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13 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

14 **IN AND FOR THE COUNTY OF MARICOPA**

15 In Re: THE WESTERN UNION
16 COMPANY, a corporation,

17 Case No.:
18 _____

19 Respondent.

20 **ASSURANCE OF DISCONTINUANCE**

21 The Attorney General of the State of Arizona and Respondent, The Western Union Company,
22 hereby agree to the entry of this Assurance of Discontinuance pursuant to A.R.S. § 44-1530 of the
23 Arizona Consumer Fraud Act, A.R.S. §§ 44-1521 to 44-1534.

24 **A. PARTIES**

25 1. The signatory to this Assurance of Discontinuance ("Assurance") is The Western Union
26 Company ("Western Union," the "Company," or "Respondent"), and the States and Commonwealths
listed in Exhibit A (hereafter "the Participating States" or "the States," and, collectively with Western
Union, may be referred to as "the Parties.").

1 2. The States are represented by the Consumer Protection Divisions of their respective
2 Attorneys General.¹

3 3. The Western Union Company is a Delaware corporation with its principal place of
4 business at 12500 East Belford Avenue, Englewood, Colorado 80112.

5 **B. STIPULATIONS**

6 4. Pursuant to their respective authority under their state consumer protection statutes
7 (“Acts”²), the Participating States conducted an investigation of Western Union’s anti-fraud
8 compliance efforts.
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10 5. Respondent neither admits nor denies any of the allegations in this Assurance and, only
11 for purposes of this action, Respondent admits the facts necessary to establish jurisdiction.

12 6. Respondent waives all rights to appeal or otherwise challenge or contest the validity of
13 this Assurance.

14 7. This Assurance does not constitute an approval by the Participating States of
15 Respondent’s business practices, and Respondent shall make no representation or claim to the
16 contrary.
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18 8. This Assurance sets forth the entire agreement between the Parties.

19 9. This Assurance may be executed in counterparts, each of which shall be deemed to
20 constitute an original counterpart hereof, and all of which shall together constitute one and the same
21 Assurance.

22 10. Nothing in this Assurance shall require Respondent to take any action inconsistent with,
23 or in addition to other than as expressly set forth herein, the requirements or prohibitions of the
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25 ¹ The Utah Division of Consumer Protection is statutorily authorized to enforce all statutes listed in Utah Code 13-2-6,
26 including the Utah Consumer Sales Practices Act, Utah Code 13-11-1, *et seq.* Hawaii is represented by its Office of
Consumer Protection, an agency that is not part of the State Attorney General’s Office, but which is statutorily authorized to
undertake consumer protection functions, including legal representation of the State of Hawaii. Massachusetts is represented
by the Insurance and Financial Services Division of the State Attorney General’s Office which, as part of the State Attorney
General’s Office, is statutorily authorized to bring consumer protection actions under M.G.L. c. 93A, Section 1 *et seq.*

² Exhibit A attached here lists the Participating States and cites the applicable state consumer protection laws of each.

1 Stipulated Order for Permanent Injunction and Final Judgement entered into in *Federal Trade*
2 *Commission v. The Western Union Company*, Civil Action No. 1:17-cv-00110-CCC, in the United
3 States District Court for the Middle District of Pennsylvania, or any subsequent modifications thereof.

4 11. The Parties stipulate that the Compliance Provisions of this Assurance are consistent
5 with Western Union's obligations pursuant to the case referenced in the preceding paragraph above.

6 **DEFINITIONS**

7 12. The following definitions shall be used in construing this Assurance:

8 A. "**Cash-to-cash money transfer**" means the transfer of the value of cash from one
9 person in one location to a recipient (payee) in another location that is received in the form of cash.

10 B. "**Cash reload money transfer**" means the transfer of the value of cash from one
11 person in one location to a recipient (payee) in another location that is received in a form that makes it
12 possible for a person to convert the cash into an electronic form that can be used to add funds to a
13 general-use prepaid card or an account with a payment intermediary.

14 C. "**Consumer**" means any person, worldwide, who initiates or sends a money transfer.

15 D. "**Respondent**" means The Western Union Company.

16 E. "**Effective Date**" means the date upon which Respondent signs and executes this
17 Assurance.

18 F. "**Elevated fraud countries**" means any country in which the principal amount of
19 money transfers that are the subject of fraud complaints, received by Respondent from any source,
20 represents one (1) percent or more of the principal amount of fraud complaints worldwide received by
21 Respondent, for either money transfers sent or received in that country, determined on a quarterly
22 basis, *provided that* once a country is determined to be one of the elevated fraud countries, it shall
23 continue to be treated as such for purposes of this Assurance.

24 G. "**Elevated fraud risk agent location**" means any Western Union agent location that
25 has processed payouts of money transfers associated with:
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1 1. Five (5) or more fraud complaints for such agent location, received by
2 Respondent from any source, during the previous sixty (60) day period, based on a
3 review of complaints on a monthly basis; and fraud complaints, received by
4 Respondent from any source, totaling five (5) percent or more of the total payouts for
5 such agent location in numbers or dollars in a sixty (60) day period, calculated on a
6 monthly basis; or

7
8 2. Fifteen (15) or more fraud complaints for such agent location, received by
9 Respondent from any source, during the previous sixty (60) day period, based on a
10 review of complaints on a monthly basis.

