



Section 4

Independent Review



Section 4: Independent Review

What is the purpose of an Independent Review?

The purpose of an Independent Review is to monitor the completeness and effectiveness of an Agent's anti-money laundering (AML) program as required by applicable laws and regulations and MoneyGram's policies and requirements. The Independent Review should, at a minimum, include a review, evaluation and test of the:

- Overall adequacy and effectiveness of the written anti-money laundering program, including policies and procedures.
- Designation, authority and expertise of the Agent's compliance officer.
- Employee training for adequacy, accuracy and completeness.
- Effectiveness of transaction monitoring systems and related government regulatory reporting.
- Overall process for identifying and filing potentially suspicious activity reports to the relevant authorities as required by applicable laws and/or escalating suspicious or unusual activity to MoneyGram when necessary.
- Adherence to other applicable regulatory requirements.

Note:

- An Independent Review of your AML program is required by Federal AML regulations.
- The Independent Review must be conducted by a person or persons who is/are knowledgeable about the applicable anti-money laundering regulatory requirements.

You may decide that an internal area such as the internal audit group or another 'independent' area within your company would conduct the Independent Review. Or, you may decide that the Independent Review should be conducted by an external reviewer / third party.

- Regulatory inspections / audits / examinations are not considered an Independent Review.
- MoneyGram requires Independent Reviews to be conducted periodically or as often as required by applicable laws, regulations or MoneyGram.
- Independent Reviews need to be documented in writing. In addition, you need to track the deficiencies found during the Independent Review that relate to MoneyGram's products and services as well as document the corrective actions you took to address those deficiencies.
- The Independent Review Form (the following pages) serves as a reference guide. The Independent Reviewer must consider any applicable local country regulatory requirements.
- Once the Independent Review has been completed and signed by the reviewer, please keep and store the completed form and results with the other anti-money laundering program related documents for at least 5 years or longer as required by applicable laws and regulations. You must willingly present the completed form when asked by a MoneyGram representative or provide an attestation letter.

The Agent's Independent Review cannot be conducted by the designated Compliance Officer or an employee reporting directly to the Compliance Officer.

Reminder: Have extra ***blank*** copies of the Independent Review Form.



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INDEPENDENT REVIEW FORM

Please Complete **ALL** Parts, Questions, Blanks and Fields

Note: The Independent Review cannot be conducted by your designated Compliance Officer or an employee reporting directly to the Compliance Officer.

Agent Name/Agent DBA:

Agent Street Address:

City:

State/Province:

Country:

Postal Code:

Do you have any other locations that process MoneyGram services that are covered in this review? Circle one: YES or NO

Note: If you circled "Yes," provide the addresses for other store locations covered by this review on the last page of this form.

Provide ownership changes (if applicable):

Part 1: AGENT REGULATORY LICENSING/REGISTRATION (if applicable)

Regulatory licensing/registration **IS NOT** required at the time of this review because the Agent is covered by MoneyGram's license.

-or-

Regulatory licensing/registration **IS** required at the time of this review.

Confirm copy of the license/registration IS available for review.

Part 2: INDEPENDENT REVIEW

Yes **No** Are Independent Reviews regularly conducted for compliance with monitoring and maintenance of an Anti-Money Laundering Compliance Program requirements?

How often is an Independent Review conducted?

Once a Year Every 2 Years Other (*Explain Below*)

When was the last Independent Review conducted? Provide date (dd/mm/yyyy).

When is the next Independent Review scheduled? Provide date (dd/mm/yyyy).

If applicable, briefly describe any outstanding MoneyGram related deficiencies or unaddressed corrective actions noted in a previous Independent Review and/or regulatory examination. If there are none, please note accordingly:

Briefly describe in the space below, how the Independent Review process was verified by the Independent Reviewer:

If a "No" or "Other" was checked for any of the questions above, use the space below to explain why:



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Part 3: RISK ASSESSMENT

The financial industry, in particular money services businesses (MSB), is often targeted by money launderers or other criminals to help them hide or disguise the nature, location, source, ownership or control of illegally obtained money. The risk of this occurring may increase based on the geographic location of the Agent, the number and types of financial services and/or products offered, the number of other money services business providers and/or the types of consumers using the services and/or products.

