

Attorney General Jeff Landry Announces Settlement with MoneyGram
\$ 13 Million Settlement to Include Robust Anti-Fraud Program

BATON ROUGE, LA – Attorney General Jeff Landry today announced a settlement with Dallas-based MoneyGram Payment Systems, Inc. resolving a multistate investigation which focused on complaints of consumers who used MoneyGram’s wire transfer service to send money to third parties involved in schemes to defraud consumers. In addition to Louisiana, 48 states and the District of Columbia participated in this settlement.

“Criminals use a wide variety of schemes to con people into wiring them money,” said General Landry. “Con artists often pose as relatives in distress or lottery officials needing money wired to them to assist with a family member’s medical fees or cover required taxes before receiving their winnings.”

“Anyone contacted about a family member in an emergency should reach out separately to the relative to independently verify an actual need of assistance,” continued General Landry. “And those who receive solicitations from strangers promising big winnings should trash the letters, delete the e-mail, or hang up the phone.”

“Unfortunately, every year, senior citizens lose billions to fraud,” continued General Landry. “Seniors and all Louisiana residents should never share their Social Security Number, bank account information, or credit card number over the phone unless they initiated the call. And please report all scams to our Consumer Protection Hotline at 800-351-4889.”

The settlement has two main components. First, MoneyGram has agreed to maintain and continue to improve a comprehensive and robust anti-fraud program designed to help detect and prevent consumers from suffering financial losses as a result of these types of fraud induced wire transfers. The program must be documented in writing and at a minimum, must include the following elements:

- mandatory and documented compliance training for agents and guidelines regarding when an agent’s conduct warrants suspension or termination;
- suspension or termination of agents who fail to take commercially reasonable steps to reduce fraud induced money transfers;
- a hotline system – telephonic and electronic- where employees and agents can report noncompliance with anti-fraud measures;
- sound mechanisms to evaluate actual fraud rates and consumer losses from fraud induced money transfers in order to utilize that information to improve compliance; and
- continued enhancement of technology solutions, including its Anti-Fraud Alert System.

Second, MoneyGram has agreed to pay a total of 13 million dollars to the states to fund a nationwide consumer restitution program and for the states’ costs and fees. The settlement provides for an independent third party settlement administrator who will review MoneyGram records and send notices regarding restitution to all consumers who are eligible to receive restitution under this settlement. Generally, consumers who are eligible for restitution previously filed complaints with MoneyGram between July 1, 2008 and August 31, 2009 regarding fraud induced transfers sent from the U.S. to foreign countries other than Canada.

More information about this settlement is available at the Settlement Administrator’s website:
www.MoneyGramSettlement.com.