

Protecting Consumers who use Digital Currency

Presented by **Jon Turke**, CoinFlip's Director of Government Affairs





CoinFlip Meets Surging Consumer Demand for Digital Currency

We serve ~10K customers in Virginia, and operate 6,000+ locations in 10 countries



The Digital Currency Economy has boundless potential for helping increase access to financial markets and wealth creation for consumers across all strata of society in the U.S. and around the world.



Digital currencies are gaining acceptance more broadly as a credible and stable investment vehicle. **About 30% of all Americans own cryptocurrency.¹**



We give consumers **safe and convenient** ways to use cash to buy Bitcoin and other cryptocurrencies through our ATM network and other services. We work to protect our customers through a combination of cutting-edge technology and rigorous compliance and consumer protection practices.

¹ [2025 Cryptocurrency Adoption and Consumer Sentiment Report | Security.org](#)

How It Works: Making Transactions Simple, Safe & Transparent

CoinFlip controls transactions from end to end, with robust Anti-Money Laundering and Know Your Customer protocols



1. Safety First

When customers visit the kiosk, CoinFlip provides education and warnings on common scam tactics to empower users to make informed decisions. The company also collects required KYC information, a vital safeguard for the financial ecosystem.



2. Transparent

The price, inclusive of the transaction and network fee, is fully displayed and then the customer places the order.



4. Reliable

CoinFlip offers 24/7 live customer support to assist users every step of the way. The team receives ongoing training related to compliance requirements and financial crime typologies with an emphasis on fraud prevention.



3. Efficient

CoinFlip sends the crypto to the customer for the order minus network and transaction fees.



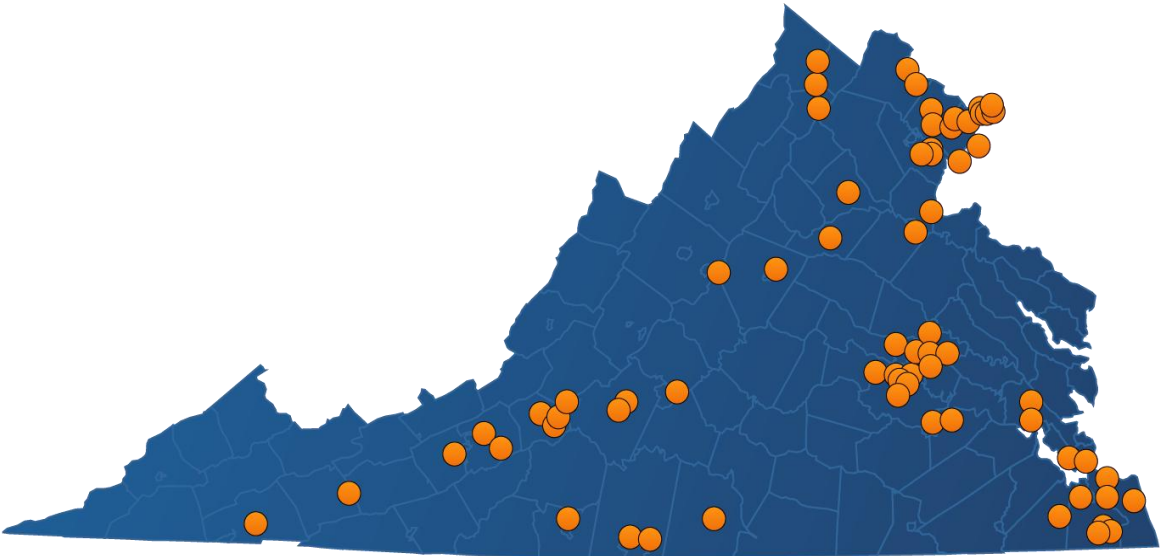
CoinFlip in Virginia

Small businesses in Virginia that host CoinFlip kiosks have earned over **\$1,000,000 in revenue.**

They include convenience stores, restaurants, groceries, and gas station markets such as **Cedar Corner Chesapeake, Washington Food Mart and Norfolk Premium Outlets.**

State Regulatory Landscape & Opportunity

CoinFlip applied for a Money Transmitter License in 2024. CoinFlip advocates for mandatory licensure as it helps protect consumers and bring consistency to the industry.



