

## Anti-Money Laundering (AML) Compliance Program Guide

### Instructions

This AML Compliance Program guide contains policies and procedures to help your business comply with United States Federal and state specific Anti-Money Laundering (AML) and Prevention of Terrorist Financing Regulations.

**In order for this document to be considered an adequate AML program, you must:**

- Provide all, but not limited to, Agent specific data, policies, and procedures as a result of the AML Compliance Program requirements provided in this section
- Return all completed required forms per instructions from your MoneyGram representative providing your AML Program overview
- Monitor all transactions continually and report suspicious activity as prescribed in this Program Guide and in the *MoneyGram Agent Compliance Training Resource*
- Review and update this document on a periodic basis to ensure that the contents and procedures are current and reflect actual business practices



### Action Required:

***ALL pages in this section that contains the ACTION REQUIRED: notation above must be completed and submitted in one packet to the location indicated by the MoneyGram representative providing the overview of your AML Compliance Program. YOU SHOULD MAKE A COPY OF THESE PAGES and replace this in this section of the MoneyGram Agent Compliance Training Resource.***

MoneyGram Representative: Please do not accept ANY forms unless all forms are submitted together.

### Legal Disclaimer

***Although this document contains legal information, it is not intended to be, nor should it be considered legal advice.***

For legal advice, including the interpretation and application of any law, please consult an attorney.

## ADOPTION OF ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM

\_\_\_\_\_  
Name of Business/Agent

to be known herein as the 'Agent', hereby certifies and adopts the policies and procedures contained in this document where the Agent is acting in such capacity described within, as its **Anti-Money Laundering (AML) Compliance Program**.

\_\_\_\_\_  
Authorized Name\* (Print)

\_\_\_\_\_  
Agent Business Title

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

*\*Must be individual who has authority to function as Compliance Officer or assign the Compliance Officer role to an employee.*

### STATEMENT OF POLICY

1. The Agent supports the fight against money laundering and terrorism by adopting this AML Compliance Program to prevent the Agent's financial services from being used to promote such criminal activity.
2. The Agent will fully comply with both the intent and letter of all laws and regulations relating to AML, the prevention of terrorist financing and economic sanctions (including, but not limited to the Bank Secrecy Act, the USA PATRIOT Act, the Office of Foreign Assets Control, and state specific AML Regulations).
3. The Agent will train business employees to comply with these laws and regulations.
4. Every employee of the Agent who conducts or is involved in a Money Service Business (MSB) operations is required to understand and comply with the contents of this document.
5. **A copy of this AML Compliance Program will be kept at each location conducting money services, in a place that is accessible to employees conducting MSB transactions.**



#### **Action Required:**

**Please complete fields above and include this page with RETURNED FORMS packet.**

## THE COMPLIANCE OFFICER

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Name of Person \_\_\_\_\_

Title \_\_\_\_\_

is hereby designated as the **Anti-Money Laundering Compliance Officer**.

### COMPLIANCE OFFICER RESPONSIBILITIES

The Compliance Officer's (as well as senior management's) responsibilities include:

- Determine if Agent is required to register as a Money Service Business (MSB), as outlined in the **MSB REGISTRATION** section of the *MoneyGram Agent Compliance Training Resource*.
- Ensuring ongoing compliance with Federal and state specific AML regulations
- Implementing, reviewing, and updating this AML Compliance Program as necessary due to changes in laws or regulations and ensuring that all affected employees have been advised of these changes
- Ensuring all employees are trained on AML compliance requirements before conducting MSB transactions
- Ensuring ongoing AML training is conducted in an effective manner for all appropriate employees
- Ensuring all training is documented, including the date of the training, name of the trainer/trainee and topics discussed
- Monitoring day-to-day compliance with the related laws and regulations
- Ensuring accurate record keeping and reporting as mandated by the BSA and state specific regulations
- Ensuring that the AML Compliance Program is subjected to periodic independent reviews
- Cooperating with law enforcement and MoneyGram on AML reviews, audits and investigations

### TRANSACTION MONITORING

The Compliance Officer must also establish procedures to monitor and review all transactions involving money orders and money transfers (if conducted by Agent's business) to better identify those transactions that might be suspicious, high-risk, or otherwise out-of-the ordinary, and may require special record keeping or reporting

Transaction monitoring should include reviewing all MSB transactions that might also identify the same or related customers conducting multiple transactions in a short period of time.

