

# LATIN AMERICA AND THE CARIBBEAN **ANTI-MONEY LAUNDERING COMPLIANCE GUIDE**

REPORTING REQUIREMENTS

RECORDKEEPING

EMPLOYEE TRAINING

PREVENTION OF TERRORISM FINANCING

COMPLIANCE WITH LOCAL REGULATIONS

COMPLIANCE WITH MONEYGRAM POLICIES

SAMPLE CERTIFICATION FORMS

***MoneyGram***® ®

## DEAR MONEYGRAM AGENT

In this guide, you will learn about Anti-Money Laundering (AML) rules that apply to anyone who sends or receives money transfers. This guide is provided to MoneyGram agents and their employees.

This guide is designed to help you and your employees:

- Detect and prevent money laundering and terrorist financing
- Comply with MoneyGram policies
- Comply with the local Supervisory Authority and Regulatory recordkeeping and reporting requirements
- Comply with local AML regulations
- Identify suspicious activity and transactions
- Recognize the severe penalties of noncompliance

The information covered in this guide will help to provide your business with the tools needed to build an AML program that meets the minimum requirements of MoneyGram.

In order to be fully compliant, your business' Compliance Program must also meet the local regulatory requirements.

Your knowledge of the information in this Guide may help prevent your business from being victimized by money launderers and help you comply with the law. In addition, your compliance with these requirements may help law enforcement agents in their efforts to track down and capture terrorists who illegally launder money.

It is MoneyGram's policy to follow the spirit, as well as the letter of the law. We do not want our money transfers, our agents, and other financial services to be used for illegal purposes. We will not do business with anyone who knowingly violates the law. Although we cannot take responsibility for you or your employees' compliance with the anti-money laundering laws and regulations, we believe this Guide can help you develop your own effective anti-money laundering Compliance Program.

This Guide contains legal information, but is not intended to be legal advice. For legal advice, including the interpretation and application of the law, you should consult an attorney.

MoneyGram thanks you for your shared dedication to the fight against money laundering and terrorism.

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### ***Share this Guide with your Employees***

*As this Guide makes it clear, it is extremely important that you and your employees thoroughly understand the requirements of AML regulations. We have provided this Guide to help you in this important task. Please make sure that all of your employees read and understand this Guide.*

*You may obtain additional copies of this Guide from [www.moneygram.com](http://www.moneygram.com) or by calling the Compliance Department at 1-800-328-5678 Ext. 3385.*

## MONEY LAUNDERING OVERVIEW

### What Is Money Laundering?

Money laundering is the attempt to conceal or disguise the nature, location, source, ownership or control of illegally obtained money. Money laundering is illegal.

There are three stages to Money Laundering:

Placement, Layering, and Integration

- The first time funds derived from criminal activities are used in a legitimate money transfer is referred to as *Placement*.
- Creating a series of transactions to hide the first transaction is referred to as *Layering*.
- The return of funds to legitimate activities is referred to as *Integration*.

*Placement* poses the greatest risk to our businesses:

- Transactions may be structured to avoid recordkeeping or reporting thresholds.
- False identification and/or information may be provided.

This definition covers a wide range of activity. You need to understand how people launder money so that you can identify money laundering and know how to help prevent it.

To help prevent the laundering of cash and to obtain documentation that may be used to prosecute money launderers, the government requires businesses like yours to file specific reports and maintain records on certain cash transactions.

### Examples of Money Laundering:

#### **Example 1**

*A group of tourists in Antigua while on vacation gambles in a local casino and have won some money. They do not want to travel with the cash they won, so they ask the casino to send the money for them to the USA*

*This happens often, so the casino looks for a commercial relationship with an exchange house or money remitter so that they can send the proceeds from gambling to their customers in the USA.*

*In order to avoid the reporting and recordkeeping requirements of the USA, an employee of the casino never sends more than US\$3,000.*

*Did you know that it is illegal for a USA citizen to receive or send money from proceeds or for funding for gambling purposes across USA borders, and that the Federal Bureau of Investigation (FBI) is continually investigating this kind of activity.*

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## **Example 2**

*Six persons in Mexico walk into your store and want to send money to Colombia. You have never seen these persons before and they do not seem to be related. However, each one of them sends US\$2,981 to different people in Columbia. All of these persons have large rolls of twenty dollar bills which they pull out of their pockets. In Mexico, local regulation requires that additional information be provided for all transactions above US\$3,000.*

*The transactions are sent to Columbia where the money is possibly being used to make, distribute and sell illegal drugs.*

## **Who Is Covered?**

MoneyGram is a USA based company and is required to comply with the regulations in the USA. As a MoneyGram agent, it is expected that you will comply with MoneyGram's policies and procedures as well as the regulations in the country in which you are located.

As an agent of MoneyGram, your company is a money remitter; therefore your company is called a **Money Services Business (MSB) or Money Transfer Organization (MTO)**.

Examples of MSBs:

- Banks
- Money Exchange Houses
- Supermarkets that sell remittances
- Credit Institutions

Although the exact definition of a money transmitter or money transfer organization can change from country to country, in general they can be defined as follows:

*A person or company that receives or sends money, either in cash, check or other monetary instrument, both from within his or her country or to and from any other country via wire, fax, message system or electronic transfer. Any business that does money transfers, regardless of its main business objective, is always considered an MSB.*

## **MSB REGISTRATION**

As you engage in MSB activities, you may be required to register with your country's or local Supervisory Authority as an MSB.

The MSB must retain a copy of their registration form, if the MSB is not required to be registered/ licensed under the regulations in your country, you must document why you do not need to register as an MSB.

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Because you sell money transfers, you are subject to the AML laws of the country where you are located, and to their reporting and recordkeeping obligations.

Businesses such as yours are required to follow very strict rules to help prevent money laundering and terrorist financing activities. We refer to these rules as Anti-Money Laundering or AML rules. To help you prevent the laundering of cash and to obtain documentation that may be used to prosecute money launderers, the government requires businesses like yours to file specific reports and maintain records on certain cash transactions. As an agent of MoneyGram, it is expected that you will comply with MoneyGram's minimum requirements as well as the laws of your country.

***As an MSB you may be required to register your organization with the local Supervisory Authority, it is MoneyGram's expectation and your obligation to ensure that your business is fully licensed and registered to operate as an MSB.***

## ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM

MoneyGram requires that all their agents adopt a **written** AML Compliance Program that is reasonably designed to ensure proper recordkeeping and reporting of certain transactions, and to prevent your business from being used to launder money.

Your AML Compliance Program must include, at a minimum, the following:

A. Adoption of a written AML program with internal policies, procedures and controls for:

- Verifying customer identification
- Filing reports as required by your local regulations
- Creating and retaining records
- Responding to law enforcement requests
- Licensing requirements
- Compliance with local regulatory requirements
- Employee and Compliance Officer training

B. The designation of a Compliance Officer who is responsible for assuring that:

- Policies and procedures are followed
- Procedures are updated as needed
- Training and education are provided
- Reports are properly filed as required by your local regulations

C. An ongoing employee training program that:

- Explains policies and procedures
- Teaches how to identify suspicious activity

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## D. A Periodic Review of your AML program:

- The review should take place as needed and be as thorough as needed based on the risks specific to your business and the requirements of the local regulations.
- The review must be conducted by the person identified as qualified per the local regulations. If none is specified, the review may be performed by one of your employees, but cannot be performed by your Compliance Officer.

The information contained in this Guide will provide your business with the tools it needs to build an AML Compliance Program that meets the minimum requirements of MoneyGram.

***In order to be fully compliant, your business's Compliance Program must also meet the local regulatory requirements.***

The quality and effectiveness of the program depends on your commitment to it. The only opportunity to verify customer information and identify suspicious activity is at the point of sale. This can only be done with a knowledgeable, well-trained staff.

**The following steps are recommended to meet the minimum requirements of MoneyGram's policies, additional steps may be required to comply with local regulations:**

**First**, your business should formally adopt an AML Compliance Program. This Guide can serve as the basis for that program, however, you must check with your local regulations for the specific requirements for adoption of a Compliance Program. See Chapter 2 for a form that can be used to certify adoption of such a program.

**Second**, your business must designate a Compliance Officer. The Compliance Officer may be an employee who has other duties at your business, but it should be someone in a responsible position. The Compliance Officer is responsible for your business's day-to-day compliance with the AML laws and regulations, and for ensuring the Compliance Program is updated as needed. The Compliance Officer is also responsible for overseeing your business's ongoing education and training program. When you designate a Compliance Officer, verify that the qualifications of that person meet the local requirements and document it accordingly. In Chapter 2 you can complete the sample Designation of Compliance Officer form shown and then retain it in your AML compliance files.

**Third**, your business must adopt policies and procedures for the identification and reporting of Suspicious Activity and High Currency Amount Transaction Reports. You must check with your local regulations for these thresholds and what it considered to be a suspicious transaction as well as the allowable time delays to report such activity. If you're business plans to impose stricter thresholds than those required by your government, those should be included in your Compliance Program.

**Fourth**, your business must establish an ongoing employee-training program for all employees who will have any involvement with MSB activities. The education and training should include instruction on the employees' responsibilities under the program, as well as the detection of suspicious transactions. One good tool for training is this Guide. All employees should be required

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to read this Guide prior to conducting any MSB transactions. In addition, prior to conducting any MSB transactions, employees should sign a copy of the sample training acknowledgement from in Chapter 2 that should be kept in their personnel file. Employees should also receive periodic updates to their training, particularly when there are changes in regulations.

**Fifth**, your business must subject its AML program to a Periodic Review to assure its adequacy. The scope and frequency of this review should be commensurate with the risk of the financial services provided by the MSB. Such a review should be conducted periodically based on the risks faced by the MSB and the requirements of the local regulations. If the local regulations do not specify who must conduct the review, the review may be conducted by an officer or employee of your business, but it cannot be conducted by the person who is designated as the Compliance Officer. A form is shown in Chapter 2 that can be used to help your business comply with this requirement. At the end of this guide you also find a sample Periodic Review checklist to help you with this process.

**Finally**, it is important that you create recordkeeping files for your AML program. These files can then be readily accessed if your business is examined/audited by regulators. In addition to files containing the information described above, you should have files that are clearly labeled and contain at least the following:

1. A file with a copy this Guide along with any other compliance guides you may receive from other vendors, trade associations, accountants, lawyers, etc. The content in these materials can serve as a guideline for your program. However, you must create a program that includes your business's internal procedures.
2. A file for your completed Adoption of Compliance Program, Designation of Compliance Officer, Employee Training and Periodic Review forms. You should also keep your completed MSB registration or license to operate as a Money Transmitter form or a document that explains why your business was not required to register.
3. A file with multiple blank copies of the Suspicious Transaction Report forms or their equivalent and High Currency Amount Transaction Report forms (if required). This is also where you should maintain copies of any completed Suspicious Activity forms or High Currency Amount Transaction Report forms that you file with the government, along with any supporting materials.
4. Archive storage in a secure location of MoneyGram Send and Receive forms. The forms must be kept for at least five years from the date of the transaction, and as long as required by your local regulations.
5. In addition to these basic files, you may also want to add a file labeled "Government Communications" containing any updated information you receive from regulators or law enforcement agencies regarding money laundering or terrorism.



## RECORDKEEPING

### Recordkeeping Requirements for Money Transfers

MoneyGram requires that both sending and receiving agents obtain and record specific information for money transfers at specific dollar amounts, regardless of the method of payment, before a transaction is completed. Your local regulations may require you to obtain this information at lower thresholds or may require you to obtain information in addition to the MoneyGram requirement.

*If your local regulations require you to record information at lower dollar thresholds, you must also comply with those requirements.*

### MoneyGram Money Transfer Form/Receipt

You must record information on the MoneyGram Money Transfer Form/Receipt or within the MoneyGram system anytime a customer sends or receives a money transfer. The form must always be completed per the instructions on the form prior to completion of any transaction.

- You must obtain all required information BEFORE you do the transaction.
- You must record valid identification information for the sender/receiver.
- If a third party is involved, you must record identification information and other details for the sender/receiver and the third party.

For money transfer send and/or receive transactions, you must obtain and record all of the information on both the front and back of the form; the dollar amount will determine the amount of information required to be filled. By completing both sides of the form, you will have the minimum information that MoneyGram requires you to obtain and retain for at least five (5) years. You can use the forms found in Chapter 3 as an example. You will also be required to record and retain all the information as instructed by your local regulations.

If you know that the person is sending on behalf of someone else, then you must also obtain the similar information on that other person. Examples might be an employee of a business conducting the transaction for the business, or a relative of an elderly or disabled person conducting the transaction for that person.

### MoneyGram Minimum Thresholds

Customer identification is required for all send transactions equivalent to US\$900 or more. Before completing any money transfer send or receive transaction, you must verify the customer's identity by examining a locally accepted form of identification that contains the person's name, address and date of birth; this may include a driver's license, passport or other government issued document verifying nationality or residence. MoneyGram requires that for whichever form of identification is used, it must contain a photograph and is current/not expired. Your written policy should state which type of identification is acceptable to your company.

*You are also required to record and retain all the Know Your Customer information required by your local regulations.*

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Additional information including date of birth and occupation are required by MoneyGram for all transactions equivalent to US\$3,000 (USD) or more.

MoneyGram requires the same verification procedure for all “Receives” regardless of the amount. Identification is required for all receive transactions in Latin America and the Caribbean.

## **MoneyGram requires you to retain the following records:**

### *Minimum 5 years*

- MoneyGram forms equivalent to US\$3,000 or more
- Signed MoneyGram money transfer receipts for transactions equivalent to US\$3,000 or more

### *Minimum 6 months*

- MoneyGram forms equivalent to under US\$3,000
- MoneyGram money transfer receipts equivalent to less than US\$3,000

***If your local regulations require you to collect this or additional information at a lower threshold and retain this information for a longer time period, it is your responsibility to obtain and record this information as well.***

## **Examples of recordkeeping situations:**

### **Example 1**

*MoneyGram requires that you record the date of birth and occupation for transactions greater than US\$3,000*

*And*

*The Supervisory Authority requires that you record the date of birth and occupation for all transactions.*

*You are required to record the date of birth and occupation information for all transactions as well and any other information as required by the regulator.*

### **Example 2**

*MoneyGram requires you to record the number and type of identification for all transactions greater than US\$900.*

*And*

*The Supervisory Authority only requires you to record for transactions greater than US\$2,000.*

*You are required to record the number and type of identification for all transactions greater than US\$900, even though it is not a required by your local authorities.*

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## **Example 3**

*MoneyGram requires you to retain records on transactions greater than US\$3,000 for a minimum period of 5 years.*

*And*

*The Supervisory Authority requires you to retain records on all transactions for a minimum period of 10 years.*

*You are required to retain records and the information on all transactions, sends and receives, for a minimum period of 10 years.*

## **Data Protection**

In addition to meeting your recordkeeping requirements, you should also protect your customer data. Protecting customer data includes:

- Shredding forms or notes with customer and/or transaction information after the required retention period ends.
- Locking customer records in a secure location, this can include forms, copies of identification, government reports and MoneyGram statements.

***Be aware that the MoneyGram minimum requirements may not meet your local requirements.***

## **HIGH CURRENCY AMOUNT TRANSACTION REPORTING**

You may be required to file reports of high currency amount transactions with your government based on their local regulations. The reporting requirements may be for individual or multiple transactions that exceed a specific monetary threshold and may be required over different periods of time. You may be required to treat multiple purchases of money transfers as a single transaction if you have knowledge that the transactions are being conducted by or on behalf of the same person. You must make sure to comply with the local regulations, identification and know your customer (KYC) requirements for high currency amount transactions. You must also comply with the filing deadlines for high currency amount transaction reports in your jurisdiction.

MoneyGram requires that you keep a copy of each high currency amount transaction report for at least five (5) years from the date of filing. If your local regulations require that you keep the documents for a longer period of time, you must also comply with that requirement.

## STRUCTURING

Many money launderers are familiar with the dollar thresholds that require recordkeeping and reporting. Therefore, in order to remain anonymous and avoid the detection of law enforcement officials, they will “structure” their transactions so that the recordkeeping or reporting requirements will not be triggered.

**Structuring is the act of breaking up a potential large transaction into several smaller transactions.**

It is illegal for you or your customers to structure transactions in order to avoid the recordkeeping or reporting requirements. For example, if in your country the reporting requirement is US\$2,000 and a customer sends a US\$1,500 money transfer in the morning and returns later in the day to send another US\$1,500 money transfer, they may be structuring their transactions in order to avoid the reporting of the transactions.

Likewise, it is illegal for you or your employees to assist anyone in structuring transactions in order to avoid recordkeeping or reporting requirements. For example, you may not tell or even imply to a customer that they can avoid providing information by conducting a smaller transaction. Some criminals may attempt to trick you or your employees into allowing them to structure transactions by splitting up transactions with several accomplices or by trying to “con” you with a hard luck story. You need to be on the lookout for structuring so that you can prevent it from occurring.

**Question:** Are all multiple transactions considered structuring?

**No.** For example, a customer sends two money transfers to separate receivers, one is for US\$1,000 and another is for US\$1,500. Each transfer is less than US\$2,000, but the total amount of the transactions exceeds the US\$2,000 recordkeeping threshold for your country. You learn that the customer is sending money to his children whom are attending two different schools. This does not appear to be a suspicious transaction. You should record the appropriate recordkeeping information on the back of the send form, as well as any other information required by your regulator in order to fulfill the recordkeeping requirement and to show that there was no attempt to structure the transactions.

### Examples of Structuring:

The threshold for additional information in your country is US\$3,000 and:

- A customer conducts three wire transfers for US\$1,200 each on the same day, instead of one transaction for US\$3,600 and refuses to provide the required information, or
- A customer receives 10 payments for US\$500 each on the same day and doesn't provide the required information, or
- One receiver collects transactions from the same sender on consecutive days that total more than US\$3,000, and does not provide any apparent reason for doing so.

## SUSPICIOUS TRANSACTION REPORTING

“Suspicious activity” is a difficult concept to define because it can vary from one transaction to another based upon all of the circumstances surrounding the transaction or group of transactions. For example, transactions by one customer may be normal based on your knowledge of that customer and their pattern of activity, while similar transactions by another customer may be suspicious. Many factors are involved in determining whether transactions are suspicious including the amount, the location of your business, where the transactions are being sent to, where the transactions are received from, as well as AML concerns that may exist between your location and the send/receive location, comments made by your customer, the customer's behavior, etc.

Your government's regulations may require you to file a Suspicious Transaction Report for any transaction or pattern of transactions that is attempted or conducted for any amount that you know, suspect or have reason to suspect:

1. Involves funds derived from illegal activity or is intended to hide funds derived from illegal activity;
2. Is structured to avoid recordkeeping or reporting requirements;
3. Has no business or apparent lawful purpose; or
4. Facilitates criminal activity.

### Filing Requirements for Suspicious Transaction Reports

The specific Suspicious Transaction reporting requirements vary from country to country. However, at this time, all countries in Latin America and the Caribbean require the reporting of Suspicious Transactions. The Financial Action Task Force (FATF) and the Caribbean Financial Action Task Force (CATF) both provide for Suspicious Transaction reporting in their recommendations.

*You must follow your local regulations for filing a Suspicious Transaction Report.*

### Recordkeeping of Suspicious Transaction Reports

You must keep a copy of the report and all supporting documentation for at least five (5) years from the date of filing. Your local regulations may require that a copy be kept for a longer period of time.

**Never Tell Your Customer That You Filed a Suspicious Transaction Report.** In several countries it is illegal for you to tell your customer that you are filing a Suspicious Transaction Report.

There may be times when MoneyGram's compliance staff will contact you as part of their investigation of suspicious customer(s) transactions. You are NOT allowed to share this information with your customer(s).

**Question:** Should you file supporting documentation with the Suspicious Transaction Report?

You should retain all original supporting documentation or business records (including copies of instruments, receipts, photographs, surveillance audio or video tapes, etc.) with your copy of the Suspicious Transaction Report for at least five (5) years from the date of filing or for as long as you

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are required by your local regulations. All supporting documentation must be made available to appropriate authorities upon request. A Suspicious Transaction Report must be typed or legibly handwritten.

## Basic examples of suspicious activity:

- A customer asks an employee how to avoid a reporting requirement.
- A customer threatens or bribes an employee to avoid providing information or having a report filed.
- A customer uses an apparently fake identification or more than one customer tries to use the same identification.
- A customer refuses to proceed with a transaction when asked for identification.
- A customer refuses to provide all of the information required or seems excessively nervous or anxious.
- A customer (or group of customers working together) sends or receives money transfers in amounts just below the recordkeeping thresholds or to avoid reporting. This would include anytime a transaction requires the customer to present identification.
- A customer conducts transactions that are unusually large based on their past history, employment or level of income.

## Detailed examples of suspicious activity:

The threshold for additional information in your country is US\$5,000 and:

**Example 1:** A customer sends a US\$4,500 money transfer. The next day the customer sends US\$4,500 to the same person. The customer may be structuring his transactions in order to avoid High Currency Amount Transaction Reporting requirements. You should consider whether a Suspicious Transaction Report should be filed.

**Example 2:** A customer sends money transfers just below US\$5,000 over the course of several days. The customer may be structuring his purchases and you should consider whether a Suspicious Transaction Report needs to be filed.

The threshold for additional information in your country is US\$10,000 and:

**Example 3:** You see Jim hand cash to Bill and Susan outside your store. Bill and Susan each send money transfers that total less than US\$10,000 for each of them, but total more than US\$10,000 together. This appears to be a structured transaction and may require the filing of a High Currency Amount Transaction Report and/or a Suspicious Transaction Report.

**Example 4:** A customer comes in several times on the same day to pick up money transfers which add up to more than US\$10,000. If required by your local regulations you must file a High Currency Amount Transaction Report. You should also determine whether a Suspicious Transaction Report needs to be filed.

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**Example 5:** Jim and Bill each pick up money transfers. Neither money transfer alone exceeds US\$10,000, but together they exceed US\$10,000. You give Jim and Bill cash in the amount of their separate money transfers. You then see Jim and Bill give the cash to Susan. These appear to be structured and suspicious transactions. If you conclude that structured transactions occurred, you must file a Suspicious Transaction Report. If you conclude that structured activity has not occurred, but you determine that Jim and Bill are acting on the behalf of Susan, and your regulations require it you must file a High Currency Amount Transaction Report.

**Example 6:** A customer picks up a money transfer from your location. After the customer has left, you discover that the customer also picked up money transfers at some of your other offices on the same day. The customer may be attempting to avoid the reporting requirements. You should consider whether structured or suspicious activity has occurred. If you conclude that structured or suspicious activity has occurred, you must file a Suspicious Transaction Report. If the total amount of currency paid to the customer passes the local High Currency Amount Transaction Reporting requirements, you should also consider filing a High Currency Amount Transaction report.

**Example 7:** A customer says that he wants to send a US\$11,000 money transfer that he wants to pay for with cash. When you tell the customer that you will need to complete a High Currency Amount Transaction Report, he says that he no longer wants to send the transaction, or asks how he can avoid having a report filed on the transaction. You should consider filing a Suspicious Transaction Report on the transaction or attempted transaction.

*NOTE: High Currency Amount Transaction reports, Suspicious Transaction Reports, and other records and reports are only as good as the information you provide. Therefore, it is very important that the information you provide on such reports is accurate and complete. This is your responsibility. The government and law enforcement agencies depend on this information as they fight against money laundering and terrorism.*

## FRAUD PREVENTION FOR MONEY TRANSFERS

Agents are financially responsible for any loss to their business due to fraud. MoneyGram continually strives to protect its agents and customers from fraud. Your help is crucial in stopping this activity. To protect yourself from fraud, please to follow these steps:

- Protect your PIN
  - Change the PIN every time an employee leaves
  - Change the PIN periodically
- NEVER state your PIN or agent number in front of a customer
  - Do not post your PIN in the store or in customer view
- NEVER provide your PIN unless you initiate the call to MoneyGram
  - Do not share any confidential information with anyone
  - MoneyGram will never ask you for your pin number

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- NEVER send a 'test' or 'training' transaction
  - MoneyGram will never ask you to send a test transaction
- NEVER send a transaction without cash in hand
  - Do not process a transaction without the customer in your location
- Balance your account to detect losses immediately
- Remove or restrict any call forwarding features from your business telephone
- Share this information with your employees who handle MoneyGram transactions
- Should you receive a call from someone representing MoneyGram asking for PIN or other confidential information, hang up, and call the MoneyGram number below
- If you believe that your PIN number has been compromised call MoneyGram immediately
- If you have any questions, contact MoneyGram Agent Services at 1-800-444-3010

## Examples of agent fraud related activity:

- A suspect calls MoneyGram using phone masking technology and attempts to send transactions using a store's agent number and PIN.
- One of your employees processes a send transaction, but the customer does not pay for the transaction.
- A suspect calls your store representing himself as a MoneyGram employee and asks your employee to process a test transaction.

## Examples of consumer fraud related activity:

- A customer is told that he has won the lottery, but he must pay taxes or processing fees before he can receive his winnings.
- A customer purchases an item on an on-line auction and sends a wire transfer to pay for her purchase, but never receives the product.
- A customer sells something on an on-line auction and receives a check for an amount much greater than the selling price. The "buyer" asks the seller to deposit the check and send a wire transfer to refund the excess payment.
- A customer receives an email or letter asking for help to pay fees or taxes to recover money that was confiscated by a foreign government.

## TERRORISM FINANCING PREVENTION

Money laundering is most commonly associated with drug dealing and tax avoidance. However, other individuals, most notably terrorists, may attempt to launder money in order to conceal their identity or finance their operations. It is critical that MoneyGram agents remain alert for such activity, and take appropriate and immediate action if detected.



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The Financial Action Task Force (FATF) and the US Financial Crimes Enforcement Network (FinCEN) have each issued guidance on financial transactions that may be indicative of terrorist financing at [www.fatf-gafi.org](http://www.fatf-gafi.org) and [www.fincen.gov](http://www.fincen.gov) websites. Most of the cited examples apply to transactions conducted at banks or other depository institutions. However, the following examples may also be conducted by MSBs:

- A. Movement of funds either through a country designated by FinCEN or FATF as “non-cooperative;” by a person who is identified as a specially designated national by the US Treasury’s Office of Foreign Assets Control (OFAC); or by a person who appears on the United Nation’s list of blocked accounts.
- B. Multiple transactions conducted by a group of nationals from countries associated with terrorist activity.
- C. Individuals acting on behalf of another money transmitting business that use MoneyGram to transfer funds to multiple locations. This may be indicative of unlicensed money transmitters that seek to evade use of the banking system to conduct foreign transfers.

## INTERNATIONAL GOVERNMENT WATCH LISTS

Several countries publish watch lists designed as a reference tool for businesses to assist in complying with the various sanctions programs of different government organizations such as OFAC SDN, Interpol Most Wanted, European Union Terrorist, Australia Consolidated and Canadian Consolidated lists. Each country’s watch list prohibits businesses from conducting any form of activity with any entities or persons that are on these lists.

OFAC is part of the US Treasury Department. OFAC is responsible for enforcing US government sanctions against certain countries, organizations and individuals. OFAC publishes a list of these countries, organizations and individuals, commonly referred to as the Specially Designated Nationals “SDN” list. US companies and citizens are prohibited from conducting transactions with anyone on the list.

MoneyGram reviews the names of all money transfer senders and receivers against the OFAC list as well as against many other watch lists, such as those of the European Union, Australia and Canada. Occasionally, MoneyGram will suspend a transaction until further information can be obtained from the sender or receiver.

***Agents must follow MoneyGram’s instructions in order to prevent any unauthorized payout or refund.***

You can learn more about OFAC by visiting the Treasury Department’s website at [www.ustreas.gov/offices/enforcement/ofac](http://www.ustreas.gov/offices/enforcement/ofac).

## CIVIL AND CRIMINAL PENALTIES

Local governments can impose harsh civil and criminal penalties against anyone who violates AML laws and regulations. Civil and criminal fines can quickly reach into the hundreds of thousands or even millions of dollars. Criminal violations may result in prison terms. In addition, the government may seize property involved in criminal violations of these laws; this may include your business, your bank account, or any other assets the government can link to criminal violations.

Under certain circumstances, the government may hold businesses criminally liable for the acts of their employees. It is important that your employees are trained on AML compliance. It is equally important that your business has a program to ensure that your employees are complying with the laws and regulations.

Local governments can require strict compliance with these laws and regulations. MoneyGram will also immediately cancel the contract of any agent who knowingly or negligently fails to comply with the laws and regulations of their country.

***Non-compliance with the law is not worth the risk.***

## ADOPTION OF ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM

By completing the Certification on this page, this entity is adopting the materials in this Guide as a part of its required Compliance Program. You should verify your local regulations for the registration and certification requirements of your businesses' compliance manual.

You must supplement your Compliance Program with the specific procedures of the business, as well as with additional information required by local regulators, so that it can conform to both the local regulatory requirements and MoneyGram policies.

The adoption of this Guide is just one step this entity will take to ensure that it maintains an effective AML Compliance and Terrorism Financing Prevention Program. Other measures this entity will take, but is not limited to, include employee training on this program, the designation of a Compliance Officer, and a Periodic Review of the quality of this program.

**Certification of Adoption  
of Anti-Money Laundering Compliance Program**

I, \_\_\_\_\_,  
(name of compliance officer)

on behalf of \_\_\_\_\_,  
(name of business)

certify that this entity has adopted an AML Compliance Program, which includes the policies and procedures contained in the MoneyGram AML Compliance Guide. Furthermore, this entity will comply with all of the reporting and recordkeeping requirements imposed by the AML regulations:

of \_\_\_\_\_  
(name of supervisory authority)

in \_\_\_\_\_  
(name of country)

and any other applicable AML laws or regulations.

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

## DESIGNATION OF A COMPLIANCE OFFICER

Every MSB must designate a qualified person to serve as its Compliance Officer. The Compliance Officer is responsible for coordinating the day to day compliance of the AML program and has the authority to administer it.

The duties of the Compliance Officer will include, but are not limited to making sure that:

1. Policies and procedures are followed
2. Proper compliance training and education are provided
3. Reports are properly filed
4. Proper recordkeeping as mandated by local regulations and MoneyGram policy
5. A Periodic Review is conducted to verify the effectiveness of the Compliance Program
6. Ensuring both MoneyGram requirements and local regulations are followed
7. Maintaining compliance with licensing laws
8. Updating the Compliance Program as necessary due to changes in laws or regulations

This entity agrees to formally designate a competent individual to serve as its Compliance Officer in accordance to local regulations. The designated individual may be an employee of this entity, but should be in a position of responsibility in the entity's organization to ensure that they are able to implement an effective AML Compliance Program.

<b>Designation of Anti-Money Laundering Compliance Officer</b>	
_____	
(name of person)	
is hereby designated as the AML Compliance Officer for _____	
(name of business)	
The Compliance Officer, as well as senior management, is responsible for ensuring the ongoing compliance of this entity with all MoneyGram policies and the Anti-Money Laundering laws of:	
_____	
(country)	
and for ensuring that all employees are trained on AML requirements before conducting any Money Services Business (MSB) activity.	
Date: _____	Name: _____
Title: _____	Company: _____

*You should print and complete this certification and keep a copy of it with your AML program records.*

## EMPLOYEE TRAINING

An important part of your AML Compliance Program is employee training. This course can help you fulfill your company's minimum training requirements. You may want to attend other AML seminars that are available to you in your area or through the internet.

One of the key components of an effective Compliance Program is employee training.

At minimum, training must include:

- Explanation of your company's policies and procedures
- Guidance on how to identify suspicious activity and structured transactions
- Procedures for verifying customer identity
- Familiarity with required forms
- Recordkeeping and reporting requirements

Before conducting any MoneyGram transactions, employees should be required to review all of the information in this Guide and sign a copy of the Acknowledgment form that will be retained in their personnel file or the business's AML files.

**Acknowledgment of Employee Training**

I have read the materials in this Guide and have been trained and understand the Anti-Money Laundering Compliance Program requirements. In addition, prior to conducting any MoneyGram transactions for this entity, I have been instructed on the regulations for reporting and recordkeeping, including the reporting of suspicious activity:

Name of Country: \_\_\_\_\_

Employee's Signature: \_\_\_\_\_

Employee's Name: \_\_\_\_\_

Date: \_\_\_\_\_

*Note: Your company should keep records to prove that employees have received training, which includes the employee's name and the date of training.*

### PERIODIC REVIEW

Every MoneyGram agent should conduct a Periodic Review of its Compliance Program. The Compliance Officer is responsible for ensuring that a Periodic Review is conducted to assess the quality of the Compliance Program. The review must be conducted by the person identified as qualified per the local regulations. If the local regulations do not specify who must conduct the review, the Periodic Review may be conducted by the owner, manager, an employee of your business or a qualified professional who understands the requirements of an effective Compliance Program in your country. However, your designated Compliance Officer may NOT conduct the review. Most government regulators recommend that Periodic Reviews be performed at least annually.

Follow your local regulations with regards to the minimum mandatory frequency with which MSBs should conduct their review and who should conduct this review. If an employee of the business conducts the review, it should be an employee who is familiar with the MSB's Compliance Program and the AML requirements that apply to the business.

*Note: It is important for you to check your local regulations to identify who is qualified to conduct a review of your AML program.*

A checklist that can be used to perform the Periodic Review of your business's AML Compliance Program is provided in Chapter 3.

## Certification of Periodic Review

I have completed a Periodic Review of the Compliance Program of

\_\_\_\_\_

(name of business)

Among other things, this review focused on the requirements of the regulations of

\_\_\_\_\_

(name of country)

and MoneyGram's policies. The results of my review are that I find this entity's AML Compliance Program:

Acceptable \_\_\_\_\_

Acceptable, but recommend the following enhancements:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Unacceptable for the following reasons:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of person conducting the review \_\_\_\_\_

Print Name \_\_\_\_\_ Date \_\_\_\_\_

*You should print and complete this certification and keep a copy of it with your AML program records.*

# CHAPTER 3: FORMS AND SAMPLE DOCUMENTS

## SAMPLE SEND FORM - FRONT

<b>SEND / ENVÍO</b> To / A: <b>US / EEUU - Africa / África - Asia / Asia - Canada / Canadá - Caribbean / Caribe Europe / Europa - Latin America / América Latina - Middle East / Medio Oriente</b>			
Please Print <b>MONEYSAVER CARD NUMBER:</b> NÚMERO DE TARJETA MONEYSAVER:		[Empty Box]	
<b>INTENDED DESTINATION:</b> DESTINO ELEGIDO:		Italy Rome Country / País City / Ciudad State / Estado	
<b>TRANSFER AMOUNT:</b> CANTIDAD DE ENVÍO:		\$ 4,000	
Note: Regardless of the destination country specified, a Transfer can be picked up in any country. Nota: Independientemente del país de destino especificado, una transferencia puede ser recogida en cualquier país.			
Are you acting on behalf of a third party (including employer) and sending a Transfer in excess of \$3,000? <input type="checkbox"/> YES, <input checked="" type="checkbox"/> NO ¿Está usted actuando por parte de una tercera persona (incluyendo su lugar de empleo) y enviando una transferencia en exceso de \$3,000? <input type="checkbox"/> SI, <input checked="" type="checkbox"/> NO			
<b>SENDER'S NAME:</b> NOMBRE DEL REMITENTE:		John A. Doe First Name / Primer Nombre Middle Name / Segundo Nombre Last Name / Apellido(s)	
<b>RESIDENCE:</b> DOMICILIO:		456 Side St. Street / Calle	
<b>RECEIVER'S NAME:</b> NOMBRE DEL DESTINATARIO:		Juan Mendoza First Name / Primer Nombre Middle Name / Segundo Nombre Last Name / Apellido Paterno Second Last Name / Apellido Materno	
X <i>John Doe</i> Sender's Signature / Firma de remitente		1-12-04 Date / Fecha	
OPTIONAL SERVICES / SERVICIOS OPCIONALES Test question not available at \$200.00 or more. / Las preguntas clave no están disponibles con envíos de \$200.00 o más.			
<b>TEST QUESTION:</b> PREGUNTA CLAVE:		Test Question / Pregunta Clave	
<b>MESSAGE:</b> GRATUITO:		Message in Words / Mensaje de palabras.	
<b>RECEIVER'S ADDRESS:</b> DIRECCIÓN DEL DESTINATARIO:		Complete this section for transfers of \$1,000 or more in the home delivery (where available). Done this section for transfers of \$1,000 or more for service to be delivered to domicile (where available).	
<b>AGENT COPY:</b> COPIA DEL AGENTE		www.moneygram.com	
<b>FOR AGENT USE / PARA USO DEL AGENTE</b>		<b>REFERENCE NUMBER / NO. DE REFERENCIA</b> 12428375	
Give this number to your Receiver. Dê este número al destinatario.		<b>PHONE CALL PIN NUMBER:</b> NÚMERO DE CÓDIGO PARA LLAMADA	
See reverse side for complete instructions. Ver el reverso para instrucciones completas.		Calls to U.S., Canada, Puerto Rico and the U.S. Virgin Islands Llamadas a los E.U.A., Canadá Puerto Rico y las Islas Vírgenes Americanas Dial / Marque: 1-888-990-3200	
International and Caribbean Internacional y el Caribe Dial / Marque: 1-888-990-3346		<b>SEND INFORMATION / INFORMACIÓN DEL ENVÍO</b> \$ 4,000.00 Transfer Amount / Cantidad de la Transferencia \$ 160.00 Consumer Fee / Cuota al Consumidor \$ 4,160.00 Total Collected / Cantidad Total Cobrada	
<b>RECEIVE INFORMATION:</b> INFORMACIÓN DE DESTINACIÓN		Only complete this Section after the Transfer has been sent. / Llene esta sección sólo después de que se haya enviado la transferencia. 736648 Exchange Rate (If the Amount to be Received is stated below in US Dollars, any Exchange Rate stated above is inapplicable.) / Tipo de Cambio (Si la Cantidad que Recibirán indicada abajo se refleja en dólares estadounidenses, cualquier tipo de cambio indicado arriba es inaplicable). 3944.60 Amount to be Received / Cantidad que Recibirán E. END Receive Currency / Moneda del destinatario	
Note to Sender: Even though the Amount to be Received is stated in US Dollars, the funds may be paid out in another currency if the Location selected by the Receiver does not pay out in US Dollars. In that event, the currency exchange rate will be set at the time the funds receive the Transfer in the foreign country. See the Terms & Conditions for more information. / Nota para el remitente: Aunque el monto a recibir está expresado en dólares de los Estados Unidos, la transferencia puede ser pagada en cualquier otra moneda si la Agencia seleccionada por el Destinatario no hace pagos en dólares. En tal caso, la tasa de cambio de la moneda a pagar será fijada en el momento en que el Destinatario recibe la transferencia en el país extranjero. Ver la sección de Términos y Condiciones para mayor información.			
<b>AGENT IDENTIFICATION / AGENT IDENTIFICATION</b>		LS Agent Employee Name Nombre del Empleado del Agente 555 MoneyGram Operator # Número del Operador de MoneyGram	




# CHAPTER 3: FORMS AND SAMPLE DOCUMENTS

## SAMPLE SEND FORM - BACK


<p style="font-size: 1.2em; font-weight: bold;">Transfers of \$900.00 or more Envíos de \$900.00 o más</p>	<p>FOR AGENT USE Para uso del agente</p>					
<p>This information is required for any <b>Transfers or combination of Transfers of \$900.00 or more</b> and must be completed by the Agent. Esta información se requiere para cualquier transacción o combinación de transacciones de envío de \$900 o más y debe ser llenada por el agente.</p>						
<p><b>COMPLETE FOR TRANSFERS OF \$900.00 OR MORE.</b> LLENAR EN TRANSACCIONES DE ENVÍO DE \$900.00 O MÁS.</p> <p><u>Drivers License</u> ID Type / Tipo de identificación</p> <p><u>D-456-789-001-002</u> Sender's government issued ID# / identificación emitida por el gobierno, del remitente</p> <p><u>MN</u> Issuer / Emisor</p>	<p>If sending for someone else, complete the following information on that person or organization. / Si está enviando dinero en representación de otra persona, complete la siguiente información de la persona u organización.</p> <p>_____ First, Middle, Last Name / Nombre, (S), Apellido(s)</p> <p>_____ Organization Name / Organización</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">Address / Dirección</td> <td style="width: 20%;">City / Ciudad</td> <td style="width: 20%;">State / Estado</td> <td style="width: 30%;">Zip / C.P.</td> </tr> </table> <p>_____ Date of Birth / Fecha de nacimiento</p> <p>_____ Occupation - Type of Business / Ocupación - Tipo de negocio</p> <p style="background-color: #cccccc; padding: 2px;">U.S. citizens and residents / Ciudadanos y residentes Estadounidenses</p> <p>_____ Social Security # or Tax ID # / Número de Seguro Social o Número de Renta (US Citizens, residents or US Businesses) / (Ciudadanos, Residentes o negocios Americanos)</p> <p>OR, IF NO SS# / O, A FALTA DEL NÚMERO DE SEGURO SOCIAL</p> <p>_____ Alien ID # OR Passport # / Número de tarjeta de residente o Número de Pasaporte</p> <p>_____ Country of Issuance / País emisor</p>		Address / Dirección	City / Ciudad	State / Estado	Zip / C.P.
Address / Dirección	City / Ciudad	State / Estado	Zip / C.P.			
<p><b>COMPLETE FOR ALL TRANSFERS OF \$3000.00 OR MORE.</b> COMPLETAR PARA TRANSACCIONES DE \$3000.00 O MÁS.</p> <p><u>06-01-55</u> Date of Birth / Fecha de nacimiento</p> <p><u>Paint Store Manager</u> Occupation - Type of business / Ocupación - Tipo de Negocio</p> <p style="background-color: #cccccc; padding: 2px;">U.S. citizens and residents / Ciudadanos y residentes Estadounidenses</p> <p><u>123-45-6789</u> Social Security # / Número de Seguro Social (US citizens and residents) / (Ciudadanos y Residentes Estadounidenses)</p> <p>OR, IF NO SS# / O, A FALTA DEL NÚMERO DE SEGURO SOCIAL</p> <p>_____ Alien ID # OR Passport # / Número de tarjeta de residente o de Pasaporte</p> <p>_____ Country of Issuance / País emisor</p>	<p><b>For Banks, Savings and Loans and Credit Unions Only.</b> Para uso de bancos cajas de ahorro y otras entidades bancarias solamente.</p> <p>_____ Sender's Account # / Cuenta del remitente</p>					
<p><b>ADDITIONAL INFORMATION MAY BE REQUIRED ABOVE \$10,000.00.</b> SE PUEDE REQUIERIR INFORMACIÓN ADICIONAL EN ENVÍOS MAYORES DE \$10,000.00.</p>						
<p><small>AGENT MUST RETAIN THIS FORM ON-SITE FOR A MINIMUM OF FIVE (5) YEARS FOR AMOUNTS OF \$3000.00 OR MORE, OR SIX (6) MONTHS FOR AMOUNTS LESS THAN \$3000.00. EL AGENTE DEBERÁ CONSERVAR ESTA FORMA EN SU ESTABLECIMIENTO POR UN MÍNIMO DE CINCO (5) AÑOS PARA CANTIDADES DE \$3,000.00 O MÁS, O POR SEIS (6) MESES PARA CANTIDADES MENORES DE \$3,000.00.</small></p>						

# CHAPTER 3: FORMS AND SAMPLE DOCUMENTS

## SAMPLE RECEIVE FORM - FRONT

RECEIVE / RECIBO		 International Money Transfer	
<b>CUSTOMER USE / PARA USO DEL CLIENTE</b>		<b>AGENT USE / PARA USO DEL AGENTE</b>	
REFERENCE NUMBER NÚMERO DE REFERENCIA	1 2 3 4 5 6 5 4	AGENT GOVERNMENT ISSUED ID# AND TYPE NÚMERO IDENTIFICACIÓN EMITIDO POR EL GOBIERNO, DE LA PERSONA QUE RECIBE Y TIPO	MN DL D-456-789-001-002
RECEIVER'S NAME LA PERSONA QUE RECIBE:	John A. Doe	TEST QUESTION PREGUNTA DE PRUEBA:	
First Name / Primer Nombre	John	Text Question / Pregunta de prueba	
Middle Initial / Inicial	A.	Text Answer / Respuesta de prueba	
Last Name / Apellido(s)	Doe	MESSAGE / MENSAJE:	
Street / Calle	456 Side St.	CHECK NUMBER NÚMERO DE CHEQUE:	24-1112223334
City / Ciudad	Anytown MN 55000	Check #1 Agent Check Cheque del Agente	
State / Estado	MN	Check #2 Customer Check Cheque del Cliente	
Zip / C.P.	55000	CHECK AMOUNT CANTIDAD DE CHEQUE:	\$ 4000
Home Phone / Teléfono			
SENDER'S PHONE NUMBER NÚMERO DE TELÉFONO DE LA PERSONA QUE ENVÍA:	(612) 222-1111	AUTHORIZATION AUTORIZACIÓN:	LS 5555
SENDER'S NAME LA PERSONA QUE ENVÍA:	Jane Doe	Agent Employee Name Nombre del empleado del Agente	
AMOUNT EXPECTED CANTIDAD QUE ESPERA:	\$ 4000	MoneyGram Operator # Número de operador de MoneyGram	
Agent must complete the reverse side of this form for transactions of \$500.00 or more. El Agente tiene que llenar el otro lado de este recibo cuando se trata de transacciones de \$500.00 o más.	What city and state was transaction sent from? ¿Desde que ciudad y estado se envió la transacción?		
	Fairtown, MN		
RECEIVER'S SIGNATURE FIRMA DE LA PERSONA QUE RECIBE:	John Doe 1-12-04		

## SAMPLE RECEIVE FORM - BACK

RECEIVES OF \$3000.00 OR MORE RECIBOS DE \$3000.00 O MÁS		FOR AGENT USE Para uso del Agente			
This information is required for any Receive transaction or combination of transactions of \$3000.00 or more and must be completed by the Agent. Esta forma junto con la forma de Recibos es requerida en toda transacción para envío por encima de los \$3000.00. Debe ser completada por el Agente.					
<b>COMPLETE FOR RECEIVE TRANSACTIONS OF \$3000.00 US OR MORE.</b> <b>COMPLETAR EN TRANSACCIONES DE RECIBOS DE \$3000.00 O MÁS.</b>			If receiving for someone else, complete the following information on that person or organization. Si está recibiendo dinero por alguien, complete la siguiente información de la persona u organización.		
Date of Birth / Fecha de nacimiento	6-01-55	First, MI, Last Name Nombre, Inicial, Apellido(s)	OR o	Organization Name Organización	
Occupation / Profesión	Paint Store Manager	Address Dirección	City Ciudad	State Estado	Zip C.P.
Social Security # / Número de Seguro Social (US citizens and residents) / (Ciudadanos y residentes Americanos)	123-45-6789	Date of Birth / Fecha de nacimiento	Occupation / Profesión		
<b>OR, IF NO SS# / SI NO SS#</b>		Social Security # or Tax ID # / Número de Seguro Social o Número de Renta (US Citizens, residents or US Businesses) / (Ciudadanos y residentes Americanos)	<b>OR, IF NO SS# / SI NO SS#</b>		
Alien ID # OR Passport # / Número de tarjeta de residente o Número de Pasaporte		Alien ID # OR Passport # / Número de tarjeta de residente o Número de Pasaporte			
Country of Issuance / País de Origen		Country of Issuance / País de Origen			
ADDITIONAL INFORMATION MAY BE REQUIRED ABOVE \$10,000.00. INFORMACIÓN ADICIONAL PUEDE SER NECESARIA PARA TRANSACCIONES POR ENCIMA DE LOS \$10,000.00.					
AGENT MUST RETAIN THIS FORM ON-SITE FOR A MINIMUM OF FIVE (5) YEARS FOR AMOUNTS OF \$5000.00 OR MORE, OR FOR SIX (6) MONTHS FOR AMOUNTS LESS THAN \$5000.00. El Agente deberá conservar esta forma en su establecimiento por un mínimo de cinco (5) años por cantidades de \$5000.00 o mayores, o por seis (6) meses por cantidades menores a \$5000.00.					

### PERIODIC REVIEW CHECKLIST

MoneyGram policies require that all agents conduct a review of their AML program periodically to verify that their program is adequate.

**Most government regulators recommend that Periodic Reviews be performed at least annually by all MSBs.**

If the local regulations do not specify how often and who must conduct the review, the Periodic Review may be conducted by the owner, manager, or an employee of your business on an annual basis. You should check with your local Supervisory Authority as to who is qualified to perform a Periodic Review. However, your designated Compliance Officer may NOT conduct the review.

If an employee of your business does conduct the review, it should be an employee who is familiar with your Compliance Program and the AML requirements that apply to your business.

On the following pages is a sample form that may be used by the person conducting the Periodic Review. The form, as well as additional AML compliance resources, is also available on our website at [www.moneygram.com](http://www.moneygram.com). This form should not replace any requirements for internal, independent or third party audits that your business may be required to perform periodically by your government's authorities.

# CHAPTER 3: FORMS AND SAMPLE DOCUMENTS

## Sample Periodic Review

### Business Information

Business Name: \_\_\_\_\_

Business DBA: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Owner/Manager: \_\_\_\_\_

Compliance Officer: \_\_\_\_\_

Number of Locations: \_\_\_\_\_

Circle YES or NO for each question:

Is the business registered or licensed as a MSB, Money Transfer Organization or Money Transmitter?

YES    NO

If yes, is the MSB registration available and current?

YES    NO

If no, indicate the reason:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## RISK ASSESSMENT

### Product Risk

All financial services businesses, including banks, credit unions and MSBs are at risk of being victimized by money launderers or other criminals. This risk can increase with the number of financial services that are sold or with the use of multiple issuers/vendors for these services. Both multiple services and multiple issuers/vendors increase a money launderer or other criminal's ability to structure transactions to avoid detection and recordkeeping requirements. If more than one product or service is offered, the Periodic Reviewer should more carefully review the agent's Compliance Program.

Identify the financial services and products that are offered:

YES    NO    Money transfers / wire transfers

YES    NO    Check cashing

YES    NO    Currency exchange

YES    NO    Stored value cards

### Location Risk

Law enforcement agencies and government regulators have identified areas that are at higher risk for money laundering, related financial crimes, and drug trafficking. If the answer is "YES" to any of the following three questions, this MSB has a greater risk of being victimized by money launderers or other criminals. Therefore, the Periodic Reviewer should more carefully review the agent's Compliance Program.

YES    NO    Is the MSB located in an area at high risk for money laundering or related financial crimes?

YES    NO    Is the MSB located in an area at high risk for drug trafficking?

YES    NO    Is the MSB located in a jurisdiction that does not have a Financial Intelligence Unit?  
This information can be found at: <http://www.egmontgroup.org/americas.html>

YES    NO    Does the MSB transfer funds to high-risk areas? High-risk areas can be found by reviewing the Current NCCT list on the Financial Action Task Force website at: [www.fatf-gafi.org](http://www.fatf-gafi.org) and the Sanctions Program and Country Summaries on the OFAC website at: <http://www.treas.gov/offices/enforcement/ofac/>

## CHAPTER 3: FORMS AND SAMPLE DOCUMENTS

### Compliance Program

YES NO Does the MSB have a written Compliance Program?

Does the Compliance Program include written policies, procedures, and internal controls reasonably designed to assure compliance with the MoneyGram's policies and local regulations, including:

YES NO Customer identification?

YES NO Filing applicable reports (Suspicious Transaction Reports and High Currency Amount Transaction Reports)?

YES NO Recordkeeping and retention requirements?

YES NO Response to law enforcement requests for information?

YES NO Does the Compliance Program include limits specific to this business, such as a maximum send amount, a maximum receive amount?

If YES, describe how these limits are enforced and monitored:

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---

YES NO Has a Compliance Officer been designated?

YES NO Does the Compliance Officer fully understand and perform the duties and responsibilities of this position?

YES NO Are Periodic Reviews, to monitor and maintain an adequate Compliance Program, conducted regularly by a qualified party?

### Suspicious Transaction Reports

YES NO Does the Compliance Officer (or their designee) review daily transaction activity to look for structuring and to ensure that Suspicious Transaction Reports are being filed when necessary?

YES NO Have Suspicious Transaction Reports been filed?

## CHAPTER 3: FORMS AND SAMPLE DOCUMENTS

If NO, why not:

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- YES NO Are blank Suspicious Transaction Reports forms available?
- YES NO Are copies of filed Suspicious Transaction Reports forms and supporting documentation maintained in a secure location?
- YES NO Are Suspicious Transaction Reports being accurately completed and filed on a timely basis for all applicable transactions that appear to be suspicious?
- YES NO Are copies of Suspicious Transaction Reports maintained for at least 5 years and as long as required by local regulations, which require that they be kept for \_\_\_\_\_ years?

### High Currency Amount Transaction Reports

- YES NO Does the Compliance Officer (or their designee) review daily activity to look for transactions that in individual or multiple transactions may require the filing of a High Currency Amount Transaction Reports?
- YES NO Have High Currency Amount Transaction Reports been filed?

If NO, why not:

---

---

- YES NO Are blank High Currency Amount Transaction Reports forms available?
- YES NO Are copies of filed High Currency Amount Transaction Reports forms and supporting documentation maintained in a secure location?
- YES NO Are High Currency Amount Transaction Reports being accurately completed and filed on a timely basis for all applicable transactions, including fees?

## CHAPTER 3: FORMS AND SAMPLE DOCUMENTS

YES NO Are copies of High Currency Amount Transaction Reports maintained for at least 5 years and as long as required by local regulations, which require that they be kept for \_\_\_\_\_ years?

### Money Transfers through MoneyGram and Record Keeping

YES NO Does the Compliance Officer (or their designee) periodically review the Send/Receive forms for accuracy and completeness?

YES NO Is all the customer information that the agent is required to collect per the local regulations retained?

If NO, why not:

---

---

Provide detail of the customer information that the agent is required to collect:

---

---

YES NO Are Send/Receive forms properly completed and maintained for transfers of US\$3,000 or more?

YES NO Does the information collected comply with both MoneyGram's and the local regulatory thresholds for recording information:

If NO, why not:

---

---

YES NO Is valid, government issued, photo identification, being recorded for money transfers of US \$900 or more.



# CHAPTER 3: FORMS AND SAMPLE DOCUMENTS

YES NO Does the information collected comply with both MoneyGram's and the local regulatory thresholds for collecting identification and any other customer information:

If NO, why not:

---

---

YES NO Are Send/Receive forms or transaction activity reviewed to determine if High Currency Amount Transaction Reports or Suspicious Transaction Reports should have been filed?

YES NO Are the Send/Receive forms maintained for at least 5 years and as long as required by local regulations, which require that they be kept for \_\_\_\_\_ years?

## Customer Identification

YES NO Does the Compliance Officer (or their designee) periodically review the Send/Receive forms to ensure that the identification policy and procedures are being followed?

YES NO Is valid, government issued photo identification, being recorded for money transfers based on the local regulations?

If NO, why not:

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# CHAPTER 3: FORMS AND SAMPLE DOCUMENTS

## Employee Training

YES NO Have all employees involved in providing MSB services received compliance training?

If YES, how often?

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YES NO Does training include reading the business's Compliance Program?

If NO, why not:

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YES NO Are training records documented?

YES NO Is training material thorough and current?

Briefly describe the content:

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YES NO Do employees fully understand compliance policies and procedures?

YES NO Are employees adequately trained to identify potentially suspicious activity, including structuring?

YES NO Is testing conducted to validate the employees' understanding of compliance?

Briefly describe the content and process:

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YES NO Does the MSB conduct annual employee refresher compliance training?

## Data Review

In order to verify that transactions have been properly identified for recordkeeping and reporting requirements, the Periodic Reviewer may choose to conduct a random test of a sample of transactions.

If a data review was conducted, briefly describe the results of the review and analysis:

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Additional Comments (all unacceptable areas must be addressed):

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## AML GUIDE QUICK SUMMARY

MoneyGram agents and their employees who conduct money transfer transactions must comply with all AML laws and regulations that apply to them, as well as MoneyGram policies.

### 1. Money Laundering Overview

Money laundering is the attempt to conceal or disguise the nature, location, source, ownership, or control of illegally obtained money. The government and MoneyGram require businesses like yours to file reports and maintain records.

### 2. AML Compliance Program

You must implement an AML Compliance Program based on the risks associated with your business, such as size, location, volume of business, etc.

### 3. Recordkeeping

You must record information regarding MoneyGram money transfer transactions based on your local regulations as well as MoneyGram requirements. At a minimum, MoneyGram requires that you record information for all transactions of US\$900 or more.

### 4. High Currency Amount Transaction Reporting

You must file reports for High Currency Amount Transactions as required by your local AML regulations.

### 5. Structuring

Structuring is the illegal act of breaking up a larger transaction into smaller transactions in order to avoid the recordkeeping or reporting requirements.

### 6. Suspicious Transaction Reporting

Suspicious activity involves transactions that appear to be structured or do not have any legitimate purpose. You must file a Suspicious Transaction Report as required by your local AML regulations on suspicious activity.

### 7. Training

Before conducting any MoneyGram transactions, employees should be required to review all of the information in this Guide and sign a copy of the Acknowledgment form that will be retained in their personnel file or the business's AML files.

### 8. MSB Registration and Licensing

All MoneyGram agents must comply with their local government's registration and licensing requirements. MoneyGram requires that all their agents are fully compliant with their country's registration requirements.

### 9. Civil and Criminal Penalties

Governments can impose severe penalties against individuals and businesses for violating money laundering laws and regulations. Depending on your location, criminal penalties for an individual can include at least US\$500,000 in fines, or/and 10 years of imprisonment, and the loss of your business.