- Yes No Are one or more of the Agent locations in known *high risk area(s) for money laundering or related financial crimes*?
(www.fincen.gov– recommendation to search this site for high risk areas for money laundering)
- Yes No Are one or more of the Agent locations in known *high risk area(s) for human or drug trafficking, consumer fraud, terrorism and other illegal activities* as defined by country regulation?
(www.whitehouse.gov– recommendation to search this site for high risk areas for drug trafficking)
- Yes No Does the Agent transfer funds to known *high risk locations/countries*?
(www.treasury.gov– recommendation to search this site for OFAC sanctions)
- Yes No Does the Agent have *consumers* that could be considered *high risk* as defined by Federal and state regulations?
- Yes No Is the Agent offering products and services for more than one money services business provider? *If “Yes”, please list all the money services business providers that the Agent is affiliated/associated with in the space below.*

What other financial products and services does the Agent offer: *(Check all that apply)*

- Money/Wire Transfers Stored Value Cards Currency Exchange Check Cashing Other *(Please list)*

If a “Yes” was checked for any of the questions above, use the space below to explain why:



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Part 4: ANTI-MONEY LAUNDERING (AML) PROGRAM

Compliance Officer

Yes No Has the Agent designated or named a Compliance Officer?

Name of the Compliance Officer:

Yes No Does the Compliance Officer fully understand and fulfill the responsibilities of this position?

Briefly describe in the space below, the responsibilities of the Compliance Officer and explain how the Independent Reviewer is certain the Compliance Officer understands and completes the responsibilities of this position:

Compliance Programs

Yes No Has the Agent *adopted MoneyGram's* AML program?

Yes No Does the Agent use *their own written* AML program?

If the Agent has adopted MoneyGram's or is using their own written AML program, does the Agent's copy of the programs include written policies, procedures, and internal controls designed to comply with applicable Federal and state laws, regulations, and MoneyGram's policies and requirements including, but not limited to:

(Check all that apply and the Agent should provide proof)

- Yes No Employee / staff training
- Yes No Know your consumer (KYC) / consumer identification process
- Yes No Consumer fraud prevention
- Yes No Consumer privacy and data protection
- Yes No Transaction monitoring of transactions or potentially suspicious or unusual consumer behavior
- Yes No Reporting (E-filing) of suspicious or unusual activity (SAR)
- Yes No Reporting (E-filing) of currency transaction reports (CTR) based on amount
- Yes No Other required regulatory reporting *(if applicable)*
- Yes No Recordkeeping and retention requirements
- Yes No Responses to law enforcement requests for information *(if applicable)*

Briefly describe in the space below, how the AML program was verified by the Independent Reviewer:

If a "No" was checked for any of the questions above, use the space below to explain why:



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Part 5: EMPLOYEE TRAINING

- Yes No Have employees that process MoneyGram transactions received initial and refresher AML and Anti-Fraud Compliance related training?
- Yes No Are employees trained to identify and prevent consumer fraud scams?
- Yes No Are employees trained to identify and file and/or escalate potentially suspicious or unusual activity?
- Yes No Are employees tested on their ability to demonstrate their understanding of their compliance related responsibilities?
- Yes No Is the training material current and aligned with existing regulations and requirements?
- Yes No Does the training material administered include all necessary content to help ensure all employees understand what is required to maintain compliance?
- Yes No Are all employee training records documented, maintained and stored as required for a minimum of 5 years?