**Please see the MONITORING section of the *MoneyGram Agent Compliance Training Resource* for the monitoring tool to conduct this described requirement.**

**All transactions and customer activity that appears to be abnormal or suspicious must be reported.**



#### **Action Required:**

***Please complete fields above and include this page with RETURNED FORMS packet.***

## **INDEPENDENT REVIEW OF AGENT'S AML COMPLIANCE PROGRAM**

The Agent **MUST** arrange for a periodic independent reviews of its AML Compliance Program. This is required by Federal AML Regulations.

- The Independent Review will be conducted by a person or persons who are knowledgeable about the AML requirements that apply to MSBs.
- The Agent's Independent Review cannot be conducted by the Agent's designated Compliance Officer, a person reporting to the Compliance Officer, or any MoneyGram representative.
- A guide is provided for the Independent Review in the **INDEPENDENT REVIEW** section of the **MoneyGram Agent Compliance Resource**



### **Action Required:**

***The Agent Compliance Officer will ensure an INDEPENDENT REVIEW of the Agent's AML Compliance Program is conducted per the schedule below:***

- Once every 6 months
- Once a year
- Other : Note: How often your anti-money laundering program should be reviewed depends on the compliance risks specific to your business. Reviews should, at a minimum, be once a year. However, more reviews may be required, if applicable.

(Explain):

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## EMPLOYEE TRAINING REQUIREMENTS

Training must be provided to all employees (new and existing) before conducting MSB transactions, and, at a minimum, must include:

- Review of all requirements in this AML Compliance Program
- Understanding and recognizing money laundering and fraud
- Recognizing elderly/senior targeted fraud
- Verifying customer identification
- All relevant transaction processing requirements
- Identifying suspicious activity and structured transactions
- Reporting requirements related to all transactions
- Recordkeeping requirements

Additional training should be provided regularly to all employees based on, but not limited to, changes in government regulations, your Compliance Program requirements, or MoneyGram procedures and policies.

You should also train and test employees to confirm that they are compliant with the overall requirements of your Compliance Program.

All training must be documented and retained in employee personnel files, other related AML files, or with the *Training Log* in the **TRAINING RECORDS** section of the *MoneyGram Agent Compliance Training Resource*.

An employee should also receive additional AML training in the event of a performance issue related to an AML incident.

**Section 1** of this Agent Compliance Training Resource can be used to help train employees. Additional employee and Compliance Officer training is available at [www.moneygramu.com](http://www.moneygramu.com).



### **Action Required:**

***The Agent Compliance Officer will ensure each Agent employee will receive training before processing transaction and additional AML training per the schedule below:***

- Every Month
- Once every 6 months
- Once a Year
- Other: *(As necessary to meet requirements outlined above.)*

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## KNOW YOUR CUSTOMER (KYC) PROCESS

One of the most effective ways to protect your business from becoming the victim of financial crimes starts with confirming the identity of your customers and knowing with whom money service transactions are being conducted. To avoid processing transactions that could put the Agent at risk, the Agent will implement a **'Know Your Customer (KYC)'** process that includes, but is not limited to:

- Requesting and documenting required customer information **before** processing transactions. Must include: **type of ID, the ID number, and regulatory agency issuing ID**
- As required by Federal or State regulations, only accepting valid, government issued photo ID documents, such as a driver's license, passport or alien identification card that contains the customer's name, address and photograph
- Ensuring data recorded is **accurate and concise**
- Monitoring customer transaction activity continually

## VALIDATING PHOTO IDENTIFICATION (Photo Required)

- The photo ID must be issued by a legitimate government agency with an expiration date
- The customer's name and likeness must match the information and picture on the photo ID.
- If the customer is not a resident of the U.S., he / she must present a passport, alien identification card or other official document evidencing nationality or residence.
- The Agent must not accept any form of identification that has expired or appears to be altered or fabricated.

## ACCEPTABLE FORMS OF CONSUMER ID (but may not be limited to:)

### US Citizens/Residents

- Driver's License (State or Territory)
- State ID
- Legal Driver's License
- Passport
- US Military Card
- Native American Tribal ID
- Welfare ID
- Inmate (Exit Prison) ID
- Resident Alien Card
- Seafarer ID\*
- Other \_\_\_\_\_

### Non-US Citizens/Residents

- Passport
- Border Crossing Card (US Dept. of Justice)
- Temporary Resident Card (US Dept. of Justice)
- Employment Authorization Card (US Dept. of Justice)
- Mexican Electoral Card
- Certificado de Matricula (Matricula Consular)
- Seafarer ID\*
- Other \_\_\_\_\_

*\* If this ID is not issued by the government, a photocopy of a government issued photo ID should also accompany the Seafarer ID.*

