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8 *The People of the State of California*

9  
10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11 COUNTY OF SAN FRANCISCO  
12  
13

14 **THE PEOPLE OF THE STATE OF**  
15 **CALIFORNIA,**

16 Plaintiff,

17 v.

18 **THE WESTERN UNION COMPANY, a**  
19 **Delaware corporation,**

20 Defendant

Case No. **CGC-17-558132**

**[PROPOSED] FINAL JUDGMENT AND**  
**PERMANENT INJUNCTION**

21 Plaintiff, the People of the State of California ("the People" or "Plaintiff"), through its  
22 attorney, Xavier Becerra, Attorney General of the State of California, by Deputy Attorney  
23 General Daniel A. Osborn, and Defendant The Western Union Company ("Western Union" or  
24 "Defendant"), appearing through its attorneys, Latham & Watkins LLP, by Hilary H. Mattis,  
25 having stipulated and consented to the entry of this Final Judgment and Permanent Injunction  
26 ("Judgment") without the taking of proof and without trial or adjudication of any fact or law,  
27 without this Judgment constituting evidence of or an admission by Defendants regarding any  
28

**ENDORSED**  
**FILED**  
*San Francisco County Superior Court*  
**APR 12 2017**  
**CLERK OF THE COURT**  
BY: FELICIA M. GREEN  
Deputy Clerk

1 issue of law or fact alleged in the Complaint on file, and without Defendants admitting any  
2 liability; with all parties having waived their right to appeal; and the Court having considered the  
3 matter and good cause appearing:

4 IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

5 **I. PARTIES AND JURISDICTION**

6 1. The Court has jurisdiction over the subject matter of this action, jurisdiction over  
7 the parties to this action, and venue is proper in this Court.

8 2. Defendant, at all relevant times, has transacted business in the State of California,  
9 including, but not limited to, San Francisco County.

10 3. This Judgment is entered pursuant to and subject to California Business and  
11 Professions Code sections 17200 et seq.

12 **II. DEFINITIONS**

13 4. The following definitions apply to this Judgment:

14 a. "Cash-to-cash money transfer" means the transfer of the value of cash from  
15 one person in one location to a recipient (payee) in another location that is received in the form of  
16 cash.

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

21 c. "Consumer" means any person, worldwide, who initiates or sends a money  
22 transfer.

23 d. "Effective Date" means the date upon which this Judgment entered by the  
24 Court.

25 e. "Elevated fraud countries" means any country in which the principal  
26 amount of money transfers that are the subject of fraud complaints, received by Defendant from  
27 any source, represents one (1) percent or more of the principal amount of fraud complaints  
28 worldwide received by Defendant, for either money transfers sent or received in that country,

1 determined on a quarterly basis, provided that once a country is determined to be one of the  
2 elevated fraud countries, it shall continue to be treated as such for purposes of this Judgment.

3 f. "Elevated fraud risk agent location" means any Western Union agent  
4 location that has processed payouts of money transfers associated with:

5 i. Five (5) or more fraud complaints for such agent location, received  
6 by Defendant from any source, during the previous sixty (60) day  
7 period, based on a review of complaints on a monthly basis; and  
8 fraud complaints, received by Defendant from any source, totaling  
9 five (5) percent or more of the total payouts for such agent location  
10 in numbers or dollars in a sixty (60) day period, calculated on a  
11 monthly basis; or

12 ii. Fifteen (15) or more fraud complaints for such agent location,  
13 received by Defendant from any source, during the previous sixty  
14 (60) day period, based on a review of complaints on a monthly  
15 basis.

16 g. "Executive Committee" refers to the following Attorneys Generals'  
17 offices: Illinois, Kentucky, Louisiana, Massachusetts, New Jersey, North Carolina, Ohio, Texas  
18 and Vermont.

19 h. "Fraud-induced money transfer" includes any money transfer that was  
20 induced by, initiated, or sent as a result of, unfair or deceptive acts or practices and/or deceptive  
21 or abusive telemarketing acts or practices.

