



Are You an Informed Investor? Crypto ATMs



There are approximately 600 cryptocurrency ATMs across Arizona. In 2024, the FBI reported a 99% increase in complaints of fraud involving crypto ATMs; a majority of the victims of crypto ATM fraud were over 60 years old. Overall, Arizonans lost more than \$177 million in crypto fraud in 2024. And so far this year, Scottsdale police has already reported \$5 million lost by residents due to cryptocurrency scams.

What Are Crypto ATMs?

Crypto ATM (also known by a number of other names, including Bitcoin ATM) is an electronic kiosk designed to facilitate buying cryptocurrencies using any financial transaction card, including a credit card or debit card. These machines look like traditional ATMs and are located in all the same kinds of places: gas stations, convenience stores, malls, and other high-traffic areas.

How Do Crypto ATMs Work?

You can deposit money into the ATM and the ATM charges a fee and transfers the money into cryptocurrency and puts it into an electronic wallet. You provide the address of the wallet.

Using Crypto ATMs to Facilitate Scams

While these machines provide convenient access to digital currencies, legitimate crypto ATMs may also be used as key players in crypto scams.

The scams start through chats, social media, emails, texts, pop ups, and phone calls from strangers. The lies told by scammers vary, but they create some urgent justification for consumers to take cash out of their bank accounts and put it into a crypto ATM. Often, the scammers fabricate an investment that promises great returns with limited risk. When consumers put money into a crypto ATM, the ATM converts the cash to cryptocurrency.

The consumer types in the scammer's electronic wallet address, or the consumer is given a QR code to scan which points to the scammer's electronic wallet address. The crypto ATM then transfers the crypto to the scammer's electronic wallet. Once in their control, the scammers quickly move the crypto making it very difficult to trace and recover.

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How to Protect Yourself

- **Slow down**. Scammers want you to rush out to the nearest Crypto ATM, put in your money, and send crypto to them. Pause, take a minute first. If you have been directed by someone to make a payment using a Crypto ATM, it is very likely that this is a scam.
- **Never** click on links or **answer unexpected calls**, messages, or computer pop-ups. Don't respond to the person who contacted you. Delete the message and report it as junk to your carrier.
- **Never withdraw cash** in response to an unexpected call or message. Only scammers will tell you to do that.
- **Don't believe** anyone who says you need to use a Crypto ATM to protect your money, or to fix a problem, or to get in on a great investment. Real businesses and government agencies will never do that – and anyone who asks is a scammer.

The Bottom Line

The important thing to remember about crypto transactions, is that they are designed to be anonymous and instantaneous. Most investment losses due to cryptocurrency investments are unrecoverable and your money is gone forever. For more tips and information about how to be a better informed investor, contact the Arizona Corporation Commission Securities Division. Visit the ACC website, at

<https://www.azcc.gov/az-investor>

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