumers—particularly kūpuna (our respected elders)—from fraud, and we believe responsible operators and thoughtful regulation can work together to achieve meaningful consumer protection while preserving access to digital financial services.

OUR APPROACH TO CONSUMER PROTECTION

Unlike some operators in our industry, America Bitcoin was founded with scam prevention as a core operating principle. We have voluntarily implemented aggressive anti-fraud measures that go beyond what is currently required:

- **Hold & Release Policy:** Any customer whose transaction volume exceeds \$3,000 within their first 48 hours has their transaction automatically frozen. Our staff then makes live, outbound contact with the customer to provide extensive scam warnings, confirm wallet ownership, explain transaction irreversibility, and offer both immediate refunds and a cooling-off period.
- **Single-Wallet Policy:** We already prohibit multiple customers from transacting with the same wallet address—a key indicator of fraud that HB1560 seeks to address.
- **Blockchain Analytics:** We use blockchain tracing software to identify and block transactions to wallets associated with known fraudulent activity.
- **Comprehensive Disclosures:** We provide the warnings and disclosures that are standard requirements in other states that have enacted consumer protection legislation.

We share this information not to seek praise, but to demonstrate that effective fraud prevention is achievable through responsible operator practices combined with reasonable regulation.

Summary of our positions

HB1560 (Support, with targeted amendments): The bill targets real scam indicators and can be workable if clarified to avoid unintended impacts on legitimate use.

HB1642 (Oppose): A cash-in ban would eliminate the primary lawful use case of kiosks and push activity to less protected alternatives.

HB2003 (Oppose as written; support with amendments): Many provisions are reasonable, but permanent caps and overbroad technical mandates should be made risk-based and focused on new users.

HB1647 (Oppose): Penalizing host businesses for fraud they cannot control will functionally create a back-door ban and harm local small businesses.

HB1560 — SUPPORT

We support HB1560's approach to consumer protection. The bill addresses two critical fraud indicators:

First, the prohibition on multiple customers transacting with the same wallet address directly targets a core scam mechanic. When scammers direct victims to send virtual currency to a wallet the scammer controls, that wallet typically receives funds from multiple victims. Legitimate customers use their own wallets. We already enforce this policy and can affirm it is operationally feasible.

Second, the refund requirement for first-time customers who report fraud provides a meaningful remedy for the most vulnerable users. We respectfully request the Committee consider reducing the reporting window from 60 days to 14-30 days. Our experience shows that scam victims who will report typically do so within the first few weeks, and a shorter window provides clarity for both consumers and operators while still protecting victims. A defined 14-30 day window benefits both consumers and operators: it creates urgency for victims to report promptly while their recollection is fresh and evidence is available, enables faster refund processing, and provides the certainty needed for operators to maintain adequate reserves for refunds rather than indefinite contingent liabilities that could threaten business viability.

HB1642 — OPPOSE

We respectfully oppose HB1642, which would impose a blanket ban on virtual currency kiosks that accept U.S. currency.

We understand and share the frustration that has led to this proposal. The industry has too often failed to self-regulate, and irresponsible operators have harmed consumers. However, a complete ban would:

- Eliminate legitimate access to digital financial services for Hawaii residents who prefer or require cash-based transactions, including those without traditional banking relationships;
- Remove economic opportunities for local businesses that host kiosks and local technicians who service them;
- Penalize responsible operators who have invested in consumer protection alongside those who have not; and
- Potentially drive consumers to less regulated alternatives, including peer-to-peer transactions with no consumer protections whatsoever.

Hawaii's diverse population includes many residents who regularly send money to families in the Philippines, Pacific Islands, and other countries. Virtual currency kiosks can offer a faster, more direct remittance option—and provide access to savings tools outside legacy banking infrastructure that may not reach all parts of the world."

Prohibition does not eliminate demand—it redirects it. Hawaii residents seeking virtual currency access would turn to peer-to-peer platforms, social media marketplaces, or offshore exchanges with no consumer protections, no fraud monitoring, and no accountability to Hawaii regulators. The very consumers this bill seeks to protect would face greater risk, not less.

We believe the goals of HB1642 can be better achieved through the targeted regulatory measures in HB1560 and appropriately modified versions of HB2003, which address fraud directly without eliminating legitimate consumer access.

