



PRESS RELEASE

AG Frosh Announces Settlement With MoneyGram *Business to pay millions to consumers scammed by third parties*

Baltimore, MD (February 12, 2016) --Attorney General Brian E. Frosh today announced a settlement with Dallas-based MoneyGram Payment Systems, Inc., resolving a multistate investigation which focused on complaints of consumers who used the company's wire transfer service to send money to third parties involved in fraudulent schemes.

Con artists across the country have enticed consumers to use MoneyGram's service to send money for a variety of schemes, including the 'grandparent in distress' scam, in which a fraudster contacts a grandparent and falsely claims that money must be wired to assist with a medical or legal emergency; and lottery and contest scams, in which consumers are told they have won a large sum of money but must first wire money to pay required taxes or fees before receiving their winnings.

"No legitimate lottery or contest will ever require consumers to pay money before they can collect," said Attorney General Frosh. "And if someone asks you to send money for a friend or relative in distress, it could well be a trick. Reach out and verify that the need is genuine, and that money is sent to the right person."

The settlement has two main components. First, MoneyGram has agreed to maintain and continue to improve an anti-fraud program designed to help detect and prevent consumers from financial losses as a result of fraud-induced wire transfers. The program must be documented in writing and 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 reasonable steps to reduce fraud induced money transfers;
- A hotline system so 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 (AFAS).

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.

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. The amount available to Marylanders will be based on response to those notices.

More information about this settlement is available at: www.MoneyGramSettlement.com

In addition to Maryland, the following states participated in the settlement: Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the District of Columbia.