

119TH CONGRESS
1ST SESSION

S. 710

To amend title 31, United States Code, to prevent fraudulent transactions at virtual currency kiosks, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 2025

Mr. DURBIN (for himself, Mr. BLUMENTHAL, Mr. REED, and Mr. WELCH) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend title 31, United States Code, to prevent fraudulent transactions at virtual currency kiosks, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Crypto ATM Fraud
5 Prevention Act of 2025”.

6 **SEC. 2. REGISTRATION WITH THE SECRETARY OF THE**
7 **TREASURY.**

8 Section 5330 of title 31, United States Code, is
9 amended—

1 (1) in subsection (d)—

2 (A) in paragraph (1)(A), by inserting “,
3 any person who owns, operates, or manages a
4 virtual currency kiosk in the United States or
5 its territories,” after “similar instruments”; and

6 (B) by adding at the end the following:

7 “(3) VIRTUAL CURRENCY; VIRTUAL CURRENCY
8 ADDRESS; VIRTUAL CURRENCY KIOSK; VIRTUAL CUR-
9 RENCY KIOSK OPERATOR.—The terms ‘virtual cur-
10 rency’, ‘virtual currency address’, ‘virtual currency
11 kiosk’, and ‘virtual currency kiosk operator’ have the
12 meanings given those terms, respectively, in section
13 5337.”; and

14 (2) by adding at the end the following:

15 “(f) REGISTRATION OF VIRTUAL CURRENCY KIOSK
16 LOCATIONS.—

17 “(1) IN GENERAL.—Not later than 90 days
18 after the effective date of this subsection, and not
19 less than once every 90 days thereafter, the Sec-
20 retary of the Treasury shall require virtual currency
21 kiosk operators to submit an updated list containing
22 the physical address of each virtual currency kiosk
23 owned or operated by the virtual currency kiosk op-
24 erator.

1 “(2) FORM AND MANNER OF REGISTRATION.—

2 Each submission by a virtual currency kiosk oper-
3 ator pursuant to paragraph (1) shall include—

4 “(A) the legal name of the virtual currency
5 kiosk operator;

6 “(B) any fictitious or trade name of the
7 virtual currency kiosk operator;

8 “(C) the physical address of each virtual
9 currency kiosk owned, operated, or managed by
10 the virtual currency kiosk operator that is lo-
11 cated in the United States or the territories of
12 the United States;

13 “(D) the start date of operation of each
14 virtual currency kiosk;

15 “(E) the end date of operation of each vir-
16 tual currency kiosk, if applicable; and

17 “(F) each virtual currency address used by
18 the virtual currency kiosk operator.

19 “(3) FALSE AND INCOMPLETE INFORMATION.—

20 The filing of false or materially incomplete informa-
21 tion in a submission required under paragraph (1)
22 shall be deemed a failure to comply with the require-
23 ments of this subsection.”.

1 **SEC. 3. PREVENTING FRAUDULENT TRANSACTIONS AT VIR-**
 2 **TUAL CURRENCY KIOSKS.**

3 (a) IN GENERAL.—Subchapter II of Chapter 53 of
 4 Title 31, United States Code, is amended by adding at
 5 the end the following:

6 **“§ 5337. Virtual currency kiosk fraud prevention**

7 “(a) DEFINITIONS.—In this section:

8 “(1) BLOCKCHAIN ANALYTICS.—The term
 9 ‘blockchain analytics’ means the analysis of data
 10 from blockchains or public distributed ledgers, and
 11 associated transaction information, to provide risk-
 12 specific information about virtual currency trans-
 13 actions and virtual currency addresses.

14 “(2) CUSTOMER.—The term ‘customer’ means
 15 any person that purchases or sells virtual currency
 16 through a virtual currency kiosk.

17 “(3) EXISTING CUSTOMER.—The term ‘existing
 18 customer’ means a customer other than a new cus-
 19 tomer.

20 “(4) FINCEN.—The term ‘FinCEN’ means the
 21 Financial Crimes Enforcement Network of the De-
 22 partment of the Treasury.

23 “(5) NEW CUSTOMER.—The term ‘new cus-
 24 tomer’, with respect to a virtual currency kiosk oper-
 25 ator, means a customer during the 14-day period be-
 26 ginning on the date of the first virtual currency

1 kiosk transaction of the customer with the virtual
2 currency kiosk operator.

3 “(6) TRANSACTION HASH.—The term ‘trans-
4 action hash’ means a unique identifier made up of
5 a string of characters that act as a record of and
6 provide proof that a transaction was verified and
7 added to the blockchain.