Total Number of Va. Customers	Va. State Taxes Generated	Rent and Fees Paid to Va. Host Locations	Total Fees Paid for Va. Cash Transportation Services & Technicians*	Locations
~10,000	\$215K+	\$1M+	~\$140K	90+

*2024 financial data.

How We Protect Consumers at the Kiosk

CoinFlip deploys several anti-fraud safeguards that are visible to the consumer, including these best practices:



Identity Information

We require customers to share identity information



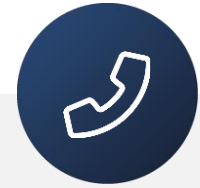
Transaction Warnings & Fee Disclosures

We provide clear, customizable transaction warnings and fee disclosures prior to every transaction



Helping them Spot Fraud

We equip customers with our "Safe in Six" questions to help them evaluate risk and spot fraud



Live Customer Service

Our trained team of experts are available 24/7 to help stop potentially fraudulent transactions

We Require Users to Acknowledge Our Scam Disclaimer Before Every Transaction



Clear, Visible Scam Alerts Make a Difference

Our "Safe in Six" questions are designed to help users spot scams.

**SAFE
INSIX**

Six Questions Designed to
Keep You Safe from Scams



 <p>Are you being asked to make a financial transaction by someone you don't know?</p>	 <p>Are you being told to act quickly or secretly under threat? Are you being asked to lie?</p>	 <p>Does the offer seem "too good to be true" or like "easy money"?</p>
 <p>Are you being asked to pay a government fine or bill, a warrant or bail using cryptocurrency or gift cards?</p>	 <p>Is someone asking for cryptocurrency to secure a job, remove a computer virus, clear a warrant, or secure your bank account?</p>	 <p>Is an online romantic interest asking you to transfer or deposit money into a kiosk or other bank account?</p>

IF YOU ANSWER "YES" TO ANY OF THESE QUESTIONS, **STOP**

 CALL US AT 877-757-2646

continue

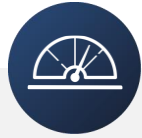
Our Compliance Team Augments Customer-Facing Safeguards

CoinFlip's dedicated compliance team deploys anti-fraud safeguards that are invisible to the consumer, including:



Risk Assessments & Audits

Annual risk assessments and independent audits help continually mitigate risk



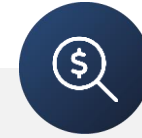
Automated Case Management

We use case management tools that integrate automated alerts and allows compliance to build case files and file suspicious activity reports directly to FinCEN



Transaction Monitoring

We use technology and automated alerts to detect and identify potentially suspicious transactions



Anti-Money Laundering Program

We employ a trained compliance team with Anti-Money Laundering analysts who identify, investigate and report on potentially suspicious transactions and enforce our Know Your Customer requirements



Blockchain Analytics

We use leading third-party software to scan and rate digital wallet addresses, auto-blocking transactions that attempt to send to government-sanctioned wallets or those associated with criminal or fraudulent activity

CoinFlip Kiosk Workflow



Safe in Six Scam Warning



Six Questions Designed to Keep You Safe from Scams



Are you being asked to make a financial transaction by someone you don't know?



Are you being told to act quickly or secretly under threat? Are you being asked to lie?



Does the offer seem "too good to be true" or like "easy money"?



Are you being asked to pay a government fine or bill, a warrant or bail using cryptocurrency or gift cards?



Is someone asking for cryptocurrency to secure a job, remove a computer virus, clear a warrant, or secure your bank account?



Is an online romantic interest asking you to transfer or deposit money into a kiosk or other bank account?

IF YOU ANSWER "YES" TO ANY OF THESE QUESTIONS, **STOP**

CALL US AT 877-757-2646



continue















Customer selects cryptocurrency for transaction


BT110117 English Español 2025-02-18 04:53:04 BT110117

Select a cryptocurrency

Prices shown include all fees before network fees

 BTC 111443.50 USD	 LTC 149.77 USD	 ETH 3106.92 USD	 DOGE 0.29 USD	 LINK 20.70 USD
 USDT 1.16 USD	 XLM 0.37 USD	 XRP 2.97 USD	 MPEPE PEPE 10.77 USD	 KSHIB SHIB 0.01 USD

  24/7 SUPPORT: 773-800-0106



Customer selects service

cancel

How can we help you today?