11 H. “**Executive Committee**” refers to the following Attorneys Generals’ offices: Illinois,
12 Kentucky, Louisiana, Massachusetts, New Jersey, North Carolina, Ohio, Texas and Vermont.

13 I. “**Fraud-induced money transfer**” includes any money transfer that was induced by,
14 initiated, or sent as a result of, unfair or deceptive acts or practices and/or deceptive or abusive
15 telemarketing acts or practices.

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17 J. “**Front line associate**” means the employee of the Western Union agent responsible for
18 handling a transaction at the point of sale for a consumer or a recipient (payee) of a money transfer,
19 including by initiating, sending, or paying out the money transfer.

20 K. “**FTC Action**” refers to the case styled *Federal Trade Commission v. The Western*
21 *Union Company*, Civil Action No. 1:17-cv-00110-CCC, in the United States District Court for the
22 Middle District of Pennsylvania.

23 L. “**Money transfer**” means the sending of money (in cash or any other form, unless
24 otherwise stated) between a consumer in one location to a recipient (payee) in another location using
25 Respondent’s money transfer service, and shall include transfers initiated or sent in person, online,
26 over the telephone, using a mobile app, or through whatever platform or means made available. The

1 term "money transfer" does not include Respondent's bill or loan payment services, or purchases of
2 foreign currency conversions or options contracts from Respondent.

3 M. "Participating States" or "States" refers to the District of Columbia and the states,
4 commonwealths, and territories listed in Exhibit A.³

5 N. "Person" includes a natural person, an organization or other legal entity, including a
6 corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or
7 any other group or combination acting as an entity.

8 O. "Seller" means any person who, in connection with a telemarketing transaction,
9 provides, offers to provide, or arranges for others to provide goods or services in exchange for
10 consideration.

11 P. "Telemarketer" means any person who, in connection with telemarketing, initiates or
12 receives telephone calls to or from a customer.

13 Q. "Telemarketing" means any plan, program, or campaign which is conducted to induce
14 the purchase of goods or services by use of one or more telephones, and which involves a telephone
15 call, whether or not covered by the Telemarketing Sales Rule, 16 CFR Part 310.

16 R. "Western Union agent" means any network agent, master agent, representative,
17 authorized delegate, independent agent, super-agent, national account agent, key account agent,
18 strategic account agent, sub-representative, subagent, or any location, worldwide, authorized by
19 Respondent to offer or provide any of its money transfer products or services.

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22 **COMPLIANCE TERMS**
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³ With regard to the Commonwealth of Virginia, this document will be titled as an "Agreement." With regard solely to Western Union's agreement with the State of Delaware, the parties agree that this Assurance shall operate as a cease and desist by agreement authorized by 29 Del.C. Section 2525(a).

I.

PROHIBITED BUSINESS ACTIVITIES

IT IS AGREED that Respondent, Respondent's officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Assurance, whether acting directly or indirectly, in connection with promoting, offering for sale, or providing money transfer services, are permanently restrained and enjoined from:

A. Transmitting a money transfer that Respondent knows or reasonably should know is a fraud-induced money transfer, or paying out a money transfer to any person that Respondent knows or reasonably should know is using its system to obtain funds from a consumer, directly or indirectly, as a result of fraud;

B. Providing substantial assistance or support to any seller or telemarketer that Respondent knows or reasonably should know is accepting from a U.S. consumer, directly or indirectly, a money transfer as payment for goods or services offered or sold through telemarketing;

C. Failing to do any of the following in connection with money transfers initiated by consumers:

1. Interdict recipients that have been the subject of any complaints about fraud-induced money transfers based on information provided to, or that becomes known by, Respondent;
2. Identify, prevent, and stop cash-to-cash money transfers and cash reload money transfers initiated or received in the U.S. from being used as a form of payment by sellers or telemarketers, including, but not limited to, by:
 - a. Asking all U.S. consumers whether the money transfer is a payment for goods or services offered or sold through telemarketing;

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- b. Declining to process money transfers from U.S. consumers where the money transfer is a payment for goods or services offered or sold through telemarketing; and
 - c. Interdicting known sellers and telemarketers accepting money transfers as payments for goods or services offered through telemarketing;
3. Provide a clear, concise, conspicuous and uncontradicted consumer fraud warning on the front page of all money transfer forms, paper or electronic, utilized by consumers in elevated fraud countries (based on money transfers sent from those countries) to initiate money transfers using Respondent's system that includes, but is not limited to:
- a. A list of the most common types of scams that utilize Respondent's money transfer system;
 - b. A warning that it is illegal for any seller or telemarketer to accept payments from U.S. consumers through money transfers for goods or services offered or sold through telemarketing;
 - c. A notice to consumers that the money transfer can be paid out to the recipient within a short time, and that after the money is paid out, consumers may not be able to obtain a refund from Respondent, even if the transfer was the result of fraud, except under limited circumstances; and
 - d. A toll-free or local number and a website for Respondent, subject to the timing requirements set forth in Subsection C.4, that consumers may call or visit to obtain assistance and file a complaint if their money transfer was procured through fraud;

