

In support of HB 5121 – Currency Transmissions (aka Cryptocurrency ATM regulation)

Dear Chairwoman Baginski and members of the House Innovation, Internet and Technology Committee,

I am Daniel Liparini and I am writing in support of HB 5121. I wanted to share my knowledge of Crypto ATMs and the impact they can have on the public who are mostly unfamiliar with them.

Here's what I know. If someone contacts me purporting to be from the police department, the IRS, a utility company, another government agency, or any of several other kinds of people, and they need money urgently that can only be sent via a Crypto ATM, it is a Scam.

That's all I need to know; but unfortunately, many people get so flustered by the pressure of the scammer that they don't have time to process what is happening. And what the FBI reported in 2023 is that 65% of those scammed are over 60 years old.

A couple of years ago, our State Legislature (probably many of you) realized that this was happening with Gift Cards and enacted legislation to require that vendors of gift cards alert people who are buying them that they are likely being scammed if they are buying the cards for someone they don't know in order to pay a bill. I was scammed that way by someone I did know (or thought I knew).

The difference between gift cards and the Crypto ATMs is that you would have to buy a lot of gift cards to lose \$10,000, whereas with a Crypto ATM, it only takes one transaction. And with a gift card, you don't lose the money until you give the scammer the card or the number on the card – with the Crypto Kiosk, the money is gone when you press the button.

This bill would require licensing of the Crypto ATM Operators; would limit the daily transactions to \$1000; would require complete disclosures of the potential dangers of using Crypto ATMs; would require receipts with relevant transaction information; and new users would be given complete refunds if the transaction was due to fraud.

Please support this bill and these commonsense requirements for the protection of our fellow Rhode Islanders.

Sincerely,

Daniel Liparini

