

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

FEDERAL TRADE COMMISSION,	)	
	)	
Plaintiff,	)	Civil Action No. 09-cv-6576
	)	Judge Grady
v.	)	Magistrate Keys
	)	
MONEYGRAM INTERNATIONAL, INC.,	)	
	)	
Defendant.	)	
	)	
	)	

**STIPULATED ORDER FOR PERMANENT INJUNCTION AND FINAL JUDGMENT**

Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), has filed a Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”) pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. § 6101, *et seq.*, charging Defendant MoneyGram International, Inc. (“MoneyGram”) with assisting and facilitating deceptive and abusive telemarketing acts and practices, in violation of the Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, and with engaging in deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

The Commission and Defendant MoneyGram, having been represented by counsel and acting by and through such counsel, have consented to the entry of this Stipulated Order for Permanent Injunction and Final Judgment (“Order”) in settlement of the Commission’s Complaint against MoneyGram, without a trial or adjudication of any issue of law or fact herein.

NOW, THEREFORE, the Commission and Defendant MoneyGram, having requested the Court to enter this Order, it is hereby **ORDERED, ADJUDGED, AND DECREED:**

**FINDINGS**

1. This is an action by the Commission initiated under Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, the Telemarketing Act, 15 U.S.C. § 6101, *et seq.*, and the TSR, 16 C.F.R. Part 310. Pursuant to these statutes and regulations, the Commission has the authority to seek the relief contained herein.

2. The Commission's Complaint states a claim upon which relief may be granted against Defendant under Sections 5(a), 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 45(a), 53(b) and 57b, the Telemarketing Act, 15 U.S.C. § 6101, *et seq.*, and the TSR, 16 C.F.R. Part 310.

3. This Court has jurisdiction over the subject matter of this case and all parties hereto. Venue in the Northern District of Illinois is proper.

4. The alleged activities of Defendant are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

5. Defendant, without admitting the allegations set forth in the Commission's Complaint, agrees to entry of this Order. Defendant is entering this Order solely for the purpose of settlement and nothing contained herein may be taken or construed to be an admission or concession of any violation of law, or of any other matter of fact or law, or of any liability or wrongdoing, all of which Defendant expressly denies. No part of this Order constitutes or shall constitute evidence against Defendant in any action brought by any person(s) or entity or other party of any violation of any federal or state statute or regulation or the common law, except in an action by the Plaintiff to enforce the terms of this Order.

6. Defendant waives: (a) all rights to seek judicial review or otherwise challenge or contest the validity of this Order; (b) any claims that it may have against the Commission, its employees, representatives or agents; (c) all claims under the Equal Access to Justice Act, 28 U.S.C. § 2412, *as amended by* Pub. L. 104-121, 110 Stat. 847, 863-64 (1996); and (d) any rights to attorneys' fees that may arise under said provision of law. The Commission and Defendant shall each bear their own costs and attorney's fees incurred in this action.

7. This Order is in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law.

8. Entry of this Order is in the public interest.

### **ORDER**

#### **DEFINITIONS**

For purposes of this Order, the following definitions shall apply:

- A. **"MoneyGram Agent"** means any person authorized to sell money transfer services marketed by Defendant. For purposes of Sections III.B. and C. and VIII.E. of this Order, where more than one location authorized to sell money transfer services is owned by, or under common control of, the same person(s), each location shall constitute a separate MoneyGram Agent.
- B. **"Consumer"** means any person who initiates a Money Transfer in the United States or Canada, except when expressly indicated otherwise.
- C. **"Defendant"** means MoneyGram International, Inc., and its successors and assigns.
- D. **"Document" or "Documents"** means any materials listed in Federal Rule of Civil Procedure 34(a) and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information

can be obtained and translated, if necessary, into reasonably usable form through detection devices. A draft or nonidentical copy is a separate Document within the meaning of the term.

