



# Westerly Police Department

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**Paul J. Gingerella**  
*Chief of Police*

February 11<sup>th</sup>, 2025

Chairman Baginski  
House Innovation and Technology Committee  
Rhode Island General Assembly

Dear Chairman Baginski and House Innovation and Technology Committee Members,

I write to you in my capacity as Chief of Police for the Town of Westerly to express my strong support for H-5121, a critical piece of legislation aimed at enhancing oversight and accountability within the virtual currency industry, particularly concerning virtual currency kiosks operating in our state.

As law enforcement officers, we are increasingly encountering cases in which unsuspecting individuals fall victim to scams and fraudulent activities involving virtual currency. Criminals are exploiting unregulated and loosely monitored virtual currency kiosks to facilitate illicit transactions, launder money, and defraud Rhode Island residents. This bill introduces much-needed safeguards, including licensing requirements, transaction disclosures, and fraud prevention measures to help identify and mitigate fraudulent activity. The requirement for clear consumer warnings and daily transaction limits will serve as crucial protections, giving potential victims more time to recognize and stop fraudulent transactions before suffering irreparable financial loss.

In Westerly alone, many residents have lost significant amounts of money—sometimes their entire life savings—due to scams involving cryptocurrency ATMs. We have investigated cases where individuals deposited and lost \$40,000 in just two days and multiple instances of \$15,000 or more losses in a single day. When we attempt to work with these machine owners to recover these funds, we are met with indifference and little to no cooperation.

H-5121 represents a vital step in combating financial crimes and protecting Rhode Islanders from predatory schemes. I urge the committee to support and advance this legislation to help prevent further victimization. Law enforcement stands ready to collaborate with policymakers and regulatory bodies to ensure its successful implementation and enforcement.

Thank you for your time and consideration. Should you require any further input or assistance, please do not hesitate to reach out.

Paul J. Gingerella

Chief of Police