Council President Joe LaCava

Establishing a Warning Label Requirement for Cryptocurrency ATMs in San Diego

Senior Affairs Advisory Board
July 15th, 2026

The City of SAN DIEGO

What is Cryptocurrency?

Digital currency that is not legal tender

Difficult to trace

<u>Not</u> backed by the FDIC

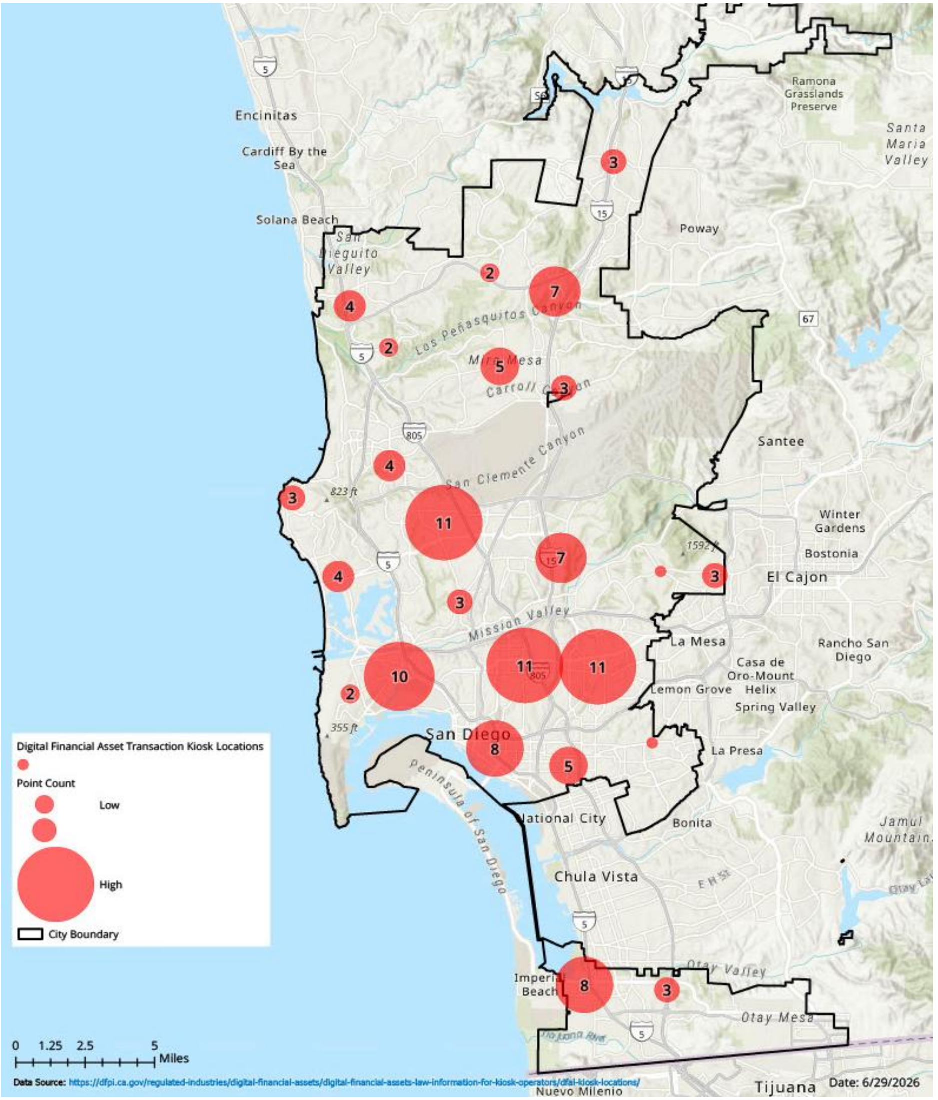
What are Cryptocurrency ATMs?

