

FEDERAL MARKET STRUCTURE BILLS



JAMES BROWN

CSI

COMMISSIONER OF SECURITIES & INSURANCE
OFFICE OF THE MONTANA STATE AUDITOR



406.444.3815



csi.securities@mt.gov



csimt.gov/securities

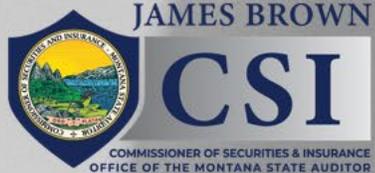


840 Helena Avenue
Helena, MT 59601

Get social with us



FIGHTING FRAUD IN THE 406



406.444.3815



csi.securities@mt.gov



csimt.gov/securities



840 Helena Avenue
Helena, MT 59601

Get social with us



FRAUD ON THE RISE NATIONWIDE

\$16.6 billion* lost
to internet crimes

↑ **33% increase**
from 2023

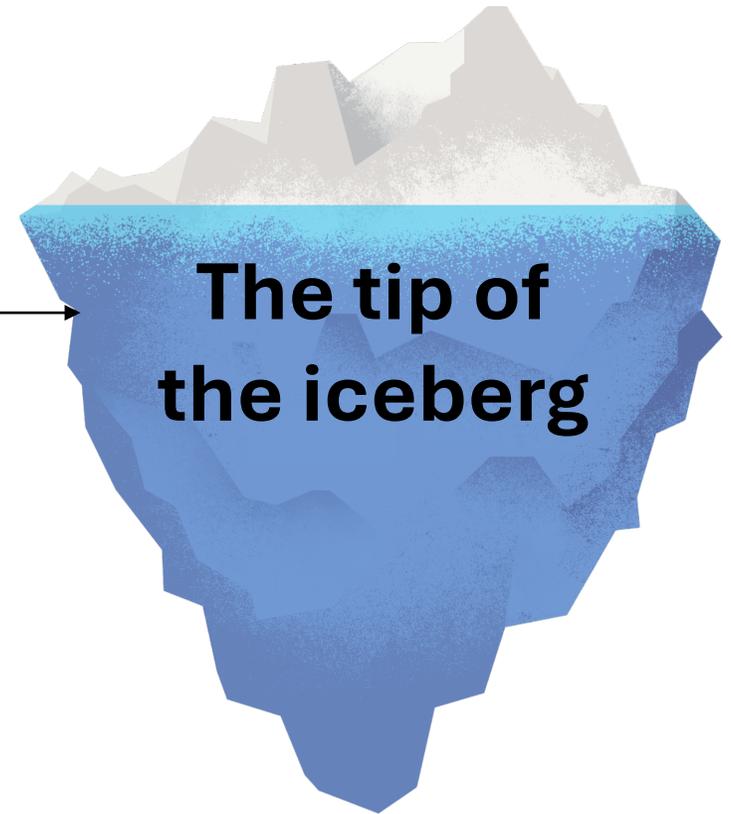
*Excluding cryptocurrency scams

Complaint and Loss Trends since 2020

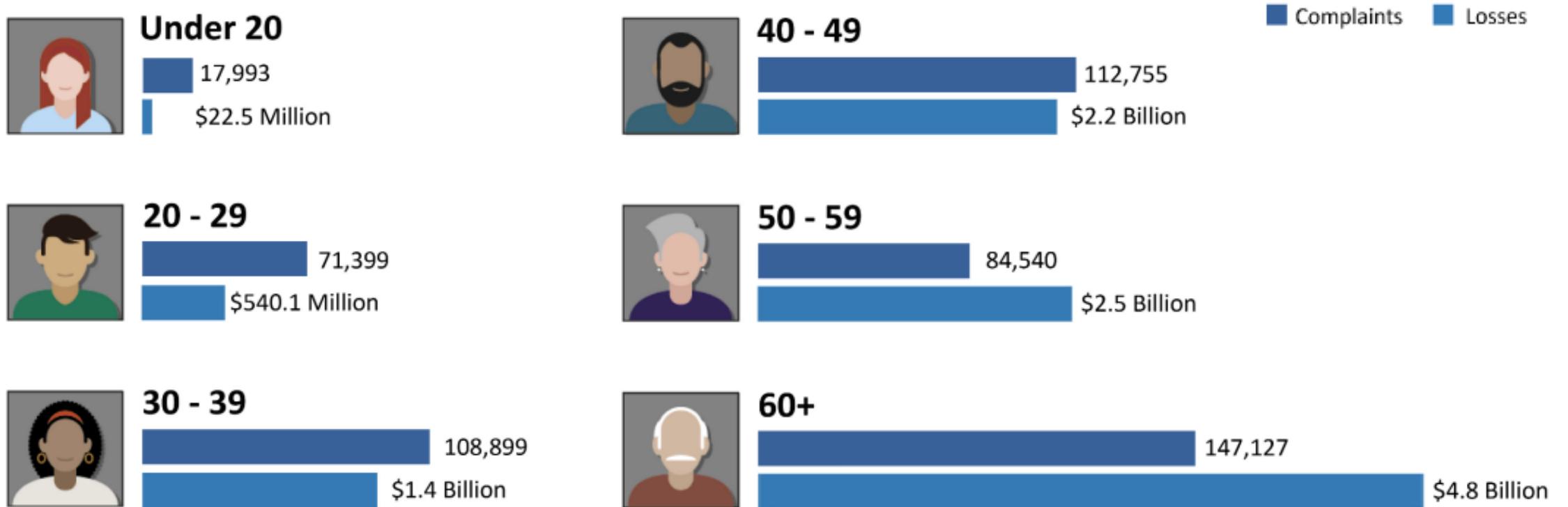


FRAUD ON THE RISE NATIONWIDE

Complaint and Loss Trends since 2020



COMPLAINTS BY AGE GROUP



CRYPTOCURRENCY SCAMS

\$9.3 billion was lost to cryptocurrency fraud in 2024.

This includes:

- Crypto investments (\$5.8 billion)
- Crypto ATMS (\$246.7 million)
- Extortion (\$33.5 million)
- Other crypto-related crimes



The most recent FBI data shows that in 2025, Crypto ATM losses were **\$333 million**, approximately a **35% increase**

CRYPTO ATMS

Bitcoin payments are FINAL

- Government agencies, jails, and utilities do not request payments in Bitcoin – scammers do
- Be wary of online “friends” who ask you to send them cryptocurrency

In Montana, there are an estimated 400 Crypto ATMS, with more than half being operated by Liberty X



CRYPTOCURRENCY SCAMS

In Iowa, 98.16% of money sent through Bitcoin Depot were scam transactions

An investigation by the Iowa Attorney General's office found:

- Most scam victims were above age 60
- The vast majority of transactions were scam transactions.



oag.dc.gov

Attorney General Schwalb Sues Crypto ATM Operator for Financially Exploiting District Residents

In a similar, Washington DC investigation:

- 93% of all Athena BTM deposits were the direct result of scams
- Victims' median age was 71

The median amount lost per scam transaction was **\$8,000**, with one victim losing a total of **\$98,000** in nineteen transactions over a period of several days.

BOZEMAN CRYPTOCURRENCY SCAM

CSI
CASE
STUDY



-  73-year-old Bozeman resident
-  Contacted late at night via iPad by “Apple”
-  Told her computer was hacked and FBI was involved
-  Stayed on the phone with scammer all night
-  Instructed to withdraw \$36,000 in cash from bank
