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MEDIA ALERT

"Utah Division of Consumer Protection signs national \$5M Settlement Agreement with Western Union over wire transfer scams"

"Utah consumers may receive restitution for fraudulent transfers in related \$586M Federal Trade Commission case with Western Union through U.S. Department of Justice"

(For immediate release...)

SALT LAKE CITY, Utah - Francine A. Giani, Executive Director of the Utah Department of Commerce, announced today that the Division of Consumer Protection has signed on to a \$5M multi-state settlement with Western Union resolving a national investigation which focused on complaints by consumers who used the company's wire transfer service to send money to third parties involved in schemes to defraud consumers. The \$5M Settlement Agreement was signed by Utah along with 48 other states and the District of Columbia. In a separate but related court case, Western Union settled with the Federal Trade Commission and U.S. Department of Justice for \$586M over claims related to fraud-induced transfers that was announced January 19, 2017. According to data obtained from Western Union, 3,790 Utah consumers filed complaints alleging over \$4.6M in fraudulent wire transfers. Those Utah consumers and others may be eligible for restitution through the \$586M settlement fund with the U.S. Department of Justice.

"Consumer scams using money wire transfers have been targeting Utah citizens for years with no hope for refunds," stated Francine A. Giani, Executive Director, "These Western Union settlement agreements are great news for Utah consumers who lost their hard earned money to fraudulent schemes where there was no viable recourse."

Criminals have used the business reputation and wire services of Western Union to conduct schemes across the country. Some of the common scams involving wire transfers are: lottery and contest scams in which consumers are told they have won a large sum of money but must first wire money to pay required taxes or fees before receiving their winnings, grandparent scams in which a consumer believes his or her loved one is in immediate danger and needs money right away, and romance scams in which someone poses as a love interest and then soon begins asking consumers to send money for various reasons, such as medical emergencies, car accidents, muggings, emergency travel, etc.

“In addition to paying Utah consumers for lost funds, Western Union pledged to tighten money transfer controls which will help protect the public at large from future fraud,” stated Daniel O’Bannon, Division Director.

The FTC \$586M settlement requires Western Union to develop and put into action a comprehensive anti-fraud program designed to help detect and prevent incidents where consumers who have been the victims of fraud use Western Union to wire money to scam artists.

That anti-fraud program, which Western Union has agreed to evaluate and update as warranted, includes the following elements:

- Anti-fraud warnings on send forms that consumers use to wire money;
- Mandatory and appropriate training and education for Western Union’s agents about fraud-induced wire transfers;
- Heightened anti-fraud procedures when warranted by circumstances such as increased fraud complaints;
- Due diligence checks on Western Union agents who process money transfers;
- Monitoring of Western Union agent activity related to prevention of fraud-induced money transfers;
- Prompt and appropriate disciplinary action against Western Union agents who fail to follow required protocols concerning anti-fraud measures.

Consumer seeking information about the Western Union restitution is available here: <https://www.justice.gov/criminal-mlars/remission>

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

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