22 i. "Front line associate" means the employee of the Western Union agent  
23 responsible for handling a transaction at the point of sale for a consumer or a recipient (payee) of  
24 a money transfer, including by initiating, sending, or paying out the money transfer.

25 j. "FTC Action" refers to the case styled Federal Trade Commission v. The  
26 Western Union Company, Civil Action No. 1:17-cv-00110-CCC, in the United States District  
27 Court for the Middle District of Pennsylvania.  
28

1 k. "Money transfer" means the sending of money (in cash or any other form,  
2 unless otherwise stated) between a consumer in one location to a recipient (payee) in another  
3 location using Defendant's money transfer service, and shall include transfers initiated or sent in  
4 person, online, over the telephone, using a mobile app, or through whatever platform or means  
5 made available. The term "money transfer" does not include Defendant's bill or loan payment  
6 services, or purchases of foreign currency conversions or options contracts from Defendant.

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

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

13 n. "Telemarketer" means any person who, in connection with telemarketing,  
14 initiates or receives telephone calls to or from a customer.

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

19 p. "Western Union agent" means any network agent, master agent,  
20 representative, authorized delegate, independent agent, super-agent, national account agent, key  
21 account agent, strategic account agent, sub-representative, subagent, or any location, worldwide,  
22 authorized by Defendant to offer or provide any of its money transfer products or services.

### 23 **III. INJUNCTION**

24 5. Nothing in this Judgment alters the requirements of federal or state law to the  
25 extent they offer greater protection to consumers.

26 6. Under Business and Professions Code section 17203, Defendant, Defendant's  
27 officers, agents, and employees, and all other persons in active concert or participation with any  
28 of them, who receive actual notice of this Judgment, whether acting directly or indirectly, in

1 connection with promoting, offering for sale, or providing money transfer services, are  
2 permanently restrained and enjoined from:

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

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

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

13                   1.     Interdict recipients that have been the subject of any complaints  
14 about fraud-induced money transfers based on information provided to, or that becomes known  
15 by, Defendant;

16                   2.     Identify, prevent, and stop cash-to-cash money transfers and cash  
17 reload money transfers initiated or received in the U.S. from being used as a form of payment by  
18 sellers or telemarketers, including, but not limited to, by:

19                           a.     Asking all U.S. consumers whether the money transfer is a  
20 payment for goods or services offered or sold through telemarketing;

21                           b.     Declining to process money transfers from U.S. consumers  
22 where the money transfer is a payment for goods or services offered or sold through  
23 telemarketing; and

24                           c.     Interdicting known sellers and telemarketers accepting  
25 money transfers as payments for goods or services offered through telemarketing;

26                   3.     Provide a clear, concise, conspicuous and uncontradicted consumer  
27 fraud warning on the front page of all money transfer forms, paper or electronic, utilized by  
28



1 consumers in elevated fraud countries (based on money transfers sent from those countries) to  
2 initiate money transfers using Defendant's system that includes, but is not limited to:

3 a. A list of the most common types of scams that utilize  
4 Defendant's money transfer system;

5 b. A warning that it is illegal for any seller or telemarketer to  
6 accept payments from U.S. consumers through money transfers for goods or services offered or  
7 sold through telemarketing;

8 c. A notice to consumers that the money transfer can be paid  
9 out to the recipient within a short time, and that after the money is paid out, consumers may not  
10 be able to obtain a refund from Defendant, even if the transfer was the result of fraud, except  
11 under limited circumstances; and

12 d. A toll-free or local number and a website for Defendant,  
13 subject to the timing requirements set forth in Subsection III.6.C.4 of this Judgment, that  
14 consumers may call or visit to obtain assistance and file a complaint if their money transfer was  
15 procured through fraud;

16 4. Make available in all countries in which Defendant offers money  
17 transfer services a website that consumers may visit to obtain assistance and file a complaint if  
18 they claim their money transfer was procured through fraud, provided that websites that are not  
19 yet available shall be made available in accordance with the following schedule: (i) for countries  
20 determined to be elevated fraud countries, within six (6) months of entry of the Stipulated Order  
21 For Permanent Injunction and Final Judgment in the FTC Action (the "Stipulated Order"); and  
22 (ii) for all other countries, within two (2) years of entry of the Stipulated Order;

