

## AGREEMENT

Western Union Financial Services, Inc. (hereinafter referred to as “Western Union” or “the Company”) is a Colorado corporation with offices located in Greenwood Village, Colorado.

Western Union is a wholly-owned subsidiary of First Data Corporation, a Delaware corporation with offices also located in Greenwood Village, Colorado.

The signatories to this Agreement include the States of Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, 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, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the District of Columbia (hereinafter “the States”)<sup>1</sup>; and Western Union.

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<sup>1</sup> This Agreement shall be binding upon Western Union. In the event that a State believes that there has been a material breach of the terms and conditions of this Agreement, such State, acting through its Attorney General, may seek enforcement of the Agreement pursuant to the laws cited below, *provided that* the State notifies Western Union in writing in advance of filing any enforcement action and gives Western Union at least sixty (60) days or a reasonably practicable period to cure the claimed breach. However, (i) nothing in this Agreement shall be construed as authorizing any person or entity other than a State acting through its Attorney General to enforce or seek remedies under this Agreement or as the result of this Agreement or a breach thereof; (ii) the State’s remedies in any enforcement action shall not include any criminal sanctions; and (iii) this Agreement and all negotiations, statements, and proceedings in connection therewith shall not be construed as or deemed to be evidence of an admission or concession on the part of Western Union of any violation of law, liability or wrongdoing by it, and shall not be offered or received in evidence in any action or proceeding, or used in any way, as an admission, concession or evidence of any violation of law, liability or wrongdoing of any nature on the part of Western Union. Nothing in this Agreement shall be construed to preclude any State from bringing an action against Western Union under the laws cited below which is not based upon a breach or violation of this Agreement. The laws referenced above are cited as follows: Ala. Code § 8-19-1 *et seq.*; Alaska Stat. § 45.50.471 *et seq.*; Ariz. Rev. Stat. Ann. § 44-1521 *et seq.*; Ark. Code Ann. § 4-88-101 *et seq.*; Colo. Rev. Stat. § 6-1-101 *et seq.*; Conn. Gen. Stat. § 42-110j *et seq.*; Del. Code, Ann. tit. 6 §§ 2511 *et seq.* and 2531 *et seq.*; D.C. Code § 28-3901 *et seq.*; Ga. Code Ann. § 10-1-390 *et seq.*; Haw. Rev. Stat. §§ 480-1 *et seq.* and 481A-1 *et seq.*; Idaho Code § 48-601 *et seq.*; 815 Ill. Comp. Stat. Ann. §§ 505/1 *et seq.*; Ind. Code, Ann. § 24-5-0.5-1 *et seq.*; Iowa Code Ann. § 714.16; Kan. Stat. Ann. § 50-623 *et seq.*; Ky. Rev. Stat. § 367.110 *et seq.*; La. Rev. Stat. Ann. § 51:1401 *et seq.*; 5 Me. Rev. Stat. Ann. § 205-A-214; Md. Code Ann., Com. Law § 13-101 *et seq.*; Mass. Gen. L. ch. 93A § 1 *et seq.*; Mich. Comp. Law Ann. 445.901 *et seq.*; Minn. Stat. §§ 3235F.69, subd. 1; 325D.44, subd. 1; 8.31 (2004); Miss. Code Ann. § 75-24-1 *et seq.*; Mo. Rev. Stat. § 407.010 *et seq.*; Mont. Code Ann. § 30-14-101 *et seq.*; Neb. Rev. Stat. §§ 59-1601 *et seq.*, 87-301 *et seq.*; Nevada Revised Statutes, NRS 598.0903 *et seq.*; N.H. Rev. Stat. Ann. § 358-A:1 *et seq.*; N.J. Stat. Ann. § 56:8-1 *et seq.*; N.M. Stat. Ann. § 57-12-1 *et seq.*; N.Y. Exec. Law §§ 63(12) and 63(15) and General Business Law § 349; N.C. Gen. Stat. § 75-1.1 *et seq.*

Western Union offers money transfer services by wire at over 40,000 locations in the United States and over 195,000 locations around the world, including supermarkets, gas stations, drug stores and other businesses.