-  Deposited all \$36,000 into crypto ATMs

2025 REPORTED CRYPTO SCAM LOSSES



TOTAL: \$3,423,908.39



WHAT OTHER STATES HAVE DONE

Multiple states have passed legislation to regulate cryptocurrency ATMs, driven largely by concerns over fraud.

These laws address consumer protection, with new measures passed in over 20 states in 2025 alone. Legislation frequently incorporates several standard requirements, including, but not limited to:

- **Transaction Limits:** To limit the amount of money a potential fraud victim can lose, (ex: Rhode Island caps transactions at \$2,000 per day for new users).
- **Mandatory Disclosures:** Operators must post clear and conspicuous warnings about scams and the irreversibility of crypto transactions.
- **Receipt Requirements:** Customers must be given a receipt detailing the transaction amount in U.S. dollar and crypto, all fees, the recipient's wallet address, and a customer service helpline.

WHAT OTHER STATES HAVE DONE CONTINUED

These laws address consumer protection, with new measures passed in over 20 states in 2025 alone. Legislation frequently incorporates several standard requirements, including, but not limited to:

- **Fraud Refunds**: Some states now require operators to refund customers who are scammed. To receive a refund, a customer must typically report the fraud to law enforcement within a set timeframe.
- **Money Transmitter Licensing***: Many states, including Nebraska and North Dakota, require crypto ATM operators to be licensed as money transmitters, subjecting them to state-level oversight.
- **Anti-Fraud Measures**: State require operators to use blockchain analytics to trace transactions and identify illicit activity. Some laws also mandate live, verbal confirmation from new customers for large transactions.

WHAT MONTANA CAN DO

Montana currently does not have money transmitter licensing.

There are various options for legislation in Montana:

- Transaction Limits
- Mandatory Disclosures
- Receipt Requirements
- Fraud Refunds
- Anti-Fraud Measures

STATE OF MONTANA

840
HELENA AVENUE

JAMES BROWN
COMMISSIONER OF SECURITIES
& INSURANCE
STATE AUDITOR

QUESTIONS?

JAMES BROWN



CSI

COMMISSIONER OF SECURITIES & INSURANCE
OFFICE OF THE MONTANA STATE AUDITOR



406.444.3815



csi.securities@mt.gov



csimt.gov/securities



840 Helena Avenue
Helena, MT 59601

Get social with us