## CASH PURCHASE OF MONEY ORDERS

If the same consumer purchases \$3,000 or more in money orders, using cash, in the same day, even if purchased at different times of the day, you **MUST** obtain and record the following consumer transaction information on a Money Order Log **BEFORE** completing the transaction(s):

- Name and Address of **location** where money order was purchased
- Name and Address of **consumer** purchasing the money order
- Date the consumer purchased the money order
- Occupation/Job of consumer purchasing money order
- Social Security Number or Tax ID. Number of consumer purchasing money order

*If the consumer is **not** a resident of the U.S., a passport, an alien identification card or other official document must be presented that will provide evidence of the consumer's nationality or residence.*

- Date of Birth of person purchasing the money order
- Type of valid government issued photo ID provided (*i.e. TX Drives License*) and number on ID
- **TOTAL amount of ALL money order purchased by the consumer**
- Serial number(s) of **EACH** Money order  
(*Has to be all digits. Using characters such as "XXX" to bypass this requirement is not allowed.*)
- Amount of **EACH** money order purchased

All information must be obtained from the customer and documented **BEFORE** processing the transaction on the MoneyGram system.

All Logs should be accessible to all employees who sell money orders. Completed Logs must be kept in the store for five (5) years.

*Transactions that are structured at or below AML Compliance limits should be considered suspicious activity and a SAR should be E-Filed at [www.fincen.gov](http://www.fincen.gov).*

**ARIZONA AGENTS:** MoneyGram limits single-issue money order purchases made in Arizona to no more than \$950. In other words, a customer may not purchase a single-issue money order with a face value greater than \$950. Be aware: The State of Arizona requires agents to collect and record personal identification information from consumers who use cash to purchase single-issue money orders for \$1,000 or more.

### Total Amounts More Than \$10,000

Amounts more than \$10,000 also require a CTR to be E-Filed at [www.fincen.gov](http://www.fincen.gov). Information must also be recorded on the Money Order Transaction Log as detailed above.

Blank logs are provided in the **MONEY ORDER LOG** section of the **MoneyGram Agent Compliance Training Resource** or may be obtained online at <http://corporate.moneygram.com/compliance/us-agents>

***The Agent is solely responsible for ensuring money order limits are enforced and retains the right to refuse to process any transaction that appears suspicious.***

## **PROCESSING SEND TRANSACTIONS**

**BEFORE** processing any MoneyGram money transfer send transaction, the Agent employee must completely and accurately enter all required customer information into the MoneyGram money transfer system.

The Agent may require a customer to provide additional identifying information **BEFORE** completing any money services transaction depending on the type, amount, or circumstances surrounding the transaction.

### **CONFIRMING THE CONSUMER ID INFORMATION:**

**BEFORE** processing any MoneyGram money transfer send transaction, the Agent employee must:

- Confirm the consumer is using a valid, government issued photo ID (see Acceptable Forms of ID page)
- Confirm that the consumer name provided matches the name on the consumer ID

### **RECORD THE APPROPRIATE CONSUMER ID INFORMATION :**

Please reference the Consumer ID Requirements posted on the MoneyGram Counter Express Resource and in the MoneyGram Agent Compliance Resource Binder under Section 1.

If a customer refuses to provide any information required by Federal and/or state specific AML Regulations, the Agent **CANNOT** process the transaction

*Transactions that are structured at or below AML Compliance limits should be considered suspicious activity and a SAR **MUST** be E-Filed.*

***The Agent is solely responsible for ensuring money transfer send limits are enforced and retains the right to refuse to process any transaction that appears suspicious.***



## **PROCESSING MONEY TRANSFER RECEIVE TRANSACTIONS**

**BEFORE** conducting any MoneyGram money transfer receive transaction, the Agent employee will completely and accurately enter all required customer information into the MoneyGram money transfer system to process the transaction.

For all **RECEIVE** money transfers, *regardless of amount*, you **MUST CONFIRM THE CONSUMER'S IDENTITY.**

**ARIZONA AGENTS:** *There is a \$499.99 limit on money transfer receives for one person IN A SINGLE BUSINESS DAY. Arizona Agents must identify all customers receiving multiple transactions lower than this amount on the same day as this could be an attempt to structure transactions and should be considered suspicious activity and reported accordingly as outlined in this Agent training resource and local regulation.*

The Agent employee **MUST** require a customer to provide personally identifying information **BEFORE** completing any money services receive transaction.

Please reference the Consumer ID Requirements posted on the MoneyGram Counter Express Resource and in the MoneyGram Agent Compliance Resource Binder under Section 1.