23 5. Provide consumers who initiate or send money transfers via the  
24 Internet, telephone, mobile app, or any other platform that is not in-person, with substantially the  
25 same clear, concise, conspicuous and uncontradicted fraud warning required by Subsection  
26 III.6.C.3 of this Judgment, provided that the warning may be abbreviated to accommodate the  
27 specific characteristics of the media or platform;

1                   6.     Provide the required warning to consumers in the language used on  
2 the send form or other media type or platform used for the money transfer, in a form appropriate  
3 for the media or platform;

4                   7.     Review and update the consumer warning as necessary to ensure its  
5 effectiveness in preventing fraud-induced money transfers; and

6                   8.     Submit modifications to the warning, if any, to the Executive  
7 Committee for review no less than ten (10) business days before any modified warning is  
8 disseminated to Western Union agents; provided that nothing herein shall prohibit Defendant  
9 from changing the nature or form of its service, send forms, or media or platform for offering  
10 money transfer services or from seeking to replace its send forms with an electronic form or entry  
11 system of some type in the future. In the event such changes are made, Defendant shall provide a  
12 consumer fraud warning substantially similar to that outlined in Subsection III.6.C.3 of this  
13 Judgment in a form appropriate to the media or platform;

14                 D.     Failing to reimburse the principal amount of a consumer's money transfer  
15 and any associated transfer fees whenever a consumer or his or her authorized representative  
16 reasonably claims that the transfer was fraudulently induced and:

17                   1.     The consumer or his or her authorized representative asks  
18 Defendant, the sending agent, or front line associates to reverse the transfer before the transferred  
19 funds have been picked up; or

20                   2.     Defendant, after reviewing information and data relating to the  
21 money transfer, determines that Defendant, its agents, or the front line associates failed to comply  
22 with any of Defendant's policies and procedures relating to detecting and preventing fraud-  
23 induced money transfers when sending or paying out the money transfer by failing to: provide  
24 the required consumer fraud warnings; comply with Defendant's interdiction or callback  
25 programs; verify the recipient's identification; or accurately record the recipient's  
26 identification(s) and other required biographical data;

27                 E.     Failing to promptly provide information to a consumer, or his or her  
28 authorized representative, who reports being a victim of fraud to Defendant, about the name of

1 the recipient of the consumer's money transfer and the location where it was paid out, when such  
2 information is reasonably requested;

3 F. Failing to establish and implement, and thereafter maintain, a  
4 comprehensive anti-fraud program that is reasonably designed to protect consumers by detecting  
5 and preventing fraud-induced money transfers worldwide and to avoid installing and doing  
6 business with Western Union agents who appear to be involved or complicit in processing fraud-  
7 induced money transfers or fail to comply with Defendant's policies and procedures to detect and  
8 prevent fraud (hereinafter referred to as "Defendant's Anti-Fraud Program"). As ordered in the  
9 FTC Action, Defendant is required to provide the FTC with a written copy of such program,  
10 which shall include at least the following requirements:

11 1. Performance of due diligence on all prospective Western Union  
12 agents and existing Western Union agents whose contracts are up for renewal;

13 2. Designation of an employee or employees to coordinate and be  
14 accountable for Defendant's Anti-Fraud Program;

15 3. Appropriate and adequate education and training on consumer fraud  
16 for Western Union agents and front line associates;

17 4. Appropriate and adequate monitoring of Western Union agent and  
18 front line associate activity relevant to the prevention of fraud-induced money transfers;

19 5. Prompt disciplinary action against Western Union agent locations  
20 where reasonably necessary to prevent fraud-induced money transfers;

21 6. Adequate systematic controls to detect and prevent fraud-induced  
22 money transfers, including, but not limited to:

23 a. Imposing more stringent identification requirements for  
24 money transfers sent to, or paid out in, elevated fraud countries;

