

Gloucester blocks bitcoin ATMs

 gloucestertimes.com/news/local_news/gloucester-blocks-bitcoin-atms/article_4b224186-db3c-4c66-a034-c17f29c8655d.html

By Ethan Forman | Staff Writer, Ethan Forman

September 18, 2025



Gloucester Daily Times

The City Council has voted to prohibit cryptocurrency ATMs in Gloucester with an emergency order meant to ban their use to head off online scam artists from preying on those vulnerable to schemes that can make money inserted into them and virtual wallets unrecoverable.

Gloucester appears to be a leader in the state when it comes to banning them, officials said, adding that there have been instances of residents, mostly the elderly, being ripped off to the tune of thousands of dollars in the city, and at least \$11 million in Essex County.

The emergency order, adopted by a 9-0 vote at the council's most recent meeting bans virtual currency kiosks in the city effective immediately.

Businesses and individuals in violation of the order face a \$300 fine for each day they operate them. These fines would not rack up immediately, however. The emergency order prevents new kiosks from being installed and it gives operators 30 days to remove them. Police would enforce the ban.

After the council voted there was an emergency and for the emergency virtual currency kiosk prohibition, it voted not to reconsider its votes. The procedural move speeds up the process, allowing the ban to take effect without it having to come before the council a second time.

As an emergency order, the ban will stay in effect for only 60 days.

To make the ban permanent would require a new ordinance, which requires a process including referrals to two subcommittees and a public hearing to allow residents to weigh in.

To do that, the council that night took the step of referring the ban to its Ordinances and Administration and Budget and Finance standing committees for their recommendations.

It's expected the virtual kiosk ban public hearing would be taken up at the council's next meeting, Tuesday, Sept. 23.

The city is a leader in the state when it comes to prohibiting so-called bitcoin ATMs, City Council President Tony Gross said.

He read a preamble to the emergency ban that said the Police Department and the Essex County District Attorney's Office "have reported that virtual currency kiosks present a serious risk of harm to the city of Gloucester by subjecting members of the community to sophisticated fraudulent schemes to steal and acquire cash through intimidation, threats and coercion."

An August notice by the U.S. Federal Crime Commission Enforcement Network said criminals engaged in fraudulent schemes often tell victims to use cryptocurrency ATMs to send payment, Gross said.

"In 2024, the FBI reported receiving over 10,000 complaints relating to virtual currency kiosks," he said, with an approximate loss of \$246.7 million, a 99% increase since 2023.

With the City Council recognizing its duty to protect residents, especially the most vulnerable, Gross said the city finds that so-called bitcoin ATMs "pose an immediate and serious threat to public welfare."

These ATMs are often involved in scams involving tech support or romance fraud, coercing victims to deposit cash in them which is then converted into untraceable virtual currency, he said.

The FBI, Financial Crimes Enforcement Network and the Federal Trade Commission have reported the scams disproportionately target and cause financial harm to seniors and those who are financially vulnerable. Losses total hundreds of millions nationwide, the transactions are often irreversible and the kiosks lack adequate consumer protection, Gross said.

City Council Vice President Sean Nolan said he was contacted by police Lt. Michael Gossom who told him there have been instances of fraud in the city, mostly among the elderly.

He said there were two known such ATMs when they spoke, one at a variety store at the far end of the West End of Main Street and the other at Shaw's on Eastern Avenue.

After speaking the Gossom, Nolan spoke with Mayor Greg Verga, and they reached out to the Essex County District Attorney's office on the issue.

"Because we don't want to have people being ripped off or making bad decisions and taken advantage of because of their age and not knowing what's going on," Nolan said. "It's very sad when someone loses \$20,000 that they're never going to get back, and that's something that happened."

General Counsel Suzanne Egan told councilors Waltham is considering a similar ban.

The council's emergency order to ban crypto-ATMs has drawn praise for Essex County District Attorney Paul Tucker, whose office provided a model ordinance for the city to use.

“I salute Gloucester officials for adopting this proactive consumer protection measure and urge the state Legislature to take action on the virtual currency kiosk bill,” Tucker said in a prepared statement to the Times. “These crypto-ATM or ‘bitcoin ATM’ scams have been used to steal at least \$70 million from Massachusetts residents so far this year, including at least \$11 million from Essex County.

“We should do all we can to protect people, particularly our seniors who are frequently targeted in these scams.”

Ethan Forman may be contacted at 978-675-2714, or at eforman@northofboston.com.