

Bitcoin ATMs: A payment portal for scammers

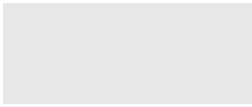
Bitcoin ATMs (or BTMs)¹ have been popping up at convenience stores, gas stations, and other high-traffic areas for years.² For some, they're a convenient way to buy or send crypto, but for scammers they've become an easy way to steal. FTC Consumer Sentinel Network data show that fraud losses at BTMs are skyrocketing, increasing nearly tenfold from 2020 to 2023, and topping \$65 million in just the first half of the year.³

But now crypto is a top payment method for many other scams, too.⁶ Widespread access to BTMs has helped make this possible. Reports of losses using BTMs are overwhelmingly about government impersonation, business impersonation, and tech support scams.⁷ And when people used BTMs, their reported losses are exceptionally high. In the first six months of 2024, the median loss people reported was \$10,000.⁸

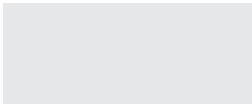
In the first half of the year, people 60 and over were more than three times as likely as younger adults to report a loss using a BTM.⁹ In fact, more than two of every three dollars reported lost to fraud using these machines was lost by an older adult.¹⁰

Scams that use BTMs work in lots of different ways. Many start with a call or message about supposed suspicious activity or unauthorized charges on an account.¹¹ Others get your attention with a fake security warning on your computer, often impersonating a company like Microsoft or Apple. These things are hard to ignore, and that's the point. From there, the story quickly escalates. They might say all your money is at risk, or your information has been linked to money laundering or even drug smuggling. The scammer may get a fake government agent on the line – maybe even claiming to be from the “FTC” – to up the ante.

So where do BTMs fit into the story? Scammers claim that depositing cash into these machines will protect your money or fix the



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