25 b. Holding suspicious money transfers at certain dollar  
26 thresholds to elevated fraud countries until Defendant has confirmed with the sender that they are  
27 not fraud-induced or has refunded the money to the sender;



1 c. Ensuring that Western Union agent locations are recording  
2 all required information about recipients required by Defendant's policies or procedures or by  
3 law, including, but not limited to, their names, addresses, telephone numbers, and identifications,  
4 before paying out money transfers; and

5 7. Periodic evaluation and adjustment of Defendant's Anti-Fraud  
6 Program in light of:

7 a. The results of the monitoring required by Subsection  
8 III.6.F.4 and Subsections III.6.M, III.6.N., III.6.O, and III.6.P of this Judgment;

9 b. Any material changes to Defendant's operations or business  
10 arrangements; or

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

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

20 1. Verifying government-issued identification;

21 2. Conducting all reasonably necessary background checks (criminal,  
22 employment, or otherwise) where permissible under local law;

23 3. Determining whether information or statements made during the  
24 agent application process are false or inconsistent with the results of Defendant's background  
25 checks or other due diligence;

26 4. Taking reasonable steps to ascertain whether the prospective agent  
27 formerly owned, operated, had been a front line associate of, or had a familial, beneficial, or straw  
28 relationship with any location of any money services business that was suspended or terminated

1 for fraud-related reasons, as permitted by applicable laws and regulations (including foreign laws  
2 and regulations) and with the required cooperation from other money transfer companies;

3 5. Ascertaining whether the prospective agent had previously been  
4 interdicted by Defendant for suspicious activities or had been reported to Defendant as a recipient  
5 of fraud-induced money transfers;

6 6. Conducting an individualized assessment of the particular risk  
7 factors involved with each Western Union agent application and conducting all reasonably  
8 necessary investigative steps consistent with those risks; and

9 7. Maintaining information about Defendant's due diligence,  
10 including, but not limited to, information about the identities of the owners, their government-  
11 issued identifications, and the background check(s) conducted;

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

16 I. Failing to ensure that the written agreements entered into with all new  
17 Western Union agents require them to comply with Subsection III.6.C.2 of this Judgment;

18 J. Failing to ensure that all new Western Union agents have effective policies  
19 and procedures in place at each of the agent's locations to detect and prevent fraud-induced  
20 money transfers and other acts or practices that violate Subsections III.6.A through III.6.F of this  
21 Judgment;

22 K. Failing to take reasonable steps to confirm that Western Union agents  
23 whose contracts are up for renewal are complying with the terms of their agreements with  
24 Defendant, including, but not limited to, by having effective policies and procedures in place to  
25 detect and prevent fraud- induced money transfers;

26 L. Failing to require all new Western Union agents, and existing Western  
27 Union agents, to: (i) disclose and update the identities of any sub-representative or subagent; and  
28

1 (ii) maintain records on the identities of any front line associates at their sub-representatives' or  
2 subagents' locations;

3 M. Failing to provide appropriate and adequate ongoing education and training  
4 on consumer fraud for all Western Union agents, and other appropriate Western Union personnel,  
5 including, but not limited to, education and training on detecting, investigating, preventing,  
6 reporting, and otherwise handling suspicious transactions and fraud-induced money transfers, and  
7 ensuring that all Western Union agents and front line associates are notified of their obligations to  
8 comply with Defendant's policies and procedures and to implement and maintain policies and  
9 procedures to detect and prevent fraud-induced money transfers or other acts or practices that  
10 violate Subsections III.6.A – III.6.F of this Judgment;

11 N. Failing to take all reasonable steps necessary to monitor and investigate  
12 Western Union agent location activity to detect and prevent fraud-induced money transfers,  
13 including, but not limited to:

14 1. Developing, implementing, adequately staffing, and continuously  
15 operating and maintaining a system to receive and retain all complaints and data received from  
16 any source, anywhere in the world, involving alleged fraud-induced money transfers, and taking  
17 all reasonable steps to obtain, record, retain, and make easily accessible to Defendant and, upon  
18 reasonable request and to the extent the information is not accessible via FTC's Consumer  
19 Sentinel Network ("Consumer Sentinel"), the Executive Committee, all relevant information  
20 regarding all complaints related to alleged fraud-induced money transfers, including, but not  
21 limited to:

- 22 a. The consumer's name, address, and telephone number;  
23 b. The substance of the complaint, including the fraud type and  
24 fraud method, and the name of any person referenced;  
25 c. The reference number, or Money Transfer Control Number,  
26 for each money transfer related to the complaint;  
27 d. The name, agent identification number, telephone number,  
28 and address of the sending agent(s);

- 1 e. The date of each money transfer;
- 2 f. The amount of each money transfer;
- 3 g. The money transfer fee for each money transfer;
- 4 h. The date each money transfer is received;
- 5 i. The name, agent identification number, telephone number,
- 6 and address of the receiving agent(s);
- 7 j. The name, address and telephone number of the recipient, as
- 8 provided by the recipient, of each money transfer;
- 9 k. The identification, if any, presented by the recipient, and
- 10 recorded, for each money transfer;
- 11 l. All transactions conducted by the consumer bearing any
- 12 relationship to the complaint; and
- 13 m. To the extent there is any investigation concerning, and/or
- 14 resolution of, the complaint:
- 15 1) The nature and result of any investigation conducted
- 16 concerning the complaint;
- 17 2) Any response to the complaint and the date of such
- 18 response to the complaint;
- 19 3) The final resolution of the complaint, the date of
- 20 such resolution, and an explanation for the resolution; and
- 21 4) If the resolution does not include the issuance of a
- 22 refund, the reason for the denial of a refund;
- 23 2. Taking all reasonable steps to identify Western Union agents or
- 24 front line associates involved or complicit in fraud;
- 25 3. Routinely reviewing and analyzing data regarding the activities of
- 26 Western Union agent locations in order to identify the following:
- 27
- 28

1                   a.     Agent locations that have processed transactions associated  
2 with two (2) or more complaints about alleged fraud-induced money transfers, received by  
3 Defendant from any source, during a thirty (30) day period;

4                   b.     Elevated fraud risk agent locations, as defined above; and

5                   4.     For agent locations identified pursuant to Subsection III.6.N.3 of  
6 this Judgment, fully investigate the agent location by reviewing transaction data and conducting  
7 analyses to determine if the agent location displayed any unusual or suspicious money transfer  
8 activity that cannot reasonably be explained or justified, including, but not limited to:

9                   a.     Data integrity issues, including, but not limited to, invalid,  
10 illegible, incomplete, missing, or conflicting biographical data for consumers or recipients of  
11 money transfers;

12                   b.     Significant changes in the transaction patterns experienced  
13 at the agent location;

14                   c.     Significant differences in the transaction patterns  
15 experienced at an agent location relative to the patterns experienced at other agent locations in the  
16 same country;

17                   d.     Unusual demographic activity;

18                   e.     Irregular concentrations of send and/or pay activity between  
19 the agent and one or more other Western Union agent locations;

20                   f.     Irregular concentrations of send and/or pay activity between  
21 the agent and one or more geographical areas that have been identified as high risk 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;

26                   O.     Failing to take the following actions to prevent further fraud-induced  
27 money transfers, including, but not limited to, by:

1                   1.       Suspending Western Union agent locations, as follows, pending  
2 further investigation to determine whether the Western Union agent locations can continue  
3 operating consistent with this Judgment's requirements:

4                   a.       For agent locations identified pursuant to Subsection  
5 III.6.N.3.a of this Judgment, if the investigation of the agent location required by Subsection  
6 III.6.N.4 of this Judgment is not completed within fourteen (14) days after the agent location is  
7 identified, suspending the Western Union agent location's ability to conduct further money  
8 transfers until the investigation is completed; and