HB2003 — OPPOSE AS WRITTEN, SUPPORT WITH AMENDMENTS

HB2003 contains many provisions we support and already implement: blockchain analytics requirements, comprehensive disclosures and warnings, receipt requirements, customer service availability, and law enforcement cooperation. These are reasonable, effective measures.

Our concern is with the transaction limits as structured. The bill imposes a \$2,000 daily limit and \$10,000 rolling 30-day limit on *all* customers indefinitely.

Our data and industry experience show that the first 24-48 hours represent the period of greatest vulnerability for scam victims. Scammers rely on duress, urgency and pressure; they rarely maintain contact with victims over weeks. An established customer who has used our services multiple times without incident presents a fundamentally different risk profile than a first-time user being coached through a transaction by phone.

We would support a tiered approach:

- A \$2,000 daily limit for new customers during their first 3-7 days; then
- Higher or no limits for established customers who have demonstrated legitimate use.

This approach protects the most vulnerable users during the highest-risk period while respecting the autonomy of established customers. A permanent \$10,000 monthly cap is the equivalent of

telling someone they may only use a traditional ATM for limited withdrawals indefinitely—regardless of their history or needs.

HB1647 — OPPOSE

We respectfully oppose HB1647, which would impose a \$500 fine on host businesses—convenience stores, small retailers, and other local establishments—each time a fraud occurs at a kiosk on their premises.

We appreciate the intent behind this bill, but believe it would place responsibility on parties without the tools to fulfill it. Host businesses provide space and electrical power; they do not operate the kiosks, have access to transaction data, or possess the technical capability to identify or prevent fraud. We specifically offer hosts a "*set it and forget it*" arrangement—they should not be expected to monitor or supervise complex financial transactions they have no training or tools to evaluate.

The practical effect of HB1647 would be:

- Host businesses would terminate existing agreements and refuse new ones, effectively achieving the same result as a ban while shifting the blame;
- Small local businesses would lose a source of passive income; and
- Liability would fall on parties who have no ability to prevent the harm.

If accountability is the goal, it should rest with operators—who control the technology, set the policies, and have the capability to implement fraud prevention measures. The refund requirements in HB1560 and HB2003 accomplish this more appropriately.

CONCLUSION

We recognize that the virtual currency kiosk industry in some cases has not recently served consumers well. We entered this market specifically because we believed it could be done responsibly, and we welcome regulation that holds all operators to high standards. In particular, we support requiring all kiosk operators to obtain a money transmitter license, which would establish baseline compliance standards and regulatory oversight for the industry.

We urge the Committee to:

- **Pass HB1560** (with consideration of a 14-30 day refund window);
- **Reject HB1642** in favor of targeted regulation;
- **Amend HB2003** to apply transaction limits to new customers during a defined introductory period rather than permanently to all customers; and
- **Reject HB1647** and place accountability where it belongs—with operators.

America Bitcoin welcomes the opportunity to work directly with this Committee and the Division of Financial Institutions to develop regulations that protect consumers while preserving responsible access.

LATE

Respectfully submitted,

Patrick May

Compliance Officer

America Digital Inc d/b/a America Bitcoin

Chris McAlary

Founder and Chief Executive Officer

America Digital Inc d/b/a America Bitcoin

HB-2003

Submitted on: 2/3/2026 2:11:49 PM

Testimony for CPC on 2/5/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Valerie Wood	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Matayoshi and Members of the Committee:

My name is Valerie Wood, and in **STRONG SUPPORT of HB 2003 which would establish critical safeguards for cryptocurrency transactions conducted through kiosks in Hawai‘i.**

Residents and specifically the elderly are affected by financial scams, often because they are specifically targeted for their savings (even when they don’t have much saved at all), their trust in authority or their limited familiarity with rapidly evolving digital technologies. People’s hard-earned money is being stolen from them. Cryptocurrency scams are devastating to individuals, families and society.

Cryptocurrency kiosks have rapidly expanded across our islands, consumers—especially kupuna, have been exposed to significant financial risk, fraud, and irreversible losses. House Bill 2003 is a reasonable, necessary, and consumer-focused response to these documented harms.

Many consumers who use kiosks do not realize they are converting cash into crypto assets that cannot be disputed, refunded, or traced once sent. In Hawai‘i, where many residents rely on cash, kiosks can create a false sense of security that mirrors traditional ATMs—but without the same protections.