Western Union's agents are not employed by Western Union but, as independent contractors, have entered into contractual agreements with Western Union and its subagents have contracted with agents.

In many foreign countries Western Union's agents enter into agreements with additional locations (hereinafter referred to as "subagents" or "agents") entitling the subagents to send and receive money transfer transactions.

Over the past several years, fraudulent telemarketers in and outside the United States, through unfair and deceptive practices in violation of state and federal law, have induced many American consumers to use a number of methods to send them money, including wire transfers via Western Union and other money transmitters (referred to hereinafter as the problem of "fraud-induced transfers").

Among the consumers who have lost money through these fraud-induced transfers are senior citizens who are victims of contest and lottery scams, and people of limited financial means who are victims of advance-fee credit card and loan scams.

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N.D. Cent. Code § 51-15-01 *et seq.*; Ohio Consumer Sales Practices Act, R.C. 1345.01 *et seq.* (and specifically R.C. 1345.06(F) and R.C. 1345.07(F)); Okla. Stat. Ann. tit. 15, § 751 *et seq.*, and tit. 78, § 51 *et seq.*; Or. Rev. Stat. § 646.605 *et seq.*; R.I. Gen. Laws § 6-13.1-1 *et seq.*; S.C. Unfair Trade Practices Act, §§ 39-5-10 *et seq.*, specifically § 39-5-60; S.D. Codified Laws Ann. § 37-24-1 *et seq.*; Tenn. Code Ann. § 47-18-101 *et seq.*; Tex. Bus. & Comm. Code Ann. § 17.58 *et seq.*; Utah Code Ann. §§ 13-2-1, 13-5-1 and 13-11-1 *et seq.*; 9 Vt. Stat. Ann. §§ 2451 *et seq.*; Va. Code § 59.1-196 *et seq.*; Wash. Rev. Code Ann. § 19.86.010 *et seq.*; W. Va. Code § 46A-6-101 *et seq.*; Wis. Stat. § 100.18(11)(e); Wyo. Stat. § 40-12-101 *et seq.* In this Agreement, the State of Georgia is represented by its Office of the Governor, Office of Consumer Affairs. With respect to the State of Hawaii, an enforcement action under this Agreement may be taken by that State's Office of Consumer Protection. The State of Minnesota, by its Attorney General, does not join in paragraph 3 of this Agreement.

Western Union and the States are committed to protecting consumers from fraud-induced wire transfers through a program that includes prominent consumer warnings at Western Union retail agent locations, nationwide consumer education, agent training, closure of problem agent locations, interdictions of high-risk transfers, and sharing of complaint information with the States.

To further these ends, Western Union and the States have entered into this Agreement and have agreed as follows:

1. *Effective Date.* This Agreement will be effective from the date of signing (the “Effective Date”) and, unless otherwise noted, the actions by Western Union described in this Agreement will continue for five (5) years from such Effective Date.

2. *Consumer warning.* Subject to regulatory approval only for those States that require such approval, Western Union will include a consumer fraud warning in the same form, and using the same format, as the example that is set out in Exhibit 1 hereto. Such warning will appear on the front page of all person-to-person<sup>2</sup> money transfer “To Send Money” paper forms utilized by individual consumers to initiate money transfers from the United States for pick up at any agent location (currently called Send Forms), except locations in Mexico. While Western Union’s portion of the front page of the Send Form will be dedicated to marketing information designed to encourage the use of Western Union’s products and services, the text of these marketing messages will not contradict the information in the warnings. In the event that there are substantial changes in the prevalent types of fraud-induced transfers or methods being used to initiate such transfers, Western Union or the States may suggest revisions to the wording of the warning, and the parties will discuss such suggestions in good faith, taking into account both the