- E. **“Fraud-Induced Money Transfers”** shall mean any Money Transfer that was induced by, or initiated as a result of, unfair or deceptive acts or practices, and/or deceptive or abusive telemarketing acts or practices, including, but not limited to, false or misleading statements in violation of the Commission’s Telemarketing Sales Rule, 16 C.F.R. Part 310.
- F. **“Money Transfer”** shall mean the sending of money between a Consumer in one location to a recipient in another location using a service offered by Defendant, and shall include transfers initiated in person, online, by telephone, or through whatever means made available. The term “Money Transfer” does not include Defendant’s payment services available to Consumers to pay bills or make payments, such as Defendant’s urgent or utility bill payment services, and Defendant’s pre-paid services for items such as pre-paid cards or cellular phones.
- G. **“Person”** means a natural person, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.
- H. **“Plaintiff”** means the Federal Trade Commission (“Commission” or “FTC”).
- I. **“Telemarketing”** means any plan, program, or campaign (whether or not covered by the TSR, 16 C.F.R. Part 310) which is conducted to induce the purchase of goods or services or a charitable contribution by use of one or more telephones.

**I.**

**PROHIBITED BUSINESS ACTIVITIES**

**IT IS THEREFORE ORDERED** that Defendant, its officers, agents, servants, employees, attorneys, and all persons or entities who are in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, or any of them, in connection with the telemarketing, advertising, marketing, proposed sale, sale, or provision of Money Transfer services, are hereby restrained and enjoined from:

- A. Violating any provision of the Telemarketing Sales Rule, 16 C.F.R. Part 310, as currently promulgated or as it may hereafter be amended, including, but not limited to, Section 310.3(b) of the TSR, 16 C.F.R. § 310.3(b), by providing “substantial assistance or support” to any seller or telemarketer that Defendant knows or consciously avoids knowing is engaged in any act or practice that violates Sections 310.3(a) or 310.4 of the TSR, 16 C.F.R. §§ 310.3(a) or 310.4;
- B. Failing to do any of the following in connection with Money Transfers initiated by Consumers:
  - 1. Provide a clear, concise, conspicuous, and uncontradicted Consumer fraud warning on the front page of all Money Transfer send forms utilized by Consumers to initiate Money Transfers, that includes, but is not limited to:
    - a. A warning noting the most common types of scams currently utilizing Defendant’s money transfer system;

- b. A notice to Consumers that the money transferred can be paid out to the receiver within a short time, and that after the money is collected, Consumers cannot obtain a refund from Defendant, even if the transfer was the result of fraud; and
- c. A toll-free number for Defendant that Consumers may call if they discover that their money transfer was the result of fraud;

*Provided that*, Defendant shall supply updated send forms to MoneyGram Agents in the United States and Canada on a replenishment basis upon entry of the Order and, where applicable, upon receiving required state approvals;

- 2. Provide Consumers who initiate money transfers via the Internet or the telephone, for pickup at any MoneyGram Agent location, with substantially the same clear, concise, conspicuous and uncontradicted Consumer fraud warning required by Subsection B.1 of this Section, *provided that* for money transfers initiated over the telephone, the Consumer warning may be abbreviated;
- 3. Provide the required warning to Consumers in the language used on the send form or other media type or platform used for the Money Transfer in a form appropriate for the media or platform;
- 4. Review and update the Consumer warning as necessary to ensure its effectiveness in preventing Fraud-Induced Money Transfers; and
- 5. Submit the required warning, and subsequent amendments to the warning, to the Commission for review no less than ten (10) business days before any modified warning is disseminated to MoneyGram Agents;

*Provided that*, nothing herein shall prohibit Defendant from changing the nature or form of its service, send forms, or media or platform for offering Money Transfer services or from seeking to replace its send forms with an electronic form or entry system of some type in the future. In the event such changes are made, Defendant shall provide a Consumer fraud warning substantially similar to that outlined in Subsection B.1. of this Section in a form appropriate to the media or platform;

- C. Failing to reimburse the principal amount of a Money Transfer and any associated Money Transfer fees whenever a consumer worldwide, or his or her authorized representative: (a) asks Defendant to reverse the Money Transfer before the transferred funds have been picked up, and (b) reasonably claims that the Money Transfer was fraudulently induced; and
- D. 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 MoneyGram Agents worldwide who appear to be involved or complicit in processing Fraud-Induced Money Transfers (hereinafter referred to as “Defendant’s Anti-Fraud Program”). Such program, the content and implementation of which must be fully documented in writing, and provided to the FTC, shall contain administrative, technical, and physical safeguards appropriate to Defendant’s size and complexity, and the nature and scope of Defendant’s activities, shall be consistent with this Order’s requirements, and shall include at least the following requirements:
  - 1. Performance of due diligence on prospective MoneyGram Agents;