I respectfully urge you to PASS House Bill 2003. This measure reflects Hawai‘i’s values of fairness, and protection of our people, while allowing innovation and technology to move forward in a safe and responsible way.

Valerie Wood

Paia, Hawai‘i

NOTICE OF HEARING

Thursday, February 5, 2026, 2:00 p.m.

RELATING TO DIGITAL FINANCIAL ASSET TRANSACTION KIOSKS
H.B. 2003

Committee on Consumer Protection and Commerce

Rep. Scot Z. Matayoshi, Chair
Rep. Tina Nakada Grandinetti, Vice Chair

Aloha Chair Matayoshi, Vice Chair Grandinetti and members of the Committee on Consumer Protection and Commerce.

My name is Carol Wakayama and I wish to express my **STRONG SUPPORT** for H.B. 2003.

During 2025, I heard comments about cryptocurrency machines springing up in Hawaii. These machines are relatively new. There is a huge risk - especially to those with limited digital knowledge - that machine users could lose huge amounts of monies and potentially 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. However, these fraudsters/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. 2003 will help provide some protection and safeguards to the consumer. For example, clearly worded signs that "warn users of potential financial risk"; how to contact law enforcement should the users suspect fraud; setting a limit on daily transactions to an amount such as \$2,000. By increasing protections for machine users, I hope that cryptocurrency 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. 2003.

Carol Wakayama
Punchbowl District

HOUSE [COMMITTEE ON CONSUMER PROTECTION & COMMERCE](#)

Rep. Scot Z. Matayoshi, Chair
Rep. Tina Nakada Grandinetti, Vice Chair

NOTICE OF HEARING

February 5, 2026, 2:00pm

Re: HB 2003 RELATING TO DIGITAL FINANCIAL ASSET TRANSACTION KIOSKS.

Aloha Chair Matayoshi and Vice Chair Grandinetti.

I am Linda Dorset and I am testifying in STRONG support of SB 2387 **which would establish critical safeguards for cryptocurrency transactions conducted through kiosks in Hawai'i and set a limit of \$2,000 or the equivalent in digital financial assets per day; or a limit of \$10,000 or the equivalent in digital financial assets in any thirty-day period.**

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.

Senate Bill 2387 is a reasonable, necessary, and consumer-focused response to these documented harms.

I respectfully urge you to PASS Senate Bill 2387. This measure reflects Hawai'i's values of fairness, and protection of our people, while allowing innovation and technology to move forward in a safe and responsible way.

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

Linda Dorset
Maui Senior Citizen

HB-2003

Submitted on: 2/3/2026 2:50:28 PM

Testimony for CPC on 2/5/2026 2:00:00 PM

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

Comments:

To: Chair Scot Matayoshi and Committee Members

From: Blyth Kozuki, Honolulu, Hawai'i

Date: February 3, 2026

Position: STRONG SUPPORT – H.B. 2003 Relating to Digital Financial Assets Transaction Kiosks

Aloha Chair Matayoshi and Members of the Committee,

My name is Blyth Kozuki, and I am writing in strong support of House Bill 2003, which would establish critical safeguards for 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.

My hope is that the safeguards in House Bill 2003 will accomplish several things.

- Slow down the transactions to give kupuna more time to think about what they are doing.**
- Limit the amount of losses to a more manageable amount.**
- Provide evidence to track and possibly restore losses.**
- Involve a third party that could possibly intervene in attempted scams.**
- Discourage scammers from viewing our kupunas and our state as an easy target with these safeguards in place.**

I think it is urgent to PASS House Bill 2003 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

February 5, 2026

TO: Chair Matayoshi and Committee Members

FROM: Carl Takamura

RE: HB 2003

Mahalo for the opportunity to submit this testimony in strong support of **HB 2003** which establishes commonsense regulations for cryptocurrency kiosks in Hawaii.

Law enforcement and consumer protection agencies have documented a sharp rise in fraud schemes that direct victims to deposit cash into cryptocurrency kiosks. These scams often target seniors, many of whom are unfamiliar with digital assets and are more vulnerable to high pressure tactics. Once funds are transferred through a kiosk, they are virtually impossible to recover and perpetrators – often operating outside of Hawaii – face little accountability.

HB 2003 will bring cryptocurrency kiosks in line with basic consumer protections already required of other financial institutions. Hawaii should not continue to allow an unregulated cash-to-crypto pipeline that criminals can exploit with ease. Our kupuna deserve better safeguards and family's better peace of mind.