- 1 4. Make available in all countries in which Respondent offers money transfer
2 services a website that consumers may visit to obtain assistance and file a
3 complaint if they claim their money transfer was procured through fraud,
4 *provided that* websites that are not yet available shall be made available in
5 accordance with the following schedule: (i) for countries determined to be
6 elevated fraud countries, within six (6) months of entry of the Stipulated Order
7 For Permanent Injunction and Final Judgment in the FTC Action (the
8 “Stipulated Order”); and (ii) for all other countries, within two (2) years of entry
9 of the Stipulated Order;
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- 11 5. Provide consumers who initiate or send money transfers via the Internet,
12 telephone, mobile app, or any other platform that is not in-person, with
13 substantially the same clear, concise, conspicuous and uncontradicted fraud
14 warning required by Subsection C.3, *provided that* the warning may be
15 abbreviated to accommodate the specific characteristics of the media or
16 platform;
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- 18 6. Provide the required warning to consumers in the language used on the send
19 form or other media type or platform used for the money transfer, in a form
20 appropriate for the media or platform;
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- 22 7. Review and update the consumer warning as necessary to ensure its
23 effectiveness in preventing fraud-induced money transfers; and
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- 25 8. Submit modifications to the warning, if any, to the Executive Committee for
26 review no less than ten (10) business days before any modified warning is
 disseminated to Western Union agents; *provided that* nothing herein shall
 prohibit Respondent from changing the nature or form of its service, send
 forms, or media or platform for offering money transfer services or from

1 seeking to replace its send forms with an electronic form or entry system of
2 some type in the future. In the event such changes are made, Respondent shall
3 provide a consumer fraud warning substantially similar to that outlined in
4 Subsection C.3 in a form appropriate to the media or platform;

5 D. Failing to reimburse the principal amount of a consumer's money transfer and any
6 associated transfer fees whenever a consumer or his or her authorized representative reasonably claims
7 that the transfer was fraudulently induced and:
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- 9 1. The consumer or his or her authorized representative asks Respondent, the
10 sending agent, or front line associates to reverse the transfer before the
11 transferred funds have been picked up; or
- 12 2. Respondent, after reviewing information and data relating to the money transfer,
13 determines that Respondent, its agents, or the front line associates failed to
14 comply with any of Respondent's policies and procedures relating to detecting
15 and preventing fraud-induced money transfers when sending or paying out the
16 money transfer by failing to: provide the required consumer fraud warnings;
17 comply with Respondent's interdiction or callback programs; verify the
18 recipient's identification; or accurately record the recipient's identification(s)
19 and other required biographical data;
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21 E. Failing to promptly provide information to a consumer, or his or her authorized
22 representative, who reports being a victim of fraud to Respondent, about the name of the recipient of
23 the consumer's money transfer and the location where it was paid out, when such information is
24 reasonably requested; and
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26 F. Failing to establish and implement, and thereafter maintain, a comprehensive anti-fraud
program that is reasonably designed to protect consumers by detecting and preventing fraud-induced
money transfers worldwide and to avoid installing and doing business with Western Union agents who

1 appear to be involved or complicit in processing fraud-induced money transfers or fail to comply with
2 Respondent's policies and procedures to detect and prevent fraud (hereinafter referred to as
3 "Respondent's Anti-Fraud Program"). As ordered in the FTC Action, Respondent is required to
4 provide the FTC with a written copy of such program, which shall include at least the following
5 requirements:

- 6 1. Performance of due diligence on all prospective Western Union agents and
7 existing Western Union agents whose contracts are up for renewal;
- 8 2. Designation of an employee or employees to coordinate and be accountable for
9 Respondent's Anti-Fraud Program;
- 10 3. Appropriate and adequate education and training on consumer fraud for
11 Western Union agents and front line associates;
- 12 4. Appropriate and adequate monitoring of Western Union agent and front line
13 associate activity relevant to the prevention of fraud-induced money transfers;
- 14 5. Prompt disciplinary action against Western Union agent locations where
15 reasonably necessary to prevent fraud-induced money transfers;
- 16 6. Adequate systematic controls to detect and prevent fraud-induced money
17 transfers, including, but not limited to:
 - 18 a. Imposing more stringent identification requirements for money transfers
19 sent to, or paid out in, elevated fraud countries;
 - 20 b. Holding suspicious money transfers at certain dollar thresholds to
21 elevated fraud countries until Respondent has confirmed with the sender
22 that they are not fraud-induced or has refunded the money to the sender;
 - 23 c. Ensuring that Western Union agent locations are recording all required
24 information about recipients required by Respondent's policies or
25 procedures or by law, including, but not limited to, their names,
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1 addresses, telephone numbers, and identifications, before paying out
2 money transfers; and

3 7. Periodic evaluation and adjustment of Respondent's Anti-Fraud Program in
4 light of:

5 a. The results of the monitoring required by Subsection F.4 of this Section
6 and Section III of this Assurance;

7 b. Any material changes to Respondent's operations or business
8 arrangements; or

9 c. Any other circumstances that Respondent knows or reasonably should
10 know may have a material impact on the effectiveness of Respondent's
11 Anti-Fraud Program. As ordered in the FTC Action, Respondent is
12 required to notify the FTC in writing of adjustments to its Anti-Fraud
13 Program. Respondent is also required to notify the Executive Committee
14 that it has sent the FTC such a notice of adjustments.
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17 **II.**