2. Designation of an employee or employees to coordinate and be accountable for Defendant's Anti-Fraud Program;
3. Appropriate and adequate education and training on Consumer fraud for MoneyGram Agents;
4. Appropriate and adequate monitoring of MoneyGram Agent activity relevant to the prevention of Fraud-Induced Money Transfers;
5. Prompt disciplinary action against MoneyGram Agents where reasonably necessary to prevent Fraud-Induced Money Transfers, including requiring mandatory fraud training, restricting maximum dollar amounts per receive transaction, suspension, and/or termination; and
6. Periodic evaluation and adjustment of Defendant's Anti-Fraud Program in light of:
  - a. The results of the monitoring required by Subsection D.4. of this Section and Section III of this Order;
  - b. Any material changes to Defendant's operations or business arrangements;  
or
  - c. Any other circumstances that Defendant knows or has reason to know may have a material impact on the effectiveness of Defendant's Anti-Fraud Program, *provided that* Defendant shall notify the FTC in writing of the adjustments, and reasons for such adjustments, to Defendant's Anti-Fraud Program no more than thirty (30) days after any material modification to Defendant's Anti-Fraud Program has been implemented.

**II.**

**PROSPECTIVE MONEYGRAM AGENTS**

**IT IS FURTHER ORDERED** that Defendant, its officers, agents, servants, employees, attorneys, and all persons or entities who are in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, or any of them, are hereby permanently restrained and enjoined from:

- A. Failing to conduct thorough due diligence, in accordance with Defendant's Anti-Fraud Program required by Section I.D. of this Order, on all persons applying to become MoneyGram Agents to avoid installing MoneyGram Agents worldwide who may become involved or complicit in processing Fraud-Induced Money Transfers, including, but not limited to:
1. Verifying government-issued identification;
  2. Conducting reasonable background checks;
  3. Asking and conducting any reasonable inquiry as to whether the prospective agent formerly owned or operated any other money services business that was closed down for fraud-related reasons; and
  4. Conducting an individualized assessment of each MoneyGram Agent application;
- B. Failing to reject applications in accordance with Defendant's Anti-Fraud Program required by Section I.D. of this Order; and
- C. Failing to ensure that the written agreements entered into with all new MoneyGram Agents require those agents to have effective policies and procedures in place to detect

and prevent Fraud-Induced Money Transfers, or other acts or practices that violate the TSR, 16 C.F.R. Part 310.

**III.**

**MONITORING COMPLIANCE OF MONEYGRAM AGENTS**

**IT IS FURTHER ORDERED** that Defendant, its officers, agents, servants, employees, attorneys, and all persons or entities who are in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, or any of them, are hereby permanently restrained and enjoined from:

- A. Failing to provide appropriate and adequate ongoing education and training on Consumer fraud for all MoneyGram Agents and Defendant's appropriate personnel in accordance with Defendant's Anti-Fraud Program required by Section I.D. of this Order, which may include, but is not limited to, education and training on assisting in, or conducting any investigation, as well as detecting, preventing, reporting, and otherwise handling suspicious transactions and Fraud-Induced Money Transfers;
- B. Failing to take all reasonable steps necessary to monitor and investigate MoneyGram Agent activity to detect and prevent Fraud-Induced Money Transfers, including, but not limited to:
  1. Developing, implementing, adequately staffing, and continuously operating and maintaining a system to receive and retain Consumer complaints and data received from any source involving Fraud-Induced Money Transfers, and taking all reasonable steps to obtain, record, retain, and make easily accessible to Defendant and, upon reasonable request, the FTC, all relevant information and

documents regarding all complaints related to Fraud-Induced Money Transfers, including, but not limited to:

- a. The Consumer's name, address, and telephone number;
- b. The substance of the complaint, including the name of any person referenced;
- c. The name, telephone number, and address of the receiving MoneyGram Agent;
- d. The date of the Money Transfer;
- e. The amount of the Money Transfer;
- f. The recipient of the Money Transfer;
- g. The actual receiving location of the Money Transfer;
- h. The identification, where law or Defendant's Anti-Fraud Program require presenting and recording of such identification for the recipient of the Money Transfer;
- i. The send and receive forms relating to the Consumer complaint to the extent required by Defendant's Anti-Fraud Program; and
- j. 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) Any final resolution of the complaint, and the date of such resolution; and
    - (4) In the event of a denial of any resolution, the reason for the denial;
  2. Taking all reasonable steps to identify MoneyGram Agents involved or complicit in fraud;
  3. Routinely reviewing and analyzing data regarding the activities of MoneyGram Agents, in accordance with Defendant's Anti-Fraud Program required by Section I.D. of this Order, to identify all MoneyGram Agents that have processed any receive transactions associated with:
    - a. Two (2) or more Consumer complaints about alleged Fraud-Induced Money Transfers, received by Defendants from any source, during a thirty (30) day period; or
    - b. Consumer complaints about alleged Fraud-Induced Money Transfers, received by Defendant from any source, totaling five (5) percent or more of its total receive transactions in numbers or dollars, calculated on a monthly basis;
  4. Reviewing transaction data and conducting analysis to determine if there are MoneyGram Agents that have displayed any unusual or suspicious Money Transfer activity, as outlined by Defendant's Anti-Fraud Program required by Section I.D. of this Order, that cannot reasonably be explained or justified (unusual or suspicious Money Transfer activity may include, but is not limited to, unusual transaction volumes, send or receive ratios, and send or receive amounts);

5. Within fourteen (14) days of initiating the review required by Subsection B.3 of this Section, or within thirty (30) days of initiating the review required by Subsection B.4 of this Section, completing that review and taking the following actions:
  - a. Terminating, suspending, or restricting the MoneyGram Agent if the findings indicate that the MoneyGram Agent is not, or has not been, taking appropriate steps to prevent Fraud-induced Money Transfers; or
  - b. Terminating the MoneyGram Agent if the findings indicate that the MoneyGram Agent may be complicit in the Fraud-Induced Money Transfers;
6. If Defendant is not able to complete the review required by Subsection B.3. of this Section within fourteen (14) days of initiating the review, suspending the MoneyGram Agent's ability to conduct further Money Transfers until the review is completed;
7. If Defendant is not able to complete the review required by Subsection B.4 of this Section within thirty (30) days of initiating the review, suspending the MoneyGram Agent's ability to conduct further Money Transfers or restricting the MoneyGram Agent's ability to engage in the unusual or suspicious Money Transfer activity until the review is completed; and
8. Ensuring that all MoneyGram Agents are notified of their obligations to implement and maintain policies and procedures to detect and prevent Fraud-Induced Money Transfers, or other acts or practices that violate the TSR, 16 C.F.R. Part 310, and to comply with Defendant's policies and procedures; and

- C. Failing, on a monthly basis, to review all Consumer fraud complaints for all MoneyGram Agents and to take the action required by Defendant's Anti-Fraud Program.

**IV.**

**SHARING CONSUMER COMPLAINT INFORMATION**

**IT IS FURTHER ORDERED** that, in addition to any other policy or practice that the Defendant may have, Defendant, its officers, agents, servants, employees, attorneys, and all persons or entities who are in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, or any of them, shall:

- A. Provide notice to the Consumer, or his or her authorized representative, at the time the Defendant is contacted with a complaint about alleged fraudulent activity associated with a Money Transfer, that Defendant may share information regarding the Consumer's Money Transfer and complaint with relevant Federal, State or local law enforcement authorities, unless the Defendant receives a request from the Consumer that he or she does not want the information shared with law enforcement; and
- B. Within ninety (90) days of entry of this Order, and on a monthly basis thereafter, submit electronically to the FTC, or its designated agent, for inclusion in the Consumer Sentinel Network, a secure online database operated by the FTC and available to law enforcement, all relevant information Defendant possesses in its consumer fraud database regarding Consumer complaints about alleged Fraud-Induced Money Transfers and regarding the underlying transfer itself, including but not limited to, the name and address of the sender, the send location, the date and amount of the transfer, the transfer fee, the date and actual location of the receipt, the name of the receiver, any information

recorded regarding the receiver's identification, the reference number for the transfer, the nature of the Consumer's complaint, and any additional details provided by the Consumer. The first such submission shall include information on all such complaints received on or after the date of entry of this Order. *Provided, however*, that Defendant may decline to provide this information if it receives a request from a Consumer that is documented by Defendant stating that he or she does not want the information shared with law enforcement. *Provided, further*, that Defendant shall cooperate with the FTC to facilitate compliance with this Section.