Select a service

Buy


Check
Wallet
Balance

View Terms And Conditions

OTHER LOCATIONS?

24/7 SUPPORT: 773-800-0106



Customer acknowledges Scam Disclaimer

BT1101172025-02-18 04:54:21 BT110117

SCAM DISCLAIMER



If you answer **"Yes"** to any of these questions, **STOP!**

1. Are you being asked to make a financial transaction by someone you do not know?
2. Are you being told to act quickly or secretly under threat? Are you being asked to lie?
3. Does the offer seem "too good to be true" or like "easy money?"
4. Are you being asked to pay a government fine or bill using cryptocurrency or gift cards?
5. Is an online romantic interest asking you to transfer or deposit money into a kiosk or other bank account?
6. Is someone asking for cryptocurrency to secure a job, remove a computer virus, clear a warrant, or secure your bank account?


If you answered **"Yes"** to any of these question, **STOP** and call Customer Support at 877-757-2646.

Select "OK" to continue

OK

24/7 SUPPORT: 773-800-0106



Customer acknowledges Customer Notice, Terms of Service, Privacy Policy and Privacy Notice.

cancel

Customer Notice. Please Read Carefully.

Did you receive a phone call from your bank, Microsoft, the police, FBI or were you directed to make a payment for social security, utility bill, investment, warrants, or bail money at this kiosk? STOP and call CoinFlip.

Is anyone on the phone pressuring you to make a payment of any kind? STOP and call CoinFlip.

I understand that all transactions are final and non-refundable.

I agree to receive reoccurring text messages from CoinFlip for identity verification, receipts, and other account notifications at the number provided. Msg/Data rates apply. Msg frequency varies. Carriers are not liable for delayed or undelivered messages. HELP for Help, STOP to cancel. Text Terms: (<https://coinflip.tech/terms/sms-messaging-terms-and-conditions>)

I confirm I am sending funds to a wallet I own or directly have control over. I confirm that I am using funds gained from my own initiative to make my transaction.



I agree to the Terms, Privacy Policy, and Privacy Notice.

Terms

Privacy Policy

Privacy Notice

I agree



24/7 SUPPORT: 773-800-0106



Customer selects amount to purchase / selects limit

BT110117 2025-02-18 04:55:26 BT110117


cancel

How much BTC would you like to purchase?

1 BTC = 111415.33 USD (Exchange rates include all fees before network fees)

up to \$1000

more than \$1000
ID required

 **COINFLIP**

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Customer enters phone number to receive one-time passcode

Enter phone number to
receive one-time SMS passcode

cancel

1	2	3
4	5	6
7	8	9
←	0/+	✓

 COINFLIP

24/7 SUPPORT: 773-800-0106



Customer enters one time passcode received

Enter the code sent to
7739815279

cancel

27767

1	2	3
4	5	6
7	8	9
←	0	✓

GB
AMERICAN EXPRESS

COINFLIP

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Customer acknowledges Required Disclosures

Required disclosures

This kiosk is owned and operated by GPD Holdings LLC d/b/a CoinFlip ("CoinFlip"). CoinFlip is located at 433 W. Van Buren St., Suite 1050N, Chicago, IL 60607 and can be contacted at 877-757-2646. CoinFlip has 24/7 support and can be contacted at any time. By continuing, you understand that you are transacting with CoinFlip. You may cancel your transaction at any time prior to inserting currency into the kiosk by clicking on the cancel button. By continuing, you understand that after you insert currency, you can no longer cancel your transaction. All capitalized terms used herein without definition shall have the meanings assigned to them in the Terms of Service. The Effective Rate is calculated as a percentage over the Market Price. The total Transaction Fee is the difference between the Market Rate and the Effective Rate, plus the Network Fee. Our current fee schedule for the selected cryptocurrency is as follows – Effective Rate 86787.0 USD, Market Rate 70386.9 USD, and an additional Network Fee of 2.99 USD. During times of high transaction volume, the Network Fee may be dynamically increased. The exact amount of the Network Fee will be disclosed to you before you

continue



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Required disclosures

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continue

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Buy - Under \$1,000

- If customer elects to transact under \$1,000, they input their date of birth and full name to proceed with the transaction

The image displays two screenshots of a mobile application interface for a purchase under \$1,000.