I urge you to approve this important proposal.

Respectfully,

Carl Takamura

Carl Takamura
Hawaii Kai

Testimony on House Bill No. 2003

RELATING TO Digital Financial Assets Transaction Kiosks

Aloha Chair Matayoshi and Members of the Committee

My name is Merle Minami-Shima, and in STRONG SUPPORT of HB 2003 which would establish critical safeguards for cryptocurrency transactions conducted through kiosks in Hawai'i.

Kupuna are one of the most vulnerable segments of our population. Most often they are very trusting and therefore gullible to falling prey to unscrupulous people who take advantage of their belief in others. They are easily tricked and manipulated to convert monies into crypto at kiosks without understanding the ramifications of their actions.

Crypto currency scams have caused many to lose a significant portion of their savings when they can least afford to lose it.

I feel very strongly that it is our responsibility to protect our kupuna and we can do this by PASSING House Bill 2003. I urge your support in this matter.

Mahalo for your consideration of this very important matter.

Respectfully submitted,

Merle Minami-Shima

Wailuku, Maui, Hawaii

HB-2003

Submitted on: 2/3/2026 4:43:13 PM

Testimony for CPC on 2/5/2026 2:00:00 PM

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

Comments:

Aloha Chair Matayoshi and Members of the Committee

My name is Dan Gardner, and my wife Deborah and I are both in strong support of HB 2003 to establish critical safeguards for crypto currency transactions conducted through ATM-like kiosks in Hawaii.

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 and sadly by an even greater proportion of seniors. The number of people being scammed this way has been growing yearly with 68 reported losses in 2024 totaling over \$920,00. Many more losses are likely as folks are embarrassed to report their mistakes. These losses must be stopped and HB 2003 takes a number of very reasonable steps to better inform potential users and reverse this tragic trend. We respectfully ask you to pass HB 2003. It will help protect our seniors and ensure technology goes ahead in a more safe and responsible manner.

Thank you for taking positive action on this legislation to better protect Hawaii's consumers.

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

HB-2003

Submitted on: 2/3/2026 6:22:59 PM

Testimony for CPC on 2/5/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lila Mower	Individual	Support	Written Testimony Only

Comments:

I support this measure, amended as proposed by AARP Hawaii.

February 5, 2026

Committee on Consumer Protection and Commerce
State Capitol
415 South Beretania Street
Honolulu, HI 96813

TESTIMONY IN SUPPORT OF HB2003

Chair Scot Z. Matayoshi, Vice Chair Tina Nakada Grandinetti, and Committee Members:

I write to express my strong support for HB2003 and ask the Committee to pass it.

HB2003 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 create a daily transaction limit for users of cryptocurrency kiosks in Hawai'i. Why is this important? Because cryptocurrency kiosks are frequently used by scammers to take money from victims.

The story of the scam can take many forms—you owe the IRS; you need to pay off a bench warrant;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 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-factory-in-myanmar/a-68113480>; 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*

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.

To that end, I recommend the following amendment to make clear that the proposed limits work in conjunction as opposed to in the alternative. Line 5-11: replaced in its entirety with the following:

a) An operator shall not accept transactions from a single customer of more than \$2,000 in U.S. dollars or the equivalent in digital financial assets per day through a digital financial asset transaction kiosk. In addition, the transaction limit shall not exceed \$10,000 in U.S. dollars or the equivalent in digital financial assets in any thirty (30) day period.

I urge the Committee to pass HB2003 with the recommended amendment 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.

HB-2003

Submitted on: 2/3/2026 9:19:06 PM

Testimony for CPC on 2/5/2026 2:00:00 PM

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

Comments:

Aloha Chair Matayoshi and Members of the Committee:

My name is Rick Tabor

I'm in **STRONG SUPPORT of HB 2003** which would establish critical safeguards for cryptocurrency transactions conducted through kiosks in Hawai'i.

Too many people, especially vulnerable Hawaii kūpuna, are too easily scammed.

Cryptocurrency kiosks have rapidly expanded across our islands, consumers—especially kupuna, have been exposed to significant financial risk, fraud, and irreversible losses. House Bill 2003 is a reasonable, necessary, and consumer-focused response to these documented harms.