If a "No" was checked for any of the questions above, use the space below to explain why:

Training Frequency Schedule

Please indicate below the schedule the Agent implements for employee AML and Anti-Fraud Compliance related training: *(Check all that apply)*

- Once a Year Every 2 Years Other *(Explain Below)*

Briefly describe in the space below, the training topics and materials used as part of employee AML and Anti-Fraud training:

Briefly describe in the space below, how the employee training process and content were verified by the Independent Reviewer:

If "Other" was checked for any of the questions above, use the space below to explain why:



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Part 6: KNOW YOUR CONSUMER (KYC)

Consumer Identification

It is important that the Agent is meeting MoneyGram's and Federal and state regulatory requirements related to consumer identification.

- Yes No Is a valid, non-expired government issued photo I.D. recorded for money order sales of \$3,000 or more?
- Yes No Is a government issued photo I.D. recorded for money transfer transactions?
- Yes No Does the Compliance Officer (or their designee) periodically review the send/receive forms, and/or the form free receipts to ensure that the consumer identification procedures are being followed?

Briefly describe in the space below, how the consumer identification process was verified by the Independent Reviewer:

If a "No" or "Other" was checked for any of the questions above, use the space below to explain why:



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Part 7: TRANSACTION MONITORING

Money Order Sales

- Yes No Are all money order sales of \$3,000 or more* recorded on a Money Order Transaction Log?
**Note, some states have stricter requirements, which must be adhered to.*
- Yes No Does the Compliance Officer (or their designee) review daily activity to identify money order transactions that may require a money order log to be completed?
- Yes No Are Money Order Transaction Logs meeting regulator and MoneyGram requirements stored for a minimum of 5 years?

Briefly describe in the space below, how the money order process was verified by the Independent Reviewer:

Money Transfer Transactions

- Yes No Are money transfer send/receive forms and/or form free receipts accurately completed as required by applicable laws and regulations and at the appropriate amount limits?
- Yes No Does the Compliance Officer (or their designee) review money transfer send/receive or form free receipts for accuracy and completeness?
- Yes No Are money transfer send/receive forms and/or form free receipts for transfers meeting regulator limits stored for a minimum of 5 years?

How often are money transfer send/receive forms, form free receipts and/or Money Order Transaction Logs reviewed to determine if regulatory reports should have been filed?

- Currently Not Reviewing Every Day Every Week Every Month Other (*Explain Below*)

Briefly describe in the space below, how the transaction monitoring process was verified by the Independent Reviewer:

If a "No" or "Other" was checked for any of the questions above, use the space below to explain why:



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Part 8: REPORTING REQUIREMENTS

E-Filing Suspicious Activity Reports (SARs)*

Yes No Does the Compliance Officer (or their designee) review all transaction activity to look for potentially suspicious or unusual patterns to ensure that suspicious or unusual activity reports are being submitted when necessary?

Transaction activity is reviewed:

Every Day Every Week Every Month Other *(Explain Below)*

Yes No Is there a process that allows employees to refer / report potentially suspicious or unusual activity or behavior to the Compliance Officer (or their designee)?

Yes No Are the SARs completed accurately and E-Filed timely?

Yes No Are copies of the SARs that were E-filed and the supporting documentation stored as required by applicable laws and regulations?

E-Filing Currency Transaction Reports (CTRs)*

Yes No Does the Compliance Officer (or their designee) review transaction activity to identify transactions that, either individually or combined, based on amount, require a currency transaction report and are submitted when necessary?

Transaction activity is reviewed:

Every Day Every Week Every Month Other *(Explain Below)*

Yes No Is there a process that allows employees to refer / report currency transactions to the Compliance Officer (or their designee)?

Yes No Are the CTRs completed accurately and E-Filed timely for all transactions more than \$10,000 including fees?

Yes No Are copies of the CTRs and the supporting documentation stored as required by applicable laws and regulations?