8 “(7) VIRTUAL CURRENCY.—The term ‘virtual
9 currency’ means any digital representation of value
10 that is recorded on a cryptographically secured dis-
11 tributed ledger or any similar technology or another
12 implementation, which was designed and built as
13 part of a system to leverage or replace blockchain,
14 distributed ledger technology, or their derivatives.

15 “(8) VIRTUAL CURRENCY ADDRESS.—The term
16 ‘virtual currency address’ means an alphanumeric
17 identifier associated with a virtual currency wallet
18 identifying the location to which virtual currency
19 purchased through a virtual currency kiosk can be
20 sent or from which virtual currency sold through a
21 virtual currency kiosk can be accessed.

22 “(9) VIRTUAL CURRENCY KIOSK.—The term
23 ‘virtual currency kiosk’ means a stand-alone machine
24 that is capable of accepting or dispensing legal ten-
25 der in exchange for virtual currency.

1 “(10) VIRTUAL CURRENCY KIOSK OPERATOR.—

2 The term ‘virtual currency kiosk operator’ means a
3 person who owns, operates, or manages a virtual
4 currency kiosk located in the United States or its
5 territories.

6 “(11) VIRTUAL CURRENCY KIOSK TRANS-
7 ACTION.—The term ‘virtual currency kiosk trans-
8 action’ means the purchase or sale of virtual cur-
9 rency via a virtual currency kiosk.

10 “(12) VIRTUAL CURRENCY WALLET.—The term
11 ‘virtual currency wallet’ means a software applica-
12 tion or other mechanism providing a means for hold-
13 ing, storing, and transferring virtual currency.

14 “(b) DISCLOSURES.—Before entering into a virtual
15 currency transaction with a customer, a virtual currency
16 kiosk operator shall disclose in a clear, conspicuous, and
17 easily readable manner—

18 “(1) all relevant terms and conditions of the
19 virtual currency kiosk transaction, including—

20 “(A) the amount of the virtual currency
21 kiosk transaction;

22 “(B) the type and nature of the virtual
23 currency kiosk transaction;

1 “(C) a warning that the virtual currency
2 kiosk transaction is final, is not refundable, and
3 may not be reversed; and

4 “(D) the type and amount of any fees or
5 other expenses paid by the customer;

6 “(2) a warning relating to consumer fraud in-
7 cluding—

8 “(A) a warning that consumer fraud often
9 starts with contact from a stranger, and that
10 the customer should never send money to some-
11 one they do not know;

12 “(B) a warning about the most common
13 types of fraudulent schemes involving virtual
14 currency kiosks, such as—

15 “(i) impersonation of a government
16 official or a bank representative;

17 “(ii) threats of jail time or financial
18 penalties;

19 “(iii) offers of a job or reward in ex-
20 change for payment, or offers of deals that
21 seem too good to be true;

22 “(iv) claims of a frozen bank account
23 or credit card; or

24 “(v) requests for donations to charity
25 or disaster relief; and

1 “(C) a statement that the customer should
2 contact the virtual currency kiosk operator’s
3 customer service helpline or State or local law
4 enforcement if they suspect fraudulent activity.

5 “(c) ACKNOWLEDGMENT OF DISCLOSURES.—Each
6 time a customer uses a virtual currency kiosk, the virtual
7 currency kiosk operator shall ensure acknowledgment of
8 all disclosures required under subsection (b) via confirma-
9 tion of consent of the customer at the virtual currency
10 kiosk.

11 “(d) RECEIPTS.—Upon completion of each virtual
12 currency kiosk transaction, the virtual currency kiosk op-
13 erator shall provide the customer with a receipt, which
14 shall include the following information:

15 “(1) The name and contact information of the
16 virtual currency kiosk operator, including a tele-
17 phone number for a customer service helpline.

18 “(2) The name of the customer.

19 “(3) The type, value, date, and precise time of
20 the virtual currency kiosk transaction, transaction
21 hash, and each applicable virtual currency address.

22 “(4) The amount of the virtual currency kiosk
23 transaction expressed in United States dollars.

24 “(5) All fees charged.

1 “(6) A statement that the customer may be en-
2 titled by law to a refund if the customer reports
3 fraudulent activity in conjunction with the virtual
4 currency kiosk transaction not later than 30 days
5 after the date of the virtual currency kiosk trans-
6 action.

7 “(7) The refund policy of the virtual currency
8 kiosk operator or a Uniform Resource Locator where
9 the refund policy of the virtual currency kiosk oper-
10 ator can be found.

11 “(8) A statement that the customer should con-
12 tact law enforcement if they suspect fraudulent ac-
13 tivity, such as scams, including contact information
14 for a relevant law enforcement or government agen-
15 cy.