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<sup>2</sup> Person-to-person money transfer services do not include money transfers initiated by consumers making payments to various retailers to whom, after background checks, Western Union has agreed to provide services. However,

nature and significance of the revisions and the ways in which the cost of any such revisions may be minimized (such as by coordinating revisions with the reprinting of stocks of forms); but the degree of prominence of the consumer warning contained in Exhibit I will not be diminished. Western Union will ship the new Send Forms to virtually all agents located in the United States within three (3) months of the Effective Date, except that in those States that require regulatory approval, said time frame may be extended to account for the regulatory approval, *provided that* Western Union will seek such approval promptly and respond to any requests for information needed to complete the approval process in a timely manner.

In addition, Western Union will ensure that individuals in the United States who initiate money transfers via telephone or Internet for pickup at any agent location, except locations in Mexico, will receive substantially the same information—over the telephone or online, respectively—as set forth in the consumer warning provided for in this paragraph. The Company will make these warnings available to such Internet and telephone customers in English and Spanish within thirty (30) days of the Effective Date.

3. *Consumer education.* For the purpose of educating American consumers to the dangers of fraud-induced wire transfers and how to avoid them, Western Union will fund consumer education program(s) valued at least eight million one hundred ninety thousand dollars (\$8,190,000) which program(s) are acceptable to the States and contain such controls and performance standards as Western Union and the States may agree. The specifics of those program(s) will be the subject of separate agreement(s) between Western Union and The AARP Foundation (the “Service Provider”), which agreement(s) will be subject to approval by the States. Western Union agrees that any determinations regarding the compliance by the Service

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person-to-person money transfers do include money transfers sent by a consumer directly to an individual’s bank account.

Provider with the terms of the Service Provider agreement will be made only with the concurrence of the States. Western Union further agrees that if the Service Provider is unable or unwilling to comply with the terms of its agreement with Western Union or the program is otherwise terminated, Western Union will apply the remaining funds to a consumer education program provided by another entity selected by Western Union and the States to become the service provider. The failure by Western Union to provide the above-described funds in a timely manner as set forth in the Service Provider agreement, and in this case, to The AARP Foundation, shall be deemed a breach by Western Union of this Agreement.

4. *Reimbursement to consumers.* In addition to any other reimbursement policy or practice that the Company may have, within sixty (60) days of the Effective Date, Western Union will commence reimbursing the principal amount of a consumer's money transfer initiated from the United States subsequent to the Effective Date and any associated transfer fees whenever a consumer-transferor or his or her authorized representative (a) asks Western Union or one of its agents to reverse the transfer before the money transferred has been picked up,<sup>3</sup> and (b) reasonably claims that the transfer was fraudulently induced. In such situations, Western Union (or its agent) will not pay out the transferred funds until such time as Western Union makes a good faith determination as to whether the consumer is reasonably claiming that the transfer was fraudulently induced. If Western Union determines that the consumer is reasonably claiming that the transfer was fraudulently induced, reimbursement will be made to the consumer pursuant to the terms set forth in this paragraph.

In addition, Western Union will continue its current practice of reimbursing money transfer fees in selected hardship cases.

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<sup>3</sup> A person-to-person money transfer sent by a consumer directly to an individual's bank account cannot be reversed once the transaction has been sent outside of Western Union's proprietary system.

5. *Emails to agents.* Within thirty (30) days of the Effective Date, Western Union will circulate to its agents in the United States at least once a month an electronic message designed to highlight the issue of fraud-induced transfers and/or new developments relating to such transfers. Said messages will be prominent and will appear on the agent's computer or terminal screen in such a way that the agent must click a mouse in order to move to another screen display; *provided that* this paragraph will apply only to those agent locations that have the technical capability to receive such messages.