If a customer refuses to provide any information required by Federal and / or state specific AML Regulations, the Agent **CANNOT** process the transaction

*For all RECEIVE money transfers, regardless of amount, you MUST CONFIRM THE CONSUMER'S IDENTITY. When recording ID information, you must also indicate the type of ID and the corresponding number on the ID. The use of test questions and acceptable answers are permitted for money transfers up to \$899 if the beneficiary does not have acceptable photo identification (where allowed by law or applicable). Identification details or the answer to the test question must be documented for RECEIVE transactions.*

*Transactions that are structured at or below AML Compliance limits should be considered suspicious activity and a SAR **MUST** be E-Filed*

***The Agent is solely responsible for ensuring money transfer receive limits are enforced and retains the right to refuse to process any transaction that appears suspicious.***

## Maintenance of Records

### Data Policy

As an agent, you must safeguard nonpublic personal information. You may only ask for and collect the personally identifying information that is necessary to complete the transaction.

In accordance with the *Federal Trade Commission's Gramm-Leach-Bliley Act Safeguards Rule*, you are required to maintain appropriate safeguards for nonpublic personal information, including having written policies in place regarding the collection and disclosure of consumer information considered to be "nonpublic personal information" and designating an employee or employees to coordinate your information security program. Please reference the **FTC website** for additional help to create your information security program: [www.business.ftc.gov/privacy-and-security](http://www.business.ftc.gov/privacy-and-security)

Other tips include, but are not limited to:

- Avoid loudly referencing identification data such as addresses, telephone numbers, social security number, etc. where others can hear what you are saying
- Never show the MoneyGram system monitor screen to any consumer.
- Any notes, forms, logs or other documents containing a consumer's nonpublic personal information must be shredded before disposing of the documents.

### Record Retention

All record keeping and reporting documentation required by the Bank Secrecy Act (BSA) and state specific regulations will be maintained for a minimum of five (5) years and they will be made readily available to the U.S. Treasury Department and/or representatives from other government officials upon legitimate request.

**Receipts for all transactions of \$3,000 or more are required by law to be stored and accessible for a minimum of five (5) years.**

**Arizona** law requires all documents for ANY TRANSFER AMOUNT be retained for five (5) years.

**Oklahoma** law requires all documents for transfers of \$1,000.00 or more be retained for five (5) years.

### Consumer Privacy

In accordance with the Privacy Act, you must protect consumers' personal and private information. All documents that contain consumers' private and personal information will be stored in a secure location. If you wish to legally discard any MSB/MoneyGram related documents, the documents must be completely destroyed prior to disposal.

*Note: If the Agent keep receipts produced from a MoneyGram thermal printer, a copy should be made of those receipts as a back up in the event thermal ink fades from actual receipts.*

## **GOVERNMENT WATCH LISTS**

The Agent is an agent of MoneyGram which has computer programs that review all money transfer senders and receivers against the government watch lists, as prescribed by OFAC. The Agent may rely on MoneyGram to conduct the initial review of MoneyGram money transfer sender and receiver names. The Agent must then follow MoneyGram's instructions in order to prevent any unauthorized payout or refund.

## **COMPLIANCE TO GOVERNMENT LAW ENFORCEMENT**

### **Authority to Summon Testimony and Records**

Government regulators and law enforcement agencies may seek information and records from time to time. Any person associated or connected with the Agent who receives or is served with a summons, subpoena or court order related to MoneyGram business should immediately contact the MoneyGram Compliance Department for assistance at **1-800-444-3010 and select Option 7.**

The Agent will assist these entities in their investigations, provided the request(s) is / are conducted in a lawful manner. Furthermore, government agents are not permitted to use their summons authority to go on unwarranted “fishing” expeditions in our records. Employees should not feel pressured by government agents to release customer or company information without first receiving a proper summons, subpoena or court order.

Per FinCEN regulation, any person subpoenaed or asked to disclose a SAR or the information contained in it, except where the request is by an appropriate law enforcement or supervisory agency, **must not** produce the SAR or provide any information that would disclose that a SAR has been prepared or E-Filed. In addition, the Financial Crimes Enforcement Network (FinCEN) should be notified immediately of any such request at [www.fincen.gov](http://www.fincen.gov).

### **Civil and Criminal Sanctions**

Any person who sells, offers and / or processes money orders and / or money transfers must be aware that he / she is responsible if the business and / or employee is willfully blind to suspicious activity or knew information that he / she “should have known” was suspicious.

The penalties for violating Federal and / or state specific AML regulations are severe, and under certain circumstances, could be assessed against a business and / or business employees.

***Any employee that violates these policies and procedures, either unknowingly or intentionally may be subject to disciplinary action, including but not limited to, termination of employment, civil fines and criminal punishment.***