Left Screenshot: Enter your date of birth

- Header: Enter your date of birth
- Placeholder: MM/DD/YYYY
- Message: Please enter a valid birth date.
- Input: A numeric keypad with digits 1-9, 0, a back arrow, and a green checkmark.
- Buttons: A 'cancel' button in the top right corner.
- Footer: GB COINFLIP logo and 24/7 SUPPORT: 773-800-0106.

Right Screenshot: Enter first name / Enter last name

- Header: Enter first name / Enter last name
- Input: Two text input fields for first and last names.
- Keyboard: A standard QWERTY keyboard is visible below the input fields.
- Buttons: A 'cancel' button in the top right corner.

Buy - Over \$1,000


If Customer elects to transact over \$1,000, they must complete the registration process with Veriff via a link sent to their mobile device in order to proceed with the transaction

SUBMITTING REGISTRATION



Please check your text messages to complete your registration.

You will need to click the link sent to your phone to and have a state-issued ID card to complete your registration.

Scan to continue if you did not receive a SMS link.

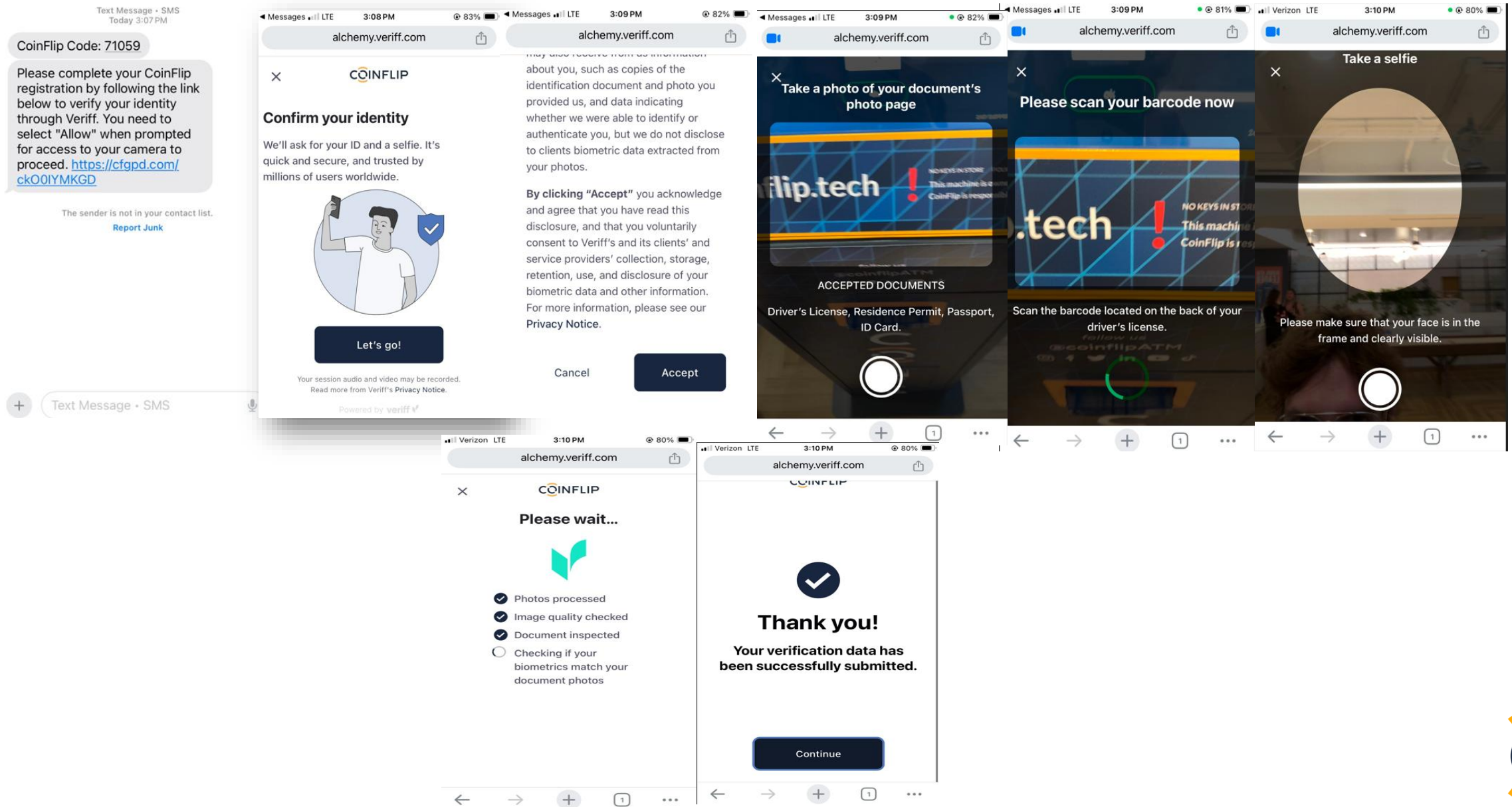


ok

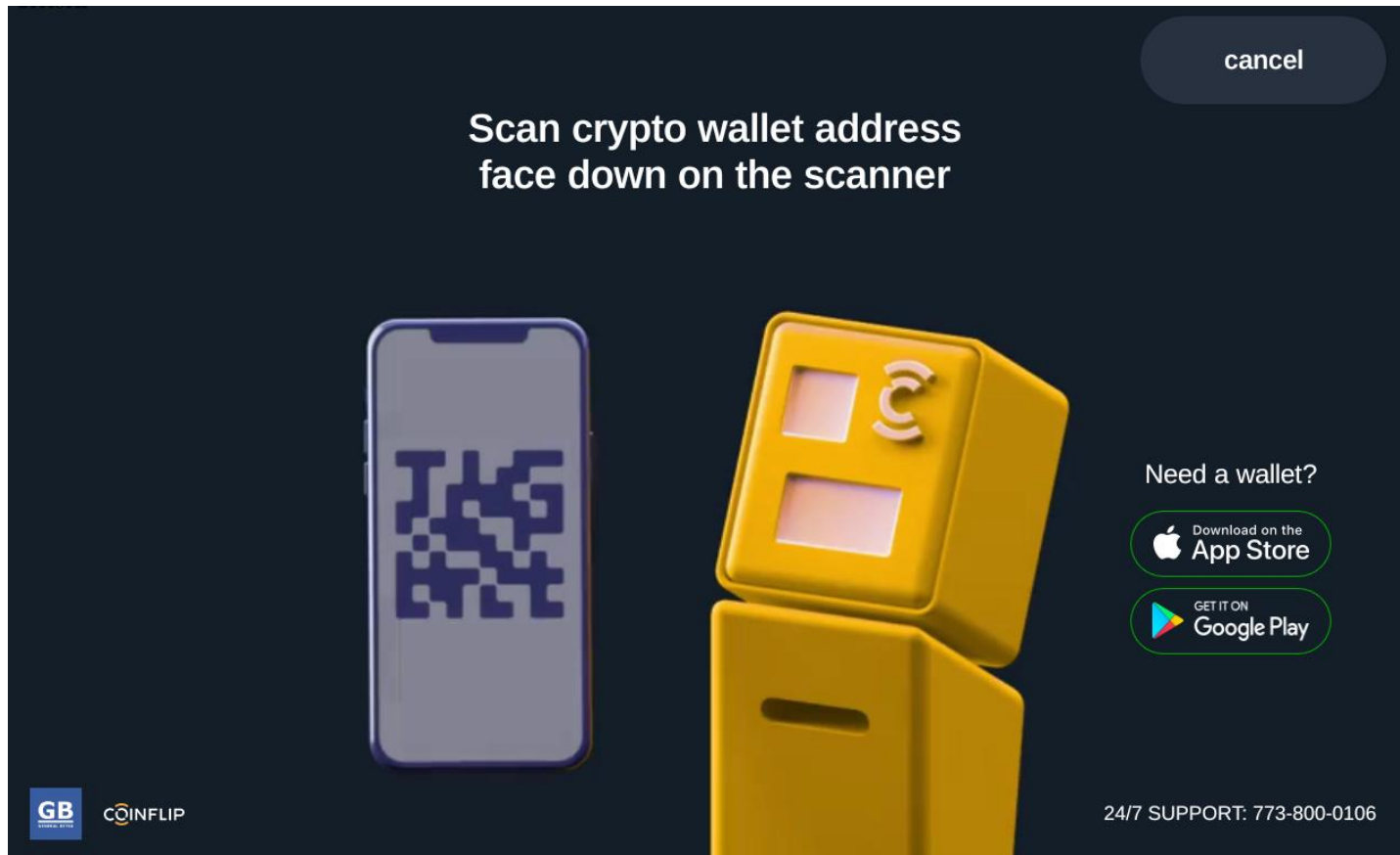


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Veriff verification process on mobile device