Many consumers who use kiosks do not realize they are converting cash into crypto assets that cannot be disputed, refunded, or traced once sent. In Hawai'i, where many residents rely on cash, kiosks can create a false sense of security that mirrors traditional ATMs—but without the same protections.

I respectfully urge you to PASS House Bill 2003. This measure reflects Hawai'i's values of fairness, and protection of our people, while allowing innovation and technology to move forward in a safe and responsible way.

Mahalo for your time, your consideration on this important matter that won't cost the state a single penny, saving many so much. Your commitment to protecting Hawai'i's consumers is priceless.

Mahalo Nui Loa,

Rick Tabor

Honolulu, HI. 96813

Testimony on House Bill No. 2003
RELATING TO DIGITAL FINANCIAL ASSETS TRANSACTION KIOSKS
Thursday, February 5, 2026, at 2:00 PM
Conference Room 329 & Videoconference
State Capitol
415 South Beretania Street

Aloha Chair Matayoshi and Members of the Committee:

My name is Christina Enoka, and I am in **STRONG SUPPORT** of HB 2003 which would set up critical safeguards 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 2003.

Mahalo for the opportunity to testify!

Christina Enoka
Mililani, Oahu
Ncsmn150@gmail.com

TO: The Honorable, Scot Z. Matayoshi, Chair and
The Honorable, Tina Nakada Grandinetti, Vice-Chair
and Members of the State House Committee on Consumer Protection
and Commerce

Date: Thursday, February 5, 2026

Re: House Bill 2003. Relating to Digital Financial Asset Transaction Kiosks

My name is Esther Ueda, and I am writing in STRONG SUPPORT of House Bill 2003.

The proposed bill would place limits on financial transactions made through a digital financial asset transaction kiosk in one day, similar to the practice of placing limits on withdrawals made by financial institutions on their cashtel machines. The proposed limit would be \$2,000 per day or a limit of \$10,000 in digital assets in any thirty-day period.

Numerous cryptocurrency type machines have appeared throughout the State. Some of these machines have been used for fraudulent purposes, particularly targeting vulnerable Seniors.

The proposed transaction limits, and other proposed measures in the bill, such as posting warning signs, providing possible refunds for fraudulent transactions, providing contact information for reporting frauds, providing live customer service to persons using the machines, would assist in stopping or at least deterring activities using these machines for fraudulent purposes.

Please support House Bill No. 2003 .

Esther Ueda,
Pearl City, Hawaii

LATE

Beverly Gotelli
6286 Opaekaa Road
Kapaa, HI 96746

COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Rep. Scot Z. Matayoshi, Chair
Rep. Tina Nakada Grandinetti, Vice Chair
February 5, 2026
2:00 p.m.

Position: STRONG SUPPORT – HB 2003 Relating to Digital Financial Asset Transaction Kiosks

Aloha Chair Matayoshi and Members of the Committee,

My name is Beverly Gotelli and I am writing in strong support of House Bill 2003, which would establish critical safeguards for cryptocurrency transactions conducted through kiosks in Hawai'i.

I support innovation and responsible use of digital financial technology. However, the rapid spread of cryptocurrency kiosks across our islands has put consumers—especially kupuna, at risk of fraud and serious financial loss. Senate Bill 2387 is a reasonable and necessary way to protect consumers from these harms

I have not been affected by this, but have attended community meetings where stories have been shared. It is scary to know that there are those in the community who are preying on Kupuna. Kupuna when hearing an injury of a loved one, or being arrested, they become very compassionate and forget about reality. They lose all sense of what is right and wrong.

Cryptocurrency is here to stay and we need to be proactive on how we can protect not only kupuna but everyone in the State.

Many consumers who use kiosks do not realize they are converting cash into crypto assets that cannot be disputed, refunded, or traced once sent. In Hawai'i, where many residents rely on cash, kiosks can create a false sense of security that mirrors traditional ATMs—but without the same protections.

I respectfully urge you to PASS House Bill 2003. This measure reflects Hawai'i's values of pono, fairness, and protection of our people, while allowing innovation to move forward in a safe and responsible way.

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

LATE

Testimony on House Bill No. 2003
RELATING TO Digital Financial Assets Transaction Kiosks
Thursday, February 5, 2026 at 2:00 pm
Conference Room 329 & Videoconference
State Capitol

LATE

Aloha Chair Matayoshi and Members of the Committee:

I am in support of House Bill no. 2003.

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