Briefly describe in the space below, how the applicable transaction reporting processes were verified by the Independent Reviewer:

If a "No" or "Other" was checked for any of the questions above or section is not applicable, use the space below to explain why:

*SARs and CTRs are E-Filed through the BSA E-Filing System



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Part 9: CONSUMER RIGHTS, PRIVACY AND DATA PROTECTION

Consumer Rights, Privacy and Data Protection

It is important that the Agent is minimizing risk of harm to consumers and to their information, and is preventing the occurrences of unfair practices or violations of consumer protection laws.

- Yes No Is the Agent disclosing all required information to consumers, including information related to fees and charges?
- Yes No Does the Agent have procedures and controls in place to safeguard consumers' private and personal information?
- Yes No Does the Agent have security measures and controls to protect computer hardware, software, communications and network systems against unauthorized access?

Briefly describe in the space below, how Consumer Rights related processes were verified by the Independent Reviewer:

Dodd-Frank Compliance

- Yes No Do the disclosure forms contain all the language translations used by the Agent to advertise MoneyGram's products and services?
- Yes No Does the Agent provide the correct disclosure form to consumers BEFORE processing an international money transfer transaction?
- Yes No Does the Agent retain a copy of the international transaction receipt containing the consumer's signature?
- Yes No Is the Error Resolution and Cancellation Notice available for consumers upon request?
- Yes No Are the Agent's employees able to explain the cancellation refund process to consumers when required?

Briefly describe in the space below, how Dodd-Frank Compliance process was verified by the Independent Reviewer:

If a "No" was checked for any of the questions above, use the space below to explain why:



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Part 10: ANALYSIS OF TRANSACTION DATA AND RECORDS

It is critical that the Agent is meeting reporting and recordkeeping requirements. It is recommended that the Independent Reviewer tests or conducts an analysis on a random sample of completed transactions.

Guidelines for this analysis are detailed below.

Yes No Was data and records analysis conducted on the Agent's MoneyGram transactions?

If a "No" was checked above, use the space below to explain why:

Transaction Data and Records Analysis Guidelines

Money transfers that meet MoneyGram's and/or the country's regulatory limits would include the following consumer information, but not limited to:

- Consumer's full name
- Consumer's current residential address
- Type of identification and the identification number provided by the consumer
- Consumer's Date of birth (DOB)
- Consumer's phone number
- Specific occupation of the consumer *(if applicable)*
- Signature on send/receive forms or receipts *(if applicable)*

Briefly describe in the space below, how the transaction data and record analyses were conducted by the Independent Reviewer and detail the results:



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Acknowledgement of Independent Review Completion

I certify that an Independent Review of the AML program belonging to the Agent listed below has been completed.

Agent Name/ DBA:

Among other things, this review focused on the requirements of the applicable laws, regulations, and MoneyGram’s policies and procedures related to AML Compliance requirements.

The results of this review show that the Agent’s AML program is:

- Acceptable: no program enhancements needed
- Acceptable: requires *minor* program enhancements
- Unacceptable: requires *major* program enhancements or is missing one of the following: designation of compliance officer, procedures and controls, ongoing employee training and independent review / testing

Please provide in the table below, the deficiencies that led to the “Acceptable: requires minor program enhancements” or “Unacceptable” rating. Also provide the corrective actions or enhancements the Agent must make in response to the Independent Review:

AML Program Deficiencies	Enhancements Required or Corrective Actions for Agent

Reviewer’s Name:

Reviewer’s Title:

Reviewer’s Company:

Date of Review:

Reviewer’s Signature:



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Additional Agent Location Address *(that are covered in this review)*

Agent Location Name:

Street Address:

City: State/Province: Country: Postal Code:

Agent Location Name:

Street Address:

City: State/Province: Country: Postal Code:

Agent Location Name:

Street Address:

City: State/Province: Country: Postal Code:

Agent Location Name:

Street Address:

City: State/Province: Country: Postal Code:

Agent Location Name:

Street Address:

City: State/Province: Country: Postal Code:

Agent Location Name:

Street Address:

City: State/Province: Country: Postal Code:

For additional Agent locations, please copy this page and add accordingly.