Customer scans their cryptocurrency wallet



Customer inserts desired cash amount into kiosk

1 BTC = 86457.88 USD + 2.99 Flat Fee



cancel

Insert cash to purchase BTC

0.00 USD 0 BTC

enter discount or referral code

Wallet Address: [bc1qj0x86mjjmmc4yrvwktnmym8mlymr7ny7g86utk](#)

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Kiosk confirms cash amount inserted into machine

1 BTC = 86457.88 USD + 2.99 Flat Fee

cancel



Cash amount inserted:

20.00 USD **0.00019674 BTC**

enter discount or referral code

Wallet Address: [bc1qj0x86mjjmmc4yrvwktnmym8mlymr7ny7g86utk](#)

buy

24/7 SUPPORT: 773-800-0106





Customer selects preference on marketing updates

Would you like to receive discounts and marketing updates from CoinFlip?

Press yes if you would like to receive updates, discounts, promotions, and surveys from CoinFlip through recurring text messages and phone calls.

I agree to CoinFlip's SMS Messaging Terms and Conditions. Consent is not a condition to purchase. Msg/data rates apply. Reply HELP for help, STOP to stop.

[sms terms and conditions](#) ☐ no ☒ yes

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Transaction is complete

1 BTC = 86443.03 USD + 2.99 Flat Fee

Transaction **RT3HSC** complete



✓ Thank you

0.00019674 BTC for 20.00 USD

Receipt sent to 7739815279

Wallet Address: [bc1qj0x86mjjmmc4yrwktnmym8mlymr7ny7g86utk](#)

done

24/7 SUPPORT: 773-800-0106



Blockchain Analytics

This technology prevents fraud by automatically blocking customer transactions to high-risk digital wallets. It also allows CoinFlip to view where crypto is sent by its customers *after* their transaction with CoinFlip is complete to aid in the investigation of suspicious activity.

How To Protect Consumers at Crypto Kiosks

Smart regulation is good for consumers – and for business and innovation. Lawmakers can protect customers by passing legislation with these requirements for digital currency kiosk operators:

State licensure

Mandatory money transmitter licenses for all kiosk operators would allow for state oversight and audits.

Clear, highly visible warnings and fee disclosures

Operators should clearly communicate all fees and terms of service, and customers should be required to acknowledge highly visible fraud warnings before starting and completing transactions.

Blockchain analytics

This technology prevents fraud by automatically blocking customer transactions to high-risk digital wallets.

Live customer service

Customer service is the first line of defense for consumer protection. Every operator should be required to provide trained, live customer service. Ours is available 24 hours a day.

Expert compliance staff and robust programs

Operators should have a qualified, in-house compliance team with a dedicated chief compliance officer who does not have a large ownership interest in their company. Policies must change as scammers learn and adapt their techniques.

Earlier this year, the Federal Bureau of Investigation's Internet Crime Complaint Center (IC3) released their annual report on cyber-enabled crime in the United States. The IC3 defines those crimes as "the use of internet technology to communicate false or fraudulent representations to consumers", including but not limited to advance-fee schemes, business opportunity schemes, data breaches and more.

The 2024 IC3 Report found that 97.4% of cryptocurrency fraud in the U.S. was facilitated through payment apps, cryptocurrency exchanges, and other platforms while crimes facilitated through cryptocurrency kiosks represented less than 3% of cryptocurrency fraud.



\$246.7 million in losses in 2024 were due to cryptocurrency kiosks compared to the total amount of loss from cryptocurrency fraud, \$9,322,335,911 (Federal Bureau of Investigation, pp. 35-36).
Data Source: 2024 IC3 Report

Thank You

LET'S WORK TOGETHER TO PROTECT CONSUMERS
WHO TRANSACT WITH DIGITAL CURRENCY



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subpoena@coinflip.tech

or **legal@coinflip.tech**



CoinFlip 24/7 Customer Service:

1-877-757-2646

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