9                   b.       For elevated fraud risk agent locations, immediately  
10 suspending the Western Union agent's ability to conduct further money transfers until the review  
11 required by Subsection III.6.N.4 of this Judgment is completed, except that, for a Western Union  
12 agent that is a bank or bank branch and otherwise subject to this immediate suspension  
13 requirement by virtue of fraud complaints about money transfers that are transferred directly into  
14 its account holders' bank accounts, Western Union shall comply with Subsection III.O.1.a and  
15 also permanently block, or request that the Western Union agent block, all further money  
16 transfers to bank accounts for which Western Union has received any fraud complaint;

17                   2.       Upon completion of the investigation, terminating, suspending, or  
18 restricting Western Union agent locations as follows:

19                   a.       Terminating or suspending the Western Union agent  
20 location, or restricting the agent location's ability to send and/or receive certain money transfers,  
21 if the findings indicate that the Western Union agent location is not, or has not been, complying  
22 with Defendant's Anti-Fraud Program and other policies and procedures relating to detecting and  
23 preventing fraud-induced money transfers, including, but not limited to, by failing to collect and  
24 record required and accurate biographical information about, and government-issued  
25 identifications for, the recipients of money transfers; and

26                   b.       Terminating the Western Union agent location if the  
27 findings indicate that the Western Union agent location or any of its front line associates is, or  
28 may be, complicit in the fraud-induced money transfers, has failed to comply with Subsection



1 III.7, or has repeatedly failed to comply with Defendant's Anti-Fraud and other policies and  
2 procedures relating to detecting and preventing fraud-induced money transfers;

3 3. On at least a monthly basis, providing notice to all Western Union  
4 agents in elevated fraud countries the substance of any complaints Defendant received involving  
5 transactions processed by the agents' locations; and

6 4. Ensuring that all Western Union agents are enforcing effective  
7 policies and procedures to detect and prevent fraud-induced money transfers, or other acts or  
8 practices that violate Subsections III.6.A through III.6.F of this Judgment; and

9 P. Failing to establish adequate controls to ensure that, prior to paying out  
10 money transfers, Western Union agent locations are recording all required information about the  
11 recipients of money transfers, including, but not limited to, the recipients' names, addresses,  
12 telephone numbers, and identifications, and are taking reasonable steps to verify the identification  
13 presented by the recipients or, for money transfers that are directed to bank accounts, the  
14 identities of the account holders.

15 7. Under Business and Professions Code section 17203, Defendant, Defendant's  
16 officers, agents, and employees, and all other persons in active concert or participation with any  
17 of them, who receive actual notice of this Judgment, whether acting directly or indirectly, in  
18 connection with promoting, offering for sale, or providing money transfer services, shall require  
19 and ensure that all elevated fraud risk agent locations that are still operating do the following for  
20 one (1) year from the date that Defendant identifies the agent as an elevated fraud risk agent  
21 location under the terms of this Judgment:

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

26 B. Demonstrate during compliance reviews or mystery shops, which  
27 Defendant shall conduct on at least a quarterly basis, that the agent location is complying with the  
28 requirements in Subsection III.7 of this Judgment.

1            Provided, however, that if Defendant reasonably believes that complying with Subsection  
2     III.7.A of this Judgment for money transfers received by an elevated fraud agent location in a  
3     particular foreign jurisdiction would violate that jurisdiction's laws, Defendant may instead, upon  
4     notice to FTC staff, block all money transfers from the United States to that elevated fraud risk  
5     agent location or, with the agreement of FTC staff, take other appropriate action at that location to  
6     protect consumers from fraud.

7            8.        Under Business and Professions Code section 17203, Defendant, Defendant's  
8     officers, agents, and employees, and all other persons in active concert or participation with any  
9     of them, who receive actual notice of this Judgment, whether acting directly or indirectly, shall, in  
10    addition to, or as a modification of, any other policy or practice that the Defendant may have,  
11    including Defendant's ongoing submission of information to the FTC for inclusion in Consumer  
12    Sentinel:

13            A.        Provide notice to the consumer, or his or her authorized representative, at  
14    the time the Defendant is contacted with a complaint about alleged fraudulent activity associated  
15    with a money transfer, that (i) Defendant's practice is to share information regarding the  
16    consumer's money transfer and complaint with a database used by law enforcement authorities in  
17    the United States and other countries; and (ii) if the consumer does not want his or her name,  
18    address, and identification shared with law enforcement, Defendant will honor that request unless  
19    applicable law permits or requires Defendant to provide that information; and

20            B.        Regularly, but no more than every thirty (30) days, submit electronically to  
21    the FTC, or its designated agent, for inclusion in Consumer Sentinel, all relevant information  
22    Defendant possesses regarding complaints received from consumers, their authorized  
23    representatives, or any other source, anywhere worldwide, about alleged fraud-induced money  
24    transfers and regarding the underlying transfer itself, including, but not limited to, the information  
25    set forth in Subsections III.6.N.1.a through III.6.N.1.l of this Judgment. *Provided, however*, if  
26    Defendant receives a request from a consumer or the consumer's authorized representative, which  
27    is documented by Defendant, stating that the consumer does not want the information shared with  
28    the database, or if Defendant received the complaint from a source other than the consumer or the

1 consumer's authorized representative, Defendant shall submit to the FTC an anonymized  
2 complaint with the consumer's name, address, and telephone number redacted. *Provided further*,  
3 that Defendant shall cooperate with the FTC in order to facilitate compliance with this Section.

#### 4 **IV. MONETARY PROVISIONS**

5 9. Defendant shall pay a total of five million dollars (\$5,000,000) to State Attorneys  
6 General to resolve the allegations raised in this action (the "Settlement Fund"), as memorialized  
7 in an Assurance of Voluntary Compliance executed on January 26, 2017. Within fifteen (15)  
8 days of the Effective Date of this Judgment, Defendant shall direct the appropriate representative  
9 from the Vermont Attorney General's Office to make payment to the California Attorney General  
10 from the Settlement Fund in the amount agreed to by the participating states. Said payment shall  
11 be used by the California Attorney General for attorneys' fees and other costs of investigation and  
12 litigation; used to defray costs of the inquiry leading to this Final Judgment; or used for the  
13 California Attorney General's enforcement of California's consumer protection laws, at the sole  
14 discretion of the California Attorney General.

15 10. The California Attorney General and Defendant recognize that, in addition to the  
16 payment provided under Subsection IV.9, Defendant has agreed that redress for consumers shall  
17 be made available through the Stipulated Order for Permanent Injunction and Final Judgment  
18 entered in Federal Trade Commission v. The Western Union Company, Civil Action No. 1:17-cv-  
19 00110-CCC, in the United States District Court for the Middle District of Pennsylvania, which  
20 requires that Defendant pay Five Hundred Eighty-Six Million Dollars (\$586,000,000) and that  
21 such funds be deposited into a fund to be used to compensate fraud victims as detailed in Section  
22 VII of the Stipulated Order.

#### 23 **V. RELEASE**

24 11. Effective upon full payment of the amount due under Subsection IV.9, the  
25 California Attorney General releases and discharges Western Union, its parents, affiliates,  
26 subsidiaries, employees, officers, and directors (collectively, the "Released Parties"), from the  
27 following: any and all civil and administrative actions, claims, and causes of action that were or  
28 could have been asserted against the Released Parties by the California Attorney General under

1 California Business and Professions Code section 17200 et seq., or any amendments thereto,  
2 resulting from the conduct complained of in the complaint filed in this action and/or the matters  
3 addressed in this Judgment, up to and including the effective date of this Judgment (collectively,  
4 the "Released Claims").

5 12. Nothing in this Judgment or in this release shall be construed to alter, waive, or  
6 limit any private right of action specifically provided by state law.

7 13. Notwithstanding any term of this Judgment, any and all of the following forms of  
8 liability are specifically reserved and excluded from the Released Claims:

9 A. Any criminal liability that any person or entity, including Western Union,  
10 has or may have in California;

11 B. Any civil or administrative liability that any person or entity, including  
12 Western Union, has or may have to California under any statute, regulation or rule not expressly  
13 covered by the release in this Section, including but not limited to, any money laundering claims  
14 and any and all of the following claims:

- 15 i. state or federal antitrust violations,
- 16 ii. state or federal securities violations, and
- 17 iii. state or federal tax claims.