ATM devices like traditional bank ATM

Found in corner stores, gas stations, and supermarkets

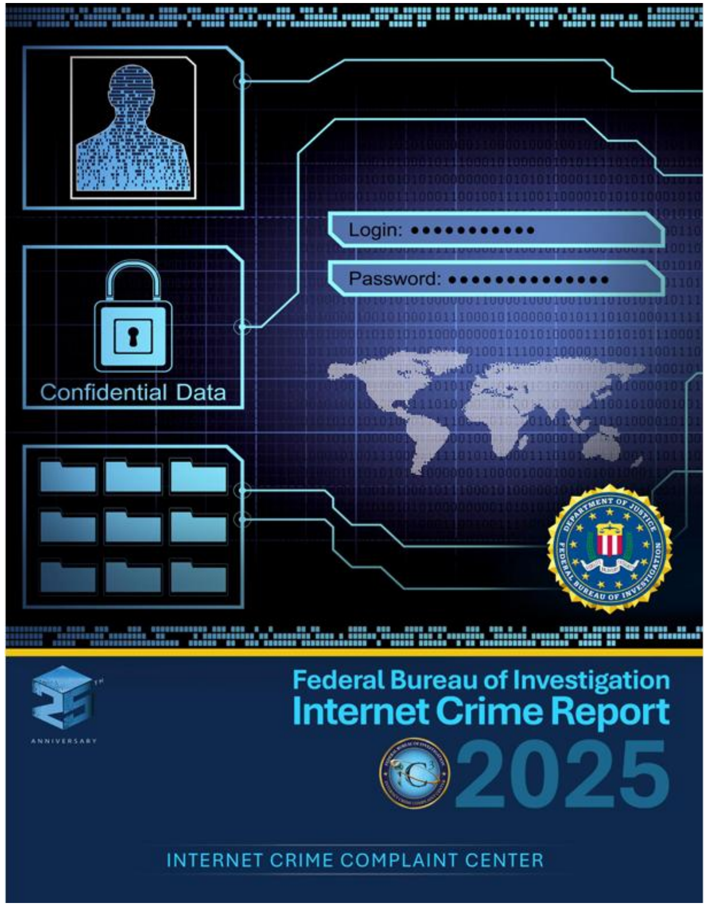
Allow individuals to purchase and send cryptocurrency

ATM Locations



Cryptocurrency Scams

- FBI Internet Crimes Report 2025
  - 181,565 complaints
  - $11,366,669,732 in losses nationwide
- Elder Justice Task Force County Data
  - 2000 victims a year
  - $140 million in overall scam losses



Senior Affairs Advisory Board

Cryptocurrency ATM call to action

The City of SAN DIEGO

Senior Affairs Advisory Board

February 20, 2026

Dear City Councilmember,

On behalf of the City of San Diego Senior Affairs Advisory Board (SAAB), I write to urge decisive action to address the rapid rise of cryptocurrency-related fraud, particularly scams carried out through cryptocurrency ATMs and kiosks that disproportionately harm older adults. As an advisory body charged with monitoring issues affecting the health, safety, and well-being of San Diego's older residents, SAAB has been paying attention to the growth of cryptocurrency ATM fraud. National data and investigative reporting, including analysis by AARP, indicate an increase in scams that direct victims to deposit cash into cryptocurrency kiosks under false and urgent pretenses. Because these transactions are irreversible and difficult to trace, victims often face permanent financial loss.

Older adults are especially vulnerable to these scams which involve impersonation of government agencies, financial institutions, utilities, or even family members. Cryptocurrency ATMs intensify this risk by enabling immediate, high-dollar transactions without consumer safeguards. For many older adults, particularly those with limited familiarity with digital financial technologies, the placement of these machines in retail settings can create a misleading sense of legitimacy.

SAAB has closely followed policy responses emerging in other states including Minnesota, Illinois, Vermont, and Nebraska, where legislation has been enacted to regulate cryptocurrency kiosks through enhanced consumer warnings, transaction limits, operator registration, and fraud prevention measures. These approaches preserve consumer choice while introducing safeguards designed to reduce exploitation and irreversible financial loss.

In San Diego, similar protections would directly support the City's commitment to being an age-friendly community by helping older adults remain financially secure. Taking action to warn older adults about sudden and catastrophic financial loss reduces the risk of housing instability, increased reliance on public services, and added strain on caregivers, outcomes that disproportionately affect older residents falling victim to fraud.

SAAB respectfully encourages the City Council to consider introducing a local proposal that:

- Establishes consumer protections for cryptocurrency ATMs operating within the City
- Requires clear, prominent fraud warnings tailored to common scam tactics
- Limits high-risk transactions and strengthens operator accountability

Thank you for your leadership and the opportunity to support the City's efforts to protect older San Diegans from financial exploitation.

Sincerely,

Gwenmarie Hilleary

Proposed Ordinance

Modeled after similar requirement in Omaha, Nebraska

Establishes a warning label requirement for cryptocurrency kiosks

Creates a new City website with scam reporting information

Creates educational model to inform businesses of requirement

Omaha Warning Language

Objectives of Proposed Ordinance

1. Educate prospective cryptocurrency users about cryptocurrency scams
2. Empower San Diego businesses to educate shoppers about cryptocurrency scams
3. Increase scam awareness and reporting

Planned Community and Stakeholder Outreach

- Serving Seniors
- Elder Justice Task Force
- American Association of Retired People
- Neighborhood Market Association
- San Diego Chamber of Commerce

Do you have any other recommendations?

Next Steps and Implementation

July SAAB	September 16 Committee	October City Council	January 1, 2027 Implementation

Questions?

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