6. *Revision of agent training video.* Western Union has revised its agent training video to include a discussion of fraud-induced transfers, and explain how agents may recognize victims of such fraud. This information will remain part of the agent training video, although it may be updated from time to time. Commencing within sixty (60) days of the Effective Date, Western Union will make the revised video available to all new agents in the United States as part of their training. Additionally, commencing within sixty (60) days of the Effective Date, the Company's agent network management personnel will commence delivering the video to U.S. agents during regularly scheduled agent visits. The Company will ensure that the video is delivered to two-thirds (2/3) of United States agents by volume of transactions within six (6) months of the Effective Date, and to virtually all such agents within twelve (12) months of the Effective Date.

7. *Revision to Agency Reference Guide.* Western Union will revise its Agency Reference Guide substantially in the manner set forth in Exhibit 2 to expand that document's coverage of the problem of fraud-induced transfers, explain how agents may recognize victims of fraud, and describe the procedure by which a consumer fraud victim may request and receive reimbursement as described in this Agreement. This information will remain part of the Agency Reference Guide, although it may be updated from time to time, and Western Union will, within three (3) months of the Effective Date, make the revised portion of the Agency Reference Guide

available to virtually all agents in the United States, initially with a cover letter noting the changes described in this paragraph.

8. *Agent training.* Western Union will, within sixty (60) days of the Effective Date, commence a program of person-to-person or telephone training at agent locations known to have a materially elevated level of outgoing or incoming fraud-induced transfers sent from the United States and received anywhere except Mexico. For the purpose of this paragraph and the next, the term “materially elevated level” will be determined in good faith by Western Union, taking into account the number of incidents of fraud-induced transfers handled by a given agent or subagent location in relation to the total number of transfers handled by the location, any fraud-related information received from consumers, law enforcement officials and other Western Union agents, and any other fraud-related information deemed relevant by Western Union. Western Union will enhance its program to identify agents or subagents who have materially elevated levels of fraud-induced transfers at their locations.

9. *Closure of locations.* Western Union will terminate those of its agents, subagents or locations, as the case may be, who are complicit in fraud-induced transfers or who knowingly ignore such fraud, or, if certain employees of the agent or subagent are the complicit or knowingly ignoring parties, insist upon termination of such employees as a condition to continued agent or subagent status. Western Union will review the transactions of agents with materially elevated levels of fraud, provide added anti-fraud training as necessary, and give appropriate guidance; and will then monitor the agents’ or subagent’s transactions. If such an agent or subagent fails to take commercially reasonable steps (which may include suspension or termination of certain employees) which are requested by Western Union to reduce the fraud, Western Union will suspend or terminate the agent or subagent or location.

10. *Blocking of transfers.* If a State informs the Company, in a reasonable format to be agreed upon by the parties, that there are grounds to believe that a fraud-induced transfer is occurring or will occur, Western Union will temporarily interdict identified money transfers from a specific United States consumer, or all money transfers of United States consumers to a specific recipient, wherever located, in order to prevent the completion of the transfer. Such a belief may be founded on information reported to the State by the consumer, his or her agent, a law enforcement or regulatory agency, or the Company itself. Western Union may resume the transfer if it contacts the consumer-transferor, provides reasonable anti-fraud information, and is instructed to complete the transaction. Western Union will also promptly notify an informing State when, if at all, the transfer is resumed.

11. *Sharing of complaint information.* Whenever a U. S. consumer advises or complains to Western Union that a money transfer has been induced by fraud or deception, the Company, where practicable, will seek the consumer's permission to share the complaint information with United States law enforcement officials, and will upon request of the appropriate Office of the Attorney General provide the available complaint information, promptly and in electronic form, to the Office of Attorney General in the State in which the consumer at issue resides and, if known, where the recipient is located; *provided that* Western Union may decline to provide this information if the consumer, directly or in response to a question from the Company, says that he or she does not want the information shared with law enforcement. By "available complaint information" is meant the following information relating to transactions from computer equipped agents which is regularly collected and stored in the Company's consumer fraud database: the name, address and telephone number of the transferor; the date and amount of the transfer; the designated recipient; the identification, if any, presented by the recipient of the transfer; the date and actual location of receipt; and the nature of the consumer's complaint. The Company is also