18 **DUE DILIGENCE ON PROSPECTIVE AND EXISTING WESTERN UNION AGENTS**

19 IT IS FURTHER AGREED that Respondent, Respondent's officers, agents, and employees,
20 and all other persons in active concert or participation with any of them, who receive actual notice of
21 this Assurance, whether acting directly or indirectly, in connection with promoting, offering for sale,
22 or providing money transfer services, are hereby restrained and enjoined from:

23 A. Failing to conduct thorough due diligence on all persons applying to become, or
24 renewing their contracts as, Western Union agents, including any sub-representative or subagent, to
25 avoid installing Western Union agents worldwide who may become elevated fraud risk agent
26 locations, including, but not limited to, by:

1. Verifying government-issued identification;

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2. Conducting all reasonably necessary background checks (criminal, employment, or otherwise) where permissible under local law;
3. Determining whether information or statements made during the agent application process are false or inconsistent with the results of Respondent's background checks or other due diligence;
4. Taking reasonable steps to ascertain whether the prospective agent formerly owned, operated, had been a front line associate of, or had a familial, beneficial, or straw relationship with any location of any money services business that was suspended or terminated for fraud-related reasons, as permitted by applicable laws and regulations (including foreign laws and regulations) and with the required cooperation from other money transfer companies;
5. Ascertaining whether the prospective agent had previously been interdicted by Respondent for suspicious activities or had been reported to Respondent as a recipient of fraud-induced money transfers;
6. Conducting an individualized assessment of the particular risk factors involved with each Western Union agent application and conducting all reasonably necessary investigative steps consistent with those risks; and
7. Maintaining information about Respondent's due diligence, including, but not limited to, information about the identities of the owners, their government-issued identifications, and the background check(s) conducted;

B. Failing to reject applications where Respondent becomes aware or reasonably should have become aware based upon its due diligence that the applicant, or any of the applicant's sub-representatives or subagents, presents a material risk of becoming an elevated fraud risk;

C. Failing to ensure that the written agreements entered into with all new Western Union agents require them to comply with Section I.C.2 of this Assurance;

1 D. Failing to ensure that all new Western Union agents have effective policies and
2 procedures in place at each of the agent's locations to detect and prevent fraud-induced money
3 transfers and other acts or practices that violate Section I of this Assurance;

4 E. Failing to take reasonable steps to confirm that Western Union agents whose contracts
5 are up for renewal are complying with the terms of their agreements with Respondent, including, but
6 not limited to, by having effective policies and procedures in place to detect and prevent fraud-
7 induced money transfers; and

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9 F. Failing to require all new Western Union agents, and existing Western Union agents,
10 to: (i) disclose and update the identities of any sub-representative or subagent; and (ii) maintain
11 records on the identities of any front line associates at their sub-representatives' or subagents'
12 locations.

13 **III.**

14 **MONITORING COMPLIANCE OF WESTERN UNION AGENTS**

15 IT IS FURTHER AGREED that Respondent, Respondent's officers, agents, and employees,
16 and all other persons in active concert or participation with any of them, who receive actual notice of
17 this Assurance, whether acting directly or indirectly, in connection with promoting, offering for sale,
18 or providing money transfer services, are hereby restrained and enjoined from:

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20 A. Failing to provide appropriate and adequate ongoing education and training on
21 consumer fraud for all Western Union agents, and other appropriate Western Union personnel,
22 including, but not limited to, education and training on detecting, investigating, preventing, reporting,
23 and otherwise handling suspicious transactions and fraud-induced money transfers, and ensuring that
24 all Western Union agents and front line associates are notified of their obligations to comply with
25 Respondent's policies and procedures and to implement and maintain policies and procedures to detect
26 and prevent fraud-induced money transfers or other acts or practices that violate Section I of this
Assurance;

1 B. Failing to take all reasonable steps necessary to monitor and investigate Western Union
2 agent location activity to detect and prevent fraud-induced money transfers, including, but not limited
3 to:

4 1. Developing, implementing, adequately staffing, and continuously operating and
5 maintaining a system to receive and retain all complaints and data received from
6 any source, anywhere in the world, involving alleged fraud-induced money
7 transfers, and taking all reasonable steps to obtain, record, retain, and make
8 easily accessible to Respondent and, upon reasonable request and to the extent
9 the information is not accessible via FTC's Consumer Sentinel Network
10 ("Consumer Sentinel"), the Executive Committee, all relevant information
11 regarding all complaints related to alleged fraud-induced money transfers,
12 including, but not limited to:

- 13 a. The consumer's name, address, and telephone number;
- 14 b. The substance of the complaint, including the fraud type and fraud
15 method, and the name of any person referenced;
- 16 c. The reference number, or Money Transfer Control Number, for each
17 money transfer related to the complaint;
- 18 d. The name, agent identification number, telephone number, and address
19 of the sending agent(s);
- 20 e. The date of each money transfer;
- 21 f. The amount of each money transfer;
- 22 g. The money transfer fee for each money transfer;
- 23 h. The date each money transfer is received;
- 24 i. The name, agent identification number, telephone number, and address
25 of the receiving agent(s);
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- j. The name, address and telephone number of the recipient, as provided by the recipient, of each money transfer;
- k. The identification, if any, presented by the recipient, and recorded, for each money transfer;
- l. All transactions conducted by the consumer bearing any relationship to the complaint; and
- m. To the extent there is any investigation concerning, and/or resolution of, the complaint:
 - 1. The nature and result of any investigation conducted concerning the complaint;
 - 2. Any response to the complaint and the date of such response to the complaint;
 - 3. The final resolution of the complaint, the date of such resolution, and an explanation for the resolution; and
 - 4. If the resolution does not include the issuance of a refund, the reason for the denial of a refund;
- 2. Taking all reasonable steps to identify Western Union agents or front line associates involved or complicit in fraud;
- 3. Routinely reviewing and analyzing data regarding the activities of Western Union agent locations in order to identify the following:
 - a. Agent locations that have processed transactions associated with two (2) or more complaints about alleged fraud-induced money transfers, received by Respondent from any source, during a thirty (30) day period;
 - b. Elevated fraud risk agent locations, as defined above; and

1 4. For agent locations identified pursuant to Subsection B.3 of this Section, fully
2 investigate the agent location by reviewing transaction data and conducting
3 analyses to determine if the agent location displayed any unusual or suspicious
4 money transfer activity that cannot reasonably be explained or justified,
5 including, but not limited to:

- 6 a. Data integrity issues, including, but not limited to, invalid, illegible,
7 incomplete, missing, or conflicting biographical data for consumers or
8 recipients of money transfers;
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10 b. Significant changes in the transaction patterns experienced at the agent
11 location;
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13 c. Significant differences in the transaction patterns experienced at an
14 agent location relative to the patterns experienced at other agent
15 locations in the same country;
16 d. Unusual demographic activity;
17 e. Irregular concentrations of send and/or pay activity between the agent
18 and one or more other Western Union agent locations;
19 f. Irregular concentrations of send and/or pay activity between the agent
20 and one or more geographical areas that have been identified as high risk
21 for fraud;
22 g. Unusual transaction patterns by senders or recipients;
23 h. Flipping patterns;
24 i. Suspicious structuring or splitting of money transfers; or
25 j. Suspicious surfing patterns;
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 C. Failing to take the following actions to prevent further fraud-induced money transfers,
including, but not limited to, by:

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1. Suspending Western Union agent locations, as follows, pending further investigation to determine whether the Western Union agent locations can continue operating consistent with this Assurance's requirements:
 - a. For agent locations identified pursuant to Subsection B.3.a of this Section, if the investigation of the agent location required by Subsection B.4 of this Section is not completed within fourteen (14) days after the agent location is identified, suspending the Western Union agent location's ability to conduct further money transfers until the investigation is completed; and
 - b. For elevated fraud risk agent locations, immediately suspending the Western Union agent's ability to conduct further money transfers until the review required by Subsection B.4 of this Section is completed, *except that*, for a Western Union agent that is a bank or bank branch and otherwise subject to this immediate suspension requirement by virtue of fraud complaints about money transfers that are transferred directly into its account holders' bank accounts, Western Union shall comply with Subsection III.C.1.a. and also permanently block, or request that the Western Union agent block, all further money transfers to bank accounts for which Western Union has received any fraud complaint;
2. Upon completion of the investigation, terminating, suspending, or restricting Western Union agent locations as follows:
 - a. Terminating or suspending the Western Union agent location, or restricting the agent location's ability to send and/or receive certain money transfers, if the findings indicate that the Western Union agent location is not, or has not been, complying with Respondent's Anti-

1 Fraud Program and other policies and procedures relating to detecting
2 and preventing fraud-induced money transfers, including, but not limited
3 to, by failing to collect and record required and accurate biographical
4 information about, and government-issued identifications for, the
5 recipients of money transfers; and

6 b. Terminating the Western Union agent location if the findings indicate
7 that the Western Union agent location or any of its front line associates
8 is, or may be, complicit in the fraud-induced money transfers, has failed
9 to comply with Section IV of this Assurance, or has repeatedly failed to
10 comply with Respondent's Anti-Fraud and other policies and procedures
11 relating to detecting and preventing fraud-induced money transfers;
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13 3. On at least a monthly basis, providing notice to all Western Union agents in
14 elevated fraud countries the substance of any complaints Respondent received
15 involving transactions processed by the agents' locations; and

16 4. Ensuring that all Western Union agents are enforcing effective policies and
17 procedures to detect and prevent fraud-induced money transfers, or other acts or
18 practices that violate Section I of this Assurance; and
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20 D. Failing to establish adequate controls to ensure that, prior to paying out money
21 transfers, Western Union agent locations are recording all required information about the recipients of
22 money transfers, including, but not limited to, the recipients' names, addresses, telephone numbers,
23 and identifications, and are taking reasonable steps to verify the identification presented by the
24 recipients or, for money transfers that are directed to bank accounts, the identities of the account
25 holders.
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IV.

