California Recovers Over $4.8 Million for Scam Victims of Major Crypto ATM Company CoinFlip

November 4, 2026

What You Need to Know: California is cracking down on a major crypto kiosk company that failed to adequately protect consumers from fraud, securing full compensation for victims.

SACRAMENTO – California's Department of Financial Protection and Innovation (DFPI) ordered CoinFlip, one of the state's largest cryptocurrency ATM companies, to pay over $4.8 million to California victims after failing to adequately protect them from financial fraud — a significant enforcement action that secures full compensation for the victims. California also ordered CoinFlip to pay DFPI over $350,000 in excessive fees it illegally charged California consumers and immediately cease all unlawful, unfair, deceptive, or abusive acts or practices. This action is the latest in DFPI's ongoing efforts to stop fraud, protect consumers, and ensure that crypto companies follow the law.

"California is focused on making sure technology actually helps people, rather than driving up prices or opening the doors to fraud. With no federal consumer protection, California is stepping up to hold accountable companies that leverage technology to harm hardworking families," said California Business and Consumer Services Secretary Rohit Chopra.

"Today's order is a win for Californians and a notice for the crypto industry that protecting consumers is not optional. Crypto companies must be held accountable for enabling — and profiting off — scams and fraud," said DFPI Commissioner KC Mohseni. "Robust anti-fraud and consumer-protection practices are a requirement of doing business in California, not a suggestion. We will continue to crack down on bad actors who put consumers at risk."

CoinFlip calls itself the "world's largest network of cryptocurrency ATMs by transaction volume" and operates roughly 500 kiosks across California. Typically located in grocery stores, gas stations, and convenience stores, these ATMs allow consumers to transact in cryptocurrency like Bitcoin. Transactions are immediate, cannot be reversed, and are difficult for consumers to trace — making crypto ATMs prime tools for scammers to defraud individuals, particularly older adults.

A DFPI investigation found that, since 2021, CoinFlip has failed to appropriately identify who uses its products and services and failed to detect, prevent, report, and mitigate suspicious activity in its systems, enabling scammers to exploit kiosk users and drain their assets. CoinFlip committed multiple violations of state and federal laws intended to

protect California consumers using digital financial asset kiosks, including accepting more than $1,000 in a single day from kiosk customers; charging excessive fees; failing to provide required pre-transaction written disclosures to consumers; and issuing kiosk receipts without legally required information. These actions violate California's Digital Financial Assets Law (DFAL), the California Consumer Financial Protection Law (CCFPL), and federal anti-money laundering laws.

California has taken previous action to crack down on crypto kiosk operators violating the law and putting consumers at risk, including shutting down Hermes Bitcoin and fining RockItCoin, Coinme, Inc., and Coinhub.

California's Crypto Scam Tracker helps consumers stay aware of and protect themselves from active crypto scams. Californians that have been victims of scams or fraud should submit a complaint to DFPI.

About DFPI

The Department of Financial Protection and Innovation protects consumers and investors, regulates financial services, and fosters responsible innovation. DFPI protects consumers by establishing and enforcing financial regulations that promote transparency and accountability. We empower all Californians to access a fair and equitable financial marketplace through education and by helping to prevent potential risks, fraud, and abuse. Learn more at dfpi.ca.gov.

MEDIA INQUIRIES

For questions, interview requests with a DFPI expert, or to receive our press releases, members of the media can reach us at dfpi.media@dfpi.ca.gov .

Key Consumer Links

- Explore Consumer Topics

- Consumer Alerts
- Consumer Education Events
- Regulated Industries
- Browse Actions & Orders
- Submit a Complaint

News & Info Links

- Newsroom
- Press Releases
- Monthly Bulletins
- Important Notices

Stay Connected

Receive financial alerts, insights, and tips for improving your wealth.

SUBSCRIBE

RESOURCES AND PUBLICATIONS

- News
- Consumer Alerts
- Press Releases
- Events
- Reports
- Regulated Industries
- Actions & Orders