developing an enhancement to its consumer fraud database that will record the send location and the designated payout U.S. state or foreign country location. Western Union agrees to work, and is working, toward establishing an electronic link with a national complaint database acceptable to the States to include fraud-induced-transfer complaints received by Western Union. Once Western Union begins to transmit these complaints to said national database, Western Union may discontinue the electronic sharing of this data separately with the individual States, as long as the States have the ability to search specifically for Western Union complaints and download them from the national database.

12. *Identification of high-risk transfers.* Western Union will make good faith efforts expeditiously to develop, work toward, and improve its internal computerized system aimed at identifying transfers that are at a risk for fraud and to use that system to block transfers as appropriate, although no specific fraud-prevention results can be promised at this time.

13. *Anti-fraud staff.* During the term of the Agreement Western Union will increase the size of its anti-fraud staff as reasonably appropriate to achieve the goals described in this Agreement.

14. *Transfers to Mexico.* In the event that fraud-induced transfers to Mexico become a significant problem in the future, the parties to this Agreement will negotiate in good faith to extend the non-monetary provisions of this Agreement to include person-to-person transfers from the United States to Mexico.

15. *Reports to States.* Every six (6) months from the Effective Date, and for a period of five (5) years, Western Union will provide the States with a report of the actions it has taken to date in connection with the measures described in numbered paragraphs 1 through 14, above, and the parties will consult on the progress of the anti-fraud campaign described herein.

16. *Payment to States.* Western Union will contribute the sum of four hundred thousand dollars (\$400,000.00) to the Executive Committee States of Arkansas, Massachusetts, New Jersey, New York, North Carolina, Ohio, Texas, Vermont, Washington and Wisconsin. Western Union will make this payment within thirty (30) days of receiving written delivery instructions from the Executive Committee. The members of the Executive Committee will determine how this payment is to be divided among themselves. This \$400,000 payment will be used by the Executive Committee States as and for attorney's fees, costs of this matter, and/or any other purpose allowed by law, with each signatory Executive Committee State's Attorney General having sole discretion as to how that State's funds are used.

17. *Voluntary Cooperation.* Western Union is entering into this Agreement voluntarily and in a spirit of cooperation with the States to help prevent fraud induced transfers. Nothing in this Agreement will be construed as an admission of any violation of law on the part of Western Union.

WESTERN UNION FINANCIAL SERVICES, INC.

By:   
Name: Christina Gold  
Title: President

APPROVED AS FORM:

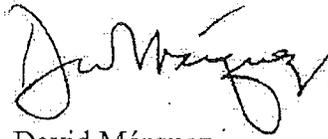
  
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For Western Union Financial Services, Inc.

  
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Washington, D.C. 20036  
For Western Union Financial Services, Inc.

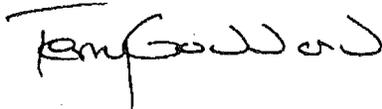
WUset20



Troy King  
Attorney General of Alabama



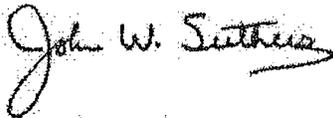
David Márquez  
Attorney General of Alaska



Terry Goddard  
Attorney General of Arizona



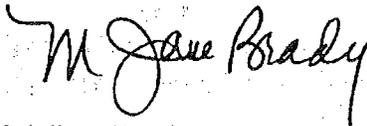
Mike Beebe  
Attorney General of Arkansas



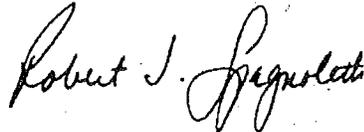
John Suthers  
Attorney General of Colorado



Richard Blumenthal  
Attorney General of Connecticut



M. Jane Brady  
Attorney General of Delaware