REQUIREMENTS FOR ELEVATED FRAUD RISK AGENT LOCATIONS

IT IS FURTHER AGREED that Respondent, Respondent's officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Assurance, whether acting directly or indirectly, in connection with promoting, offering for sale, or providing money transfer services, shall require and ensure that all elevated fraud risk agent locations that are still operating do the following for one (1) year from the date that Respondent identifies the agent as an elevated fraud risk agent location under the terms of this Assurance:

A. For money transfers that are not transferred directly into a recipient's bank account, photocopy or scan the identification documents or biometric information presented by the recipient and retain the photocopies or images, along with the receive forms, for a period of five (5) years; and

B. Demonstrate during compliance reviews or mystery shops, which Respondent shall conduct on at least a quarterly basis that the agent location is complying with the requirements in this Section.

Provided, however, that if Defendant reasonably believes that complying with Subsection A of this Section for money transfers received by an elevated fraud agent location in a particular foreign jurisdiction would violate that jurisdiction's laws, Defendant may instead, upon notice to FTC staff, block all money transfers from the United States to that elevated fraud risk agent location or, with the agreement of FTC staff, take other appropriate action at that location to protect consumers from fraud.

V.

SHARING COMPLAINT INFORMATION

IT IS FURTHER AGREED that, Respondent, Respondent's officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Assurance, whether acting directly or indirectly, shall, in addition to, or as a modification of, any

1 other policy or practice that the Respondent may have, including Respondent's ongoing submission of
2 information to the FTC for inclusion in Consumer Sentinel:

3 A. Provide notice to the consumer, or his or her authorized representative, at the time the
4 Respondent is contacted with a complaint about alleged fraudulent activity associated with a money
5 transfer, that (i) Respondent's practice is to share information regarding the consumer's money
6 transfer and complaint with a database used by law enforcement authorities in the United States and
7 other countries; and (ii) if the consumer does not want his or her name, address, and identification
8 shared with law enforcement, Respondent will honor that request unless applicable law permits or
9 requires Respondent to provide that information; and
10

11 B. Regularly, but no more than every thirty (30) days, submit electronically to the FTC, or
12 its designated agent, for inclusion in Consumer Sentinel, all relevant information Respondent
13 possesses regarding complaints received from consumers, their authorized representatives, or any
14 other source, anywhere worldwide, about alleged fraud-induced money transfers and regarding the
15 underlying transfer itself, including, but not limited to, the information set forth in Section III.B.1.a
16 through III.B.1.i. *Provided, however,* if Respondent receives a request from a consumer or the
17 consumer's authorized representative, which is documented by Respondent, stating that the consumer
18 does not want the information shared with the database, or if Respondent received the complaint from
19 a source other than the consumer or the consumer's authorized representative, Respondent shall
20 submit to the FTC an anonymized complaint with the consumer's name, address, and telephone
21 number redacted. *Provided further,* that Respondent shall cooperate with the FTC in order to facilitate
22 compliance with this Section.
23
24

25 VI.

26 INDEPENDENT COMPLIANCE AUDITOR

As ordered in *Federal Trade Commission v. The Western Union Company*, Civil Action No.
1:17-cv-00110-CCC, in the United States District Court for the Middle District of Pennsylvania (FTC

1 Judgment), an independent compliance auditor shall be appointed to further ensure compliance with
2 Sections I through V.

3 VII.

4 MONETARY PAYMENT TO THE STATES

5 IT IS FURTHER AGREED THAT:

6 A. Western Union shall pay a total of Five Million Dollars (\$5,000,000.00) to the
7 Participating States, to be distributed among such states as agreed by the Attorneys' General. Each
8 state shall use its portion of funds as compensation for recovery of its costs and attorney's fees in
9 investigating this matter, future monitoring and enforcement of this Assurance, future enforcement of
10 its consumer protection laws or for any lawful purpose including consumer education or redress in the
11 discharge of the Attorney General's duties at the sole discretion of the Attorney General in accordance
12 with applicable state laws and procedures, including A.R.S. §44-1531.01. Western Union's monetary
13 payment to the Participating States shall not be deemed, or deemed in lieu of, a fine, penalty,
14 forfeiture, or punitive assessment and may not be characterized as such.

15
16 B. Western Union's payment to the states shall be made no later than fifteen (15) days
17 after Western Union's receipt through its counsel of record in this case of written wire transfer
18 instructions from Vermont Assistant Attorney General James Layman, who is authorized by the
19 Executive Committee to provide those instructions. The monetary award in this case is accepted by
20 the Participating States which acknowledge that redress for consumers shall be made available through
21 the Stipulated Order for Permanent Injunction and Final Judgment entered in *Federal Trade*
22 *Commission v. The Western Union Company*, Civil Action No. 1:17-cv-00110-CCC, in the United
23 States District Court for the Middle District of Pennsylvania, which requires that Respondent pay Five
24 Hundred Eighty-Six Million Dollars (\$586,000,000) and that such funds be deposited into a fund to
25 be used to compensate fraud victims as detailed in Section VII of the Stipulated Order.
26

1 VIII.

2 ACKNOWLEDGMENT OF ASSURANCE

3 IT IS FURTHER AGREED that Respondent will obtain acknowledgments of receipt of this
4 Assurance. Respondent, within seven (7) days of the Effective Date, must submit to the Executive
5 Committee an acknowledgment of receipt of this Assurance sworn under penalty of perjury.

6 IX.

7 COMPLIANCE REPORTING

8 As ordered in the FTC Action, Respondent is required to submit compliance reports to the
9 FTC, as detailed in Section IX of the Stipulated Order.