16 “(9) Any additional information the virtual cur-
17 rency kiosk operator determines appropriate.

18 “(e) PHYSICAL RECEIPTS REQUIRED.—Not later
19 than 1 year after the effective date of this section, each
20 receipt required under subsection (d) shall be issued to
21 the customer as a physical receipt at the virtual currency
22 kiosk at the time of the virtual currency kiosk transaction,
23 but such receipt may also be provided in additional forms
24 or communications.

25 “(f) ANTI-FRAUD POLICY.—

1 “(1) IN GENERAL.—Each virtual currency kiosk
 2 operator shall take reasonable steps to detect and
 3 prevent fraud, including establishing and maintain-
 4 ing a written anti-fraud policy that includes—

5 “(A) the identification and assessment of
 6 fraud-related risk areas;

7 “(B) procedures and controls to protect
 8 against risks identified under subparagraph
 9 (A);

10 “(C) allocation of responsibility for moni-
 11 toring the risks identified under subparagraph
 12 (A); and

13 “(D) procedures for the periodic evaluation
 14 and revision of the anti-fraud procedures, con-
 15 trols, and monitoring mechanisms under sub-
 16 paragraphs (B) and (C).

17 “(2) SUBMISSION OF ANTI-FRAUD POLICY TO
 18 FINCEN.—Each virtual currency kiosk operator shall
 19 submit to FinCEN the anti-fraud policy required
 20 under paragraph (1) not later than 90 days after
 21 the later of—

22 “(A) the effective date of this section; or

23 “(B) the date on which the virtual cur-
 24 rency kiosk operator begins operating.

1 “(g) APPOINTMENT OF COMPLIANCE OFFICER.—

2 Each virtual currency kiosk operator shall designate and

3 employ a compliance officer who—

4 “(1) is qualified to coordinate and monitor com-

5 pliance with this section and all other applicable

6 Federal and State laws, rules, and regulations;

7 “(2) is employed full-time by the virtual cur-

8 rency kiosk operator;

9 “(3) is not the chief executive officer of the vir-

10 tual currency kiosk operator; and

11 “(4) does not own or control more than 20 per-

12 cent of any interest in the virtual currency kiosk op-

13 erator.

14 “(h) USE OF BLOCKCHAIN ANALYTICS.—

15 “(1) IN GENERAL.—Each virtual currency kiosk

16 operator shall use blockchain analytics to prevent

17 sending virtual currency to a virtual currency wallet

18 known to be affiliated with fraudulent activity at the

19 time of a virtual currency kiosk transaction and to

20 detect transaction patterns indicative of fraud or

21 other illicit activities.

22 “(2) COMPLIANCE.—The Director of FinCEN

23 may request evidence from any virtual currency

24 kiosk operator to confirm compliance with this sub-

25 section.

1 “(i) VERBAL CONFIRMATION REQUIRED BEFORE
2 NEW CUSTOMER TRANSACTIONS.—

3 “(1) IN GENERAL.—Before entering into a vir-
4 tual currency kiosk transaction valued at 500 dollars
5 or more with a new customer, a virtual currency
6 kiosk operator shall obtain verbal confirmation from
7 the new customer that—

8 “(A) the new customer wishes to proceed
9 with the virtual currency kiosk transaction;

10 “(B) the new customer understands the
11 nature of the virtual currency kiosk transaction;
12 and

13 “(C) the new customer is not being fraudu-
14 lently induced to engage in the transaction.

15 “(2) REASONABLE EFFORT.—A virtual cur-
16 rency kiosk operator shall make a reasonable effort
17 to determine whether the customer is being fraudu-
18 lently induced to engage in the virtual currency
19 kiosk transaction.

20 “(3) METHOD OF CONFIRMATION.—Each verbal
21 confirmation required under paragraph (1) shall be
22 given by way of a live telephone or video call to a
23 person employed by, or on behalf of, the virtual cur-
24 rency kiosk operator.

25 “(j) REFUNDS.—

1 “(1) IN GENERAL.—

2 “(A) NEW CUSTOMERS.—Not later than
3 30 days after receiving an application under
4 paragraph (2), a virtual currency kiosk operator
5 shall issue a refund to a customer for the full
6 amount of each virtual currency kiosk trans-
7 action, including the dollar value of virtual cur-
8 rency exchanged and all transaction fees, made
9 during the period in which the customer was a
10 new customer and for which the customer was
11 fraudulently induced to engage in the virtual
12 currency kiosk transaction.

