

Stateline

Citing potential for fraud, blue and red states pass new crypto ATM laws

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BY: **KEVIN HARDY** - JULY 28, 2025 10:00 AM



📷 A cryptocurrency ATM is shown in a convenience store in 2022 in Miami. Several states have passed new laws regulating these machines, which officials say are increasingly being used to scam consumers. (Photo by Joe Raedle/Getty Images)

They may resemble other ATMs, but officials are increasingly warning about the potential for fraud with the expanding fleet of cryptocurrency ATMs popping up across the country.

The National Consumers League says the largely unregulated machines have become **favored by scammers** for their anonymity and irreversibility – once a user transfers or deposits funds, that money is essentially gone.

While officials say the machines can be used for legitimate purposes, red and blue states are increasingly imposing new regulations to protect consumers: AARP says 11 states have recently passed new laws or regulations of the machines.

“In state after state, AARP found lawmakers on both sides of the aisle and local law enforcement eager to work on commonsense rules that balance innovation and consumer safety,” Nancy LeaMond, AARP’s executive vice president and chief advocacy and engagement officer, said in a news release.

Last year, the FBI reported nearly [11,000 complaints](#) of cryptocurrency ATM fraud. Those cases disproportionately affected older Americans and cost victims \$246.7 million.

[Cryptocurrencies](#) are digital assets, including bitcoin, that offer an alternative payment or method without control of a central bank or government like other currencies. [Crypto ATMs](#), sometimes called crypto kiosks, allow users to insert cash or use debit cards to convert currencies such as U.S. dollars into cryptocurrencies.

The Federal Trade Commission says crypto ATM scams [often start](#) with a call or text message warning of a supposed problem, such as unauthorized bank charges or suspicious activity on an Amazon account.

The FTC says consumers should contact banks or other institutions directly about any account issues. And it warns consumers not to believe anyone who says they must use a crypto ATM to address a financial problem.

“Real businesses and government agencies will never do that – anyone who does is a scammer,” the agency said.

After signing a bill with new regulations, Nebraska Republican Gov. Jim Pillen was clear that the state would continue to welcome cryptocurrency businesses as it aims to become a hub for the industry.

The Nebraska law requires ATM operators to acquire state licensure, warn customers of the potential for criminal exploitation and take “reasonable steps to detect and prevent fraud.” The law also limits transactions to \$2,000 per day for new customers and \$10,500 for existing customers, and requires operators to issue refunds for properly reported fraudulent transactions.

At least [40 states](#) have introduced legislation regarding cryptocurrency, digital or virtual currencies and other digital assets in the 2025 legislative session, according to the National Conference of State Legislatures. Those measures include ATM regulations, prohibiting the use of digital currencies by governments and allowing state investment in digital assets.

Federal lawmakers are also taking action on the issue. The Republican-controlled U.S. House of Representatives declared the week of July 14 “[Crypto Week](#),” when lawmakers considered several pieces of legislation.

At the end of that week, President Donald Trump [signed](#) into law the GENIUS Act, the first major law governing digital currency. It establishes a regulatory framework for the industry.

Trump hopes the bill will instill confidence in the industry that spent heavily to strengthen its legitimacy and political might, The Associated Press [reported](#).

“This signing is a massive validation of your hard work and your pioneering spirit,” the president told crypto executives.

In state legislatures, new bills regulating crypto ATMS have enjoyed bipartisan support. AARP tracking shows new bills have been approved in Arkansas, Iowa and Oklahoma, as well as in more liberal states such as Maryland and Vermont.

In May, Arizona Democratic Gov. Katie Hobbs [signed](#) Republican-sponsored [legislation](#) that sets daily transaction limits and mandates crypto ATM operators provide customers certain disclosures and warnings.

The legislation followed local news coverage of at least [two dozen crypto scams](#), including one that cost an Arizonan \$28,000.

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