V.

**MONETARY RELIEF**

**IT IS FURTHER ORDERED** that:

- A. Judgment is hereby entered against Defendant in the amount of Eighteen Million Dollars (\$18,000,000.00). Payment shall be made to the Commission by wire transfer in accordance with directions provided by the Commission, or by cashier's check or other guaranteed funds payable to and delivered to the Commission, no later than seven (7) days after entry of this Order;
- B. All funds paid pursuant to this Section shall be deposited into a fund administered by the Commission or its agent, to be used for equitable relief, including, but not limited to, Consumer redress and any attendant expenses for the administration of such equitable relief. Defendant shall cooperate fully to assist the Commission in identifying Consumers who may be entitled to redress pursuant to this Order. In the event that direct redress to Consumers is wholly or partially impracticable or funds remain after redress is completed, the Commission may apply any remaining funds for such other equitable

relief (including consumer information remedies) as it determines to be reasonably related to Defendant's practices alleged in the Commission's Complaint. Any funds not used for such equitable relief shall be deposited to the United States Treasury as disgorgement. Defendant shall have no right to challenge the Commission's choice of remedies under this Section;

- C. The judgment entered pursuant to Subsection A of this Section for equitable monetary relief is solely remedial in nature and is not a fine, penalty, punitive assessment, or forfeiture;
- D. Defendant relinquishes all dominion, control, and title to the funds paid to the fullest extent permitted by law. Defendant shall make no claim to or demand return of the funds, directly or indirectly, through counsel or otherwise;
- E. Defendant agrees that the facts as alleged in the Complaint filed in this action shall be taken as true without further proof in any bankruptcy case or subsequent civil litigation pursued by the Commission to enforce its rights to any payment or money judgment pursuant to this Order, including, but not limited to, a nondischargeability complaint in any bankruptcy case. Defendant further stipulates and agrees that the facts alleged in the Complaint establish all elements necessary to sustain an action pursuant to, and that this Order shall have collateral estoppel effect for purposes of, Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S. C. § 523(a)(2)(A);
- F. In the event of any default by Defendant on its obligation to make payment under this Section, interest, computed pursuant to 28 U.S.C. § 1961, as amended, shall accrue from the date of default to the date of payment, and shall immediately become due and payable;

- G. In accordance with 31 U.S.C. § 7701, Defendant is hereby required, unless it already has done so, to furnish to the Commission its taxpayer identifying number(s), which shall be used for purposes of collecting and reporting on any delinquent amount arising out of its relationship with the government; and
- H. Proceedings instituted under this Section are in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including any other proceedings the Commission may initiate to enforce this Order.

**VI.**

**COMPLIANCE MONITORING**

**IT IS FURTHER ORDERED** that, for the purpose of monitoring and investigating compliance with any provision of this Order:

- A. Within ten (10) business days of receipt of written notice from a representative of the Commission, Defendant shall submit additional written reports, which are true and accurate and sworn to under penalty of perjury; produce documents for inspection and copying; appear for deposition; and/or provide entry during normal business hours to any business location in Defendant's possession or direct or indirect control to inspect the business operation;
- B. In addition, the Commission is authorized to use all other lawful means, including, but not limited to:
  - 1. Obtaining discovery from any person, without further leave of court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, 45, and 69; and

2. Posing as Consumers and suppliers to Defendant, its employees, agents, or any other entity managed or controlled in whole or in part by Defendant, without the necessity of identification or prior notice; and
- C. Defendant shall permit representatives of the Commission to interview any employer, consultant, independent contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Order. The person interviewed may have counsel present.