10 X.

11 COMPLIANCE MONITORING

12 As ordered in the FTC Action, Respondent is required to monitor its compliance with the
13 Stipulated Order and may be required to submit additional compliance reports or requested
14 information to the FTC, as detailed in Section XI of the Stipulated Order.

15 XI.

16 RELEASE

17 By execution of this assurance, the Participating States hereby fully release and discharge
18 Western Union, its parents, affiliates, subsidiaries, employees, officers, and directors (collectively, the
19 "Released Parties"), from the following: any and all civil and administrative actions, claims, and
20 causes of action that were or could have been asserted against the Released Parties by the Participating
21 States' respective Attorneys General under the States' consumer protection laws, or any amendments
22 thereto, resulting from the conduct complained of in the complaint filed by the FTC in the FTC Action
23 and/or the matters addressed in this Assurance, up to and including the effective date of this Assurance
24 (collectively, the "Released Claims").
25
26

1 B. To the extent this Assurance is filed in any Court, Respondent waives notice and
2 service of process for the filing, and such Court retains jurisdiction over this Assurance and the parties
3 hereto for the purpose of enforcing and modifying this Assurance and for the purpose of granting such
4 additional relief as may be necessary and appropriate. No modification of the terms of this Assurance
5 shall be valid or binding unless made in writing, signed by the parties, and approved by any Court in
6 which this Assurance is filed, and then only to the extent specifically set forth in such a Court's Order.
7 The Parties may agree in writing, through counsel, to an extension of any time period in this
8 Assurance without a court order.
9

10 C. To the extent this Assurance must be approved by any Court, Respondent does not
11 object to the Attorney General's ex parte submission and presentation of this Assurance to the Court,
12 does not object to the Court's approval of this Assurance, and does not object to the entry of this
13 Assurance by the clerk of the Court if entry is required.
14

15 D. Nothing in this Assurance shall be construed as relieving Respondent of its obligation
16 to comply with all state and federal laws, regulations or rules, or as granting permission to engage in
17 any acts or practices prohibited by such law, regulation or rule.
18

19 E. This Assurance does not constitute an approval by the Attorneys General of any of
20 Respondent's past, present or future business acts and practices.
21

22 F. If any portion of this Assurance is held invalid by operation of law, the remaining terms
23 of this Assurance shall not be affected and shall remain in full force and effect.
24

25 G. Nothing in this Assurance shall be construed to waive, limit, or expand any claim of
26 sovereign immunity the Attorneys General may have in any action or proceeding.
27

28 H. This Assurance may be enforced only by the Parties hereto. Nothing in this Assurance
29 shall provide any rights or permit any person or entity not a party hereto to enforce any provision of
30 this Assurance.
31

1 I. The Parties agree that a Participating State will provide Respondent with written
2 notice if it believes that Respondent is in violation of any of its obligations under this Assurance
3 (“Notice”). Respondent shall have 30 business days after the date of receipt of the Notice to
4 demonstrate to the State’s satisfaction that:

- 5 1. Respondent is in compliance with the obligations of this Assurance cited
6 by that State as being violated;
- 7 2. the violation has been addressed, including, but not limited to, by remedial
8 actions having been taken against an employee for actions inconsistent with
9 this Assurance; or
- 10 3. the alleged violation cannot be addressed within the 30 business day period,
11 but that: (a) Respondent has begun to take action to address the violation;
12 (b) Respondent is pursuing such action with due diligence; and (c)
13 Respondent has provided a reasonable timetable for addressing the violation.
14

15 J. Nothing shall prevent the State from agreeing in writing to provide Respondent
16 with additional time beyond the 30 business days to respond to the notice.
17

18 K. No person, entity or official not a signatory hereto is a third-party beneficiary of this
19 Assurance. Nothing in this Assurance shall be construed to affect, limit, alter or assist any private
20 right of action that a consumer may hold against Respondent, nor shall anything in this Assurance
21 confer upon any consumer standing to pursue any private right of action against Respondent.
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1 **OFFICE OF THE ATTORNEY GENERAL**

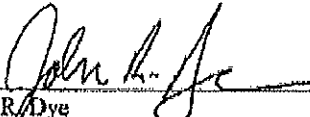
2 **FOR ARIZONA**

3
4 By: *Dena Benjamin*
5 Dena Benjamin
Assistant Attorney General

6 Date: 1/24/17

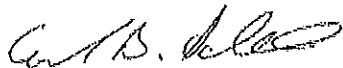
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1 **RESPONDENT THE WESTERN UNION COMPANY**


2
3 
4 _____
5 John R. Dye
6 Executive Vice President and General Counsel

Dated: January 23, 2017

7 **COUNSEL FOR RESPONDENT, THE WESTERN UNION COMPANY**

8 
9 _____
10 Edward B. Schwartz
11 Steptoe & Johnson LLP
12 1330 Connecticut Avenue, NW
13 Washington, DC 20036

Dated: January 23, 2017

14 
15 _____
16 Sean M. Berkowitz
17 Latham & Watkins LLP
18 330 North Wabash Avenue, Suite 2800
19 Chicago, Illinois 60611