## 18 VI. GENERAL PROVISIONS

19 14. As ordered in *Federal Trade Commission v. The Western Union Company*, Civil  
20 Action No. 1:17-cv-00110-CCC, in the United States District Court for the Middle District of  
21 Pennsylvania (FTC Judgment), an independent compliance auditor shall be appointed to further  
22 ensure compliance with Sections I through V of the Stipulated Order.

23 15. As ordered in the FTC Action, Defendant is required to submit compliance reports  
24 to the FTC, as detailed in Section IX of the Stipulated Order.

25 16. As ordered in the FTC Action, Defendant is required to monitor its compliance  
26 with the Stipulated Order and may be required to submit additional compliance reports or  
27 requested information to the FTC, as detailed in Section XI of the Stipulated Order.  
28

1           17.     The settlement negotiations resulting in this Judgment have been undertaken by  
2 the parties in good faith and for settlement purposes only, and the parties agree that no evidence  
3 of negotiations or communications underlying this Judgment shall be offered or received in  
4 evidence in any action or proceeding for any purpose.

5           18.     No modification of the terms of this Judgment shall be valid or binding unless  
6 made in writing, signed by the parties, and approved by the Court, and then only to the extent  
7 specifically set forth in the Court's Order. The Parties may agree in writing, through counsel, to  
8 an extension of any time period in this Judgment without a court order.

9           19.     Nothing in this Judgment shall be construed as relieving Defendant of its  
10 obligation to comply with all state and federal laws, regulations or rules, or as granting  
11 permission to engage in any acts or practices prohibited by such law, regulation or rule.

12           20.     This Judgment does not constitute an approval by the California Attorney General  
13 of any of Defendant's past, present or future business acts and practices.

14           21.     If any portion of this Judgment is held invalid by operation of law, the remaining  
15 terms of this Judgment shall not be affected and shall remain in full force and effect.

16           22.     Nothing in this Judgment shall be construed to waive, limit, or expand any claim  
17 of sovereign immunity the California Attorney General may have in any action or proceeding.

18           23.     This Judgment may be enforced only by the Parties hereto. Nothing in this  
19 Judgment shall provide any rights or permit any person or entity not a party hereto to enforce any  
20 provision of this Judgment.

21           24.     Plaintiff will provide Defendant with written notice if it believes that  
22 Defendant is in violation of any of its obligations under this Judgment ("Notice").  
23 Defendant shall have 30 business days after the date of receipt of the Notice to demonstrate  
24 to the Plaintiff's satisfaction that:

25                 A.     Defendant is in compliance with the obligations of this Judgment cited  
26 by Plaintiff as being violated;



1 B. the violation has been addressed, including, but not limited to, by  
2 remedial actions having been taken against an employee for actions inconsistent with this  
3 Judgment; or

4 C. the alleged violation cannot be addressed within the 30 business day  
5 period, but that: (a) Defendant has begun to take action to address the violation; (b)  
6 Defendant is pursuing such action with due diligence; and (c) Defendant has provided a  
7 reasonable timetable for addressing the violation.

8 25. Nothing shall prevent Plaintiff from agreeing in writing to provide  
9 Defendant with additional time beyond the 30 business days to respond to the notice.

10 26. No person, entity or official not a signatory hereto is a third-party beneficiary of  
11 this Judgment. Nothing in this Judgment shall be construed to affect, limit, alter or assist any  
12 private right of action that a consumer may hold against Defendant, nor shall anything in this  
13 Judgment confer upon any consumer standing to pursue any private right of action against  
14 Defendant.

15  
16  
17  
18 THE CLERK IS ORDERED TO ENTER THIS JUDGMENT FORTHWITH.  
19

20  
21 DATED: APR 12 2017

22 HAROLD KAHN

23 JUDGE OF THE SUPERIOR COURT  
24  
25  
26  
27  
28