*Provided, however,* that nothing in this Order shall limit the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive acts or practices in or affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

## VII.

### COMPLIANCE REPORTING

**IT IS FURTHER ORDERED** that, in order that compliance with the provisions of this Order may be monitored:

- A. For a period of five (5) years from the date of entry of this Order, Defendant shall notify the Commission of any changes in structure of Defendant or any business entity that Defendant directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations arising under this Order, including, but not limited to: incorporation or other organization; a dissolution, assignment, sale, merger, or other action; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any

acts or practices subject to this Order; or a change in the business name or address, at least thirty (30) days prior to such change, *provided, however*, that, with respect to any proposed change in the business entity about which Defendant learns less than thirty (30) days prior to the date such action is to take place, Defendant shall notify the Commission as soon as is practicable after obtaining such knowledge;

B. One hundred eighty (180) days after the date of entry of this Order and annually thereafter for a period of five (5) years, Defendant shall provide a written report to the FTC, which is true and accurate and sworn to under penalty of perjury, setting forth in detail the manner and form in which it has complied and is complying with this Order.

This report shall include, but not be limited to:

1. A copy of each acknowledgment of receipt of this Order, or other proof of distribution, obtained pursuant to the Section titled "Distribution of Order;"
2. Any other changes required to be reported under Subsection A of this Section;
3. A reasonably detailed description of all compliance and monitoring activity taken by Defendant pursuant to Sections I through IV of this Order, including, as applicable, but not limited to, the following:
  - a. The number of MoneyGram Agents, by country, identified by the procedures in Section III.B.3 of this Order;
  - b. The names, addresses, and telephone numbers of all MoneyGram Agents who have been suspended, restricted, or terminated by Defendant for reasons related to Fraud-Induced Money Transfers, as well as the dates of and the specific reasons for the suspensions, restrictions, or terminations;

- c. Evidence showing that Defendant has and is complying with the requirements of Section I of this Order;
  - d. Evidence showing that Defendant has in place an appropriate and effective system for handling prospective MoneyGram Agents as required by Section II of this Order;
  - e. Evidence showing that Defendant has in place an appropriate and effective system for monitoring compliance of MoneyGram Agents as required by Section III of this Order; and
  - f. Evidence showing that Defendant has implemented an appropriate and effective system for sharing Consumer complaint information that complies with the requirements of Section IV of this Order;
- C. Defendant shall notify the Commission of the filing of a bankruptcy petition by Defendant within fifteen (15) days of filing;
- D. For the purposes of this Order, Defendant shall, unless otherwise directed by the Commission's authorized representatives, send by overnight courier all reports and notifications required by this Order to the Commission, to the following address:

Associate Director for Enforcement  
Federal Trade Commission  
600 Pennsylvania Avenue, N.W., Room NJ-2122  
Washington, D.C. 20580  
RE: FTC v. MoneyGram International, Inc., Civ. Action No. 09-cv-6576

*Provided* that, in lieu of overnight courier, Defendant may send such reports or notifications by first-class mail, but only if Defendant contemporaneously sends an electronic version of such report or notification to the Commission at: [DEBrief@ftc.gov](mailto:DEBrief@ftc.gov);  
and

- E. For purposes of the compliance reporting and monitoring required by this Order, the Commission is authorized to communicate directly with Defendant.

**VIII.**

**RECORD KEEPING PROVISIONS**

**IT IS FURTHER ORDERED** that, for a period of eight (8) years from the date of entry of this Order, Defendant and its agents, employees, officers, corporations, and those persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, shall maintain and make available to the Commission, within thirty (30) days of the receipt of a written request, business records demonstrating compliance with the terms and provisions of this Order, including, but not limited to, the following records:

- A. Documents and files related to Consumer fraud education or training provided to MoneyGram Agents or other appropriate personnel;
- B. Defendant's current and future written anti-fraud programs and policies;
- C. All MoneyGram Agent applications, records reflecting due diligence conducted by Defendant with respect to such applications, written agreements entered into with each MoneyGram Agent;
- D. Records of all relevant information relating to Consumer complaints and refund requests Defendant receives, whether directly or indirectly, or through any third party, about Fraud-Induced Money Transfers, including, but not limited to, the information listed in Section III.B.1 of this Order, *provided that* Defendant shall have no obligation to retain audio recordings of Consumer telephone calls relating to complaints so long as the information, including, but not limited to, any notes, relating to those calls is retained in Defendant's consumer fraud database;