Dated: January 23, 2017

WESTERN UNION EXHIBIT A - List of State Laws

1. **Alabama Deceptive Trade Practices Act, Alabama Code Section 8-19-1, et seq.**
2. **Alaska Unfair Trade Practices and Consumer Protection Act, AS 45.50.471 et seq.**
3. **Arizona Consumer Fraud Act, A.R.S. §§ 44-1521, et seq., except matters related to A.R.S. § 36-798, et seq.**
4. **Arkansas Deceptive Trade Practices Act, Arkansas Code Ann. 4-88-101, et seq.**
5. **Colorado Consumer Protection Act, Colorado Revised Statutes § 6-1-101, et seq.**
6. **Connecticut Unfair Trade Practices Act, Conn. Gen. Stat. § 42-110b, et seq.**
7. **Delaware Code Ann. Tit. 6, §§ 2511 to 2536.**
8. **District of Columbia D.C. Code § 28-3901 et seq. (2001).**
9. **Florida Deceptive and Unfair Trade Practices Act, Ch. 501 Part II, Fla Stat. (2016).**
10. **Georgia Fair Business Practices Act of 1975, O.C.G.A. § 10-1-390 et seq.**
11. **Hawaii Uniform Deceptive Trade Practices Act, Haw. Rev. Stat. Chpt. 481A and Haw. Rev. Stat. § 480-1 et seq.**
12. **Idaho Consumer Protection Act, Idaho Code Section 48-601 et seq.**
13. **Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1, et seq.**
14. **Indiana Deceptive Consumer Sales Act, Indiana Code 24-5-0.5-1 et. seq.**
15. **Iowa Consumer Fraud Act, Iowa Code § 714.16.**
16. **Kansas Consumer Protection Act, K.S.A. 50-623 et seq.**
17. **Kentucky Consumer Protection Act, K.R.S. 367.110 et seq.**
18. **Louisiana Unfair Trade Practices and Consumer Protection Law, La. R.S. 51:1401, et seq.**
19. **Maine Unfair Trade Practices Act, 5 M.R.S. §§ 207 and 209.**
20. **Maryland Consumer Protection Act, Md. Code Ann., Com. Law §§ 13-101 through 13- 501**
21. **Massachusetts Consumer Protection Act, M.G.L. c. 93A, § 1 et seq.**
22. **Michigan Consumer Protection Act, MCL 445.901, et seq.**
23. **Minnesota Consumer Fraud Act, Minn. Stat. §§ 325F.68 and 325F.69, Minnesota Deceptive Trade Practices Act, Minn. Stat. § 325D.43-.48, and Minnesota False Statement in Advertising Act, Minn. Stat. § 325F.67.**
24. **Mississippi Consumer Protection Act, § 74-24-1 through § 74-24-357 (1972, as amended).**
25. **Missouri Merchandising Practices Act, § 407.010, et seq, RSMo.**
26. **Montana Unfair Trade Practices and Consumer Protection Act (MUTCPA), Mont. Code Ann. § 30-14-101 et seq.**
27. **Nebraska Consumer Protection Act, Neb. Rev. Stat. § 59-1601 et seq., and the Uniform Deceptive Trade Practices Act, Neb. Rev. Stat. § 87-301 et seq.**
28. **Nevada Deceptive Trade Practices Act, NRS 598.0903 et seq.**
29. **New Hampshire Rev. Stat. Ann. 358-A.**
30. **New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq.**
31. **New Mexico Unfair Practices Act, NMSA § 57-12-1 et seq. (1967), NMSA § 57-15-1, et seq., and N. M. Admin. Code 12.2.11.**
32. **N.Y. Gen. Bus. Law §§ 349 and 350, N.Y. Executive Law § 63(12).**
33. **North Carolina Unfair and Deceptive Trade Practices Act, N.C.G.S. 75-1.1 et seq.**

34. N.D.C.C. §§ 51-12-08 et seq. and 51-15-01 et seq.
35. Ohio Consumer Sales Practices Act, R.C. 1345.01 et seq.
36. Oklahoma Consumer Protection Act, 15 O.S. §§ 751 et seq.
37. Oregon Unlawful Trade Practices Act, ORS §§ 646.605 et seq.
38. Pennsylvania Unfair Trade Practices and Consumer Protection Law, 73 P.S. § 201-1, et seq.
39. Rhode Island Deceptive Trade Practices Act, R.I. Gen. Laws § 6-13.1-1, et seq.
40. South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10 et seq.
41. South Dakota Codified Laws Chapter 37-24
42. Tennessee Consumer Protection Act of 1977, Tenn. Code Ann. § 47-18-101, et seq.
43. Texas - Tex. Bus. & Com. Code Ann. § 17.41 et seq.
44. Utah Code Ann. § 13-11-1, et seq.
45. Vermont Consumer Fraud Act, 9 V.S.A. §§ 2451-2466.
46. Virginia Consumer Protection Act, Va. Code §§ 59.1-196 through 59.1-207.
47. Washington Revised Code of Washington RCW 19.86.020.
48. West Virginia Consumer Credit and Protection Act, W.Va. Code §§ 46A-1-101 et seq.
49. Wisconsin Stat. §§ 100.18(1) fraudulent representations
50. Wyoming Consumer Protection Act, Wyo. Stat. Ann. §§ 40-12-101 through 114.