13 “(B) EXISTING CUSTOMERS.—Not later
14 than 30 days after receiving an application
15 under paragraph (2), a virtual currency kiosk
16 operator shall issue a refund to a customer for
17 the full amount of all transaction fees associ-
18 ated with each virtual currency kiosk trans-
19 action made during the period in which the cus-
20 tomer was an existing customer and for which
21 the customer was fraudulently induced to en-
22 gage in the virtual currency kiosk transaction.

23 “(2) APPLICATION.—A customer seeking a re-
24 fund under paragraph (1) shall, not later than 30
25 days after the date of the virtual currency kiosk

1 transaction, submit an application to the virtual cur-
2 rency kiosk operator that includes the following:

3 “(A) The name, address, and phone num-
4 ber of the customer.

5 “(B) The transaction hash of the virtual
6 currency kiosk transaction or information suffi-
7 cient to determine the type, value, date, and
8 time of the virtual currency kiosk transaction.

9 “(C) A copy of a report to a State or local
10 law enforcement or government agency, made
11 not later than 30 days after the virtual cur-
12 rency kiosk transaction, that includes a sworn
13 affidavit attesting that the customer was fraud-
14 ulently induced to engage in the virtual cur-
15 rency kiosk transaction.

16 “(3) ENHANCED DAMAGES.—Any person who
17 willfully denies a refund to a customer in violation
18 of paragraph (1) shall be liable to the customer for
19 3 times the amount of the refund owed under that
20 paragraph or \$10,000, whichever is greater. A pen-
21 alty under this paragraph shall be in addition to any
22 penalty under subsection (n).

23 “(k) TRANSACTION LIMITS WITH RESPECT TO NEW
24 CUSTOMERS.—

1 “(1) IN A 24-HOUR PERIOD.—A virtual currency
2 kiosk operator shall not accept more than \$2,000, or
3 the equivalent amount in virtual currency, from any
4 new customer during any 24-hour period.

5 “(2) TOTAL.—A virtual currency kiosk operator
6 shall not accept a total of more than \$10,000, or the
7 equivalent amount in virtual currency, from any new
8 customer.

9 “(l) CUSTOMER SERVICE HELPLINE.—Each virtual
10 currency kiosk operator shall provide live customer service
11 during all hours that the virtual currency kiosk operator
12 accepts virtual currency kiosk transactions, the phone
13 number for which is regularly monitored and displayed in
14 a clear, conspicuous, and easily readable manner upon
15 each virtual currency kiosk.

16 “(m) COMMUNICATIONS WITH LAW ENFORCE-
17 MENT.—

18 “(1) IN GENERAL.—Each virtual currency kiosk
19 operator shall provide a dedicated and frequently
20 monitored phone number and email address for rel-
21 evant law enforcement and government agencies to
22 facilitate communication with the virtual currency
23 kiosk operator in the event of reported or suspected
24 fraudulent activity.

1 “(2) SUBMISSION.—Not later than 90 days
2 after the effective date of this section, each virtual
3 currency kiosk operator shall submit the phone num-
4 ber and email address described in paragraph (1) to
5 FinCEN and all other relevant law enforcement and
6 government agencies.

7 “(n) CIVIL PENALTIES.—

8 “(1) IN GENERAL.—Any person who fails to
9 comply with any requirement of this section, or any
10 regulation prescribed under this section, shall be lia-
11 ble to the United States for a civil monetary penalty
12 of \$10,000 for each such violation.

13 “(2) CONTINUING VIOLATION.—Each day that
14 a violation described in paragraph (1) continues
15 shall constitute a separate violation for purposes of
16 such paragraph.

17 “(3) ASSESSMENTS.—Any penalty imposed
18 under this section shall be assessed and collected by
19 the Secretary of the Treasury as provided in section
20 5321 and any such assessment shall be subject to
21 the provisions of that section.

22 “(o) RELATIONSHIP TO STATE LAWS.—The provi-
23 sions of this section shall preempt any State law, rule, or
24 regulation only to the extent that such State law, rule,
25 or regulation conflicts with a provision of this section.

1 Nothing in this section shall be construed to prohibit a
2 State from enacting a law, rule, or regulation that pro-
3 vides greater protection to customers than the protection
4 provided by the provisions of this section.”.

5 (b) CLERICAL AMENDMENT.—The table of sections
6 for chapter 53 of title 31, United States Code, is amended
7 by inserting after the item relating to section 5336 the
8 following:

“5337. Virtual currency kiosk fraud prevention.”.

9 **SEC. 4. EFFECTIVE DATE.**

10 The amendments made by this Act shall take effect
11 90 days after the date of enactment of this Act.

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