- E. Records reflecting all steps Defendant has taken to monitor the activity of MoneyGram Agents to reduce and prevent Consumer fraud, including, but not limited to, records of Defendant's reviews, audits, or investigations of MoneyGram Agents associated with Consumer fraud, communications with such agents regarding Consumer fraud matters, and any remedial action taken against MoneyGram Agents due to fraud; and
- F. Copies of acknowledgments of receipt of this Order required by the Sections titled "Distribution of Order" and "Acknowledgment of Receipt of Order" and all reports submitted to the FTC pursuant to the Section titled "Compliance Reporting."

**IX.**

**DISTRIBUTION OF ORDER**

**IT IS FURTHER ORDERED** that, for a period of five (5) years from the date of entry of this Order, Defendant shall deliver copies of the Order as directed below:

- A. Defendant must deliver a copy of the Order to (1) all of its principals, officers, directors, and managers; (2) all of its employees, agents, and representatives who engage in conduct related to the subject matter of the Order, including, but not limited to, all MoneyGram Agents, and all MoneyGram employees who are involved in any way with Consumer fraud complaints or who are involved in the hiring, training, or monitoring of MoneyGram Agents; and (3) any business entity resulting from any change in structure set forth in Subsection A of the Section titled "Compliance Reporting." For Defendant's current personnel, delivery shall be within five (5) business days of service of this Order on Defendant. For current MoneyGram Agents, delivery shall be within fourteen (14) days of service of this Order on Defendant. For Defendant's new personnel and MoneyGram Agents, delivery shall occur prior to them assuming their responsibilities.

For any business entity resulting from any change in structure set forth in Subsection A of the Section titled "Compliance Reporting," delivery shall be at least ten (10) business days prior to the change in structure; and

- B. Defendant must secure a signed and dated statement acknowledging receipt of the Order, within thirty (30) days of delivery, from all persons receiving a copy of the Order pursuant to this Section. *Provided that*, in the event that Defendant is unable to secure such statements from all current MoneyGram Agents, despite notice of this requirement, Defendant shall retain proof of distribution of the Order to all current MoneyGram Agents, such as electronic mail receipt, certified mail receipt, or affidavit of service.

**X.**

**ACKNOWLEDGMENT OF RECEIPT OF ORDER**

**IT IS FURTHER ORDERED** that Defendant, within five (5) business days of receipt of this Order as entered by the Court, must submit to the Commission a truthful sworn statement acknowledging receipt of this Order.

**XI.**

**SEVERABILITY**

**IT IS FURTHER ORDERED** that the provisions of this Order are separate and severable from one another. If any provision is stayed or determined to be invalid, the remaining provisions shall remain in full force and effect.

**XII.**

**RETENTION OF JURISDICTION**

**IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this matter for purposes of construction, modification and enforcement of this Order.

**IT IS SO ORDERED**, this \_\_\_\_ day of \_\_\_\_\_, 2009.

---

United States District Judge

SIGNED AND STIPULATED BY:

**PLAINTIFF FEDERAL TRADE COMMISSION**



Dated: 10/19/09

KAREN D. DODGE  
JOANNIE T. WEI  
Attorneys for Plaintiff  
Federal Trade Commission  
55 West Monroe Street, Suite 1825  
Chicago, Illinois 60603

**DEFENDANT MONEYGRAM INTERNATIONAL, INC.**



Dated: 8/31/09

ANTHONY P. RYAN  
President and Chief Executive Officer

**ATTORNEYS FOR DEFENDANT MONEYGRAM INTERNATIONAL, INC.**



Dated: 8/31/09

WILLIAM C. MACLEOD  
LEWIS ROSE  
JENNIFER NGAI  
Kelley Drye & Warren LLP  
3050 K Street, NW  
Washington, D.C. 20007  
(202) 342-8400  
wmacleod@kelleydrye.com  
lrose@kelleydrye.com  
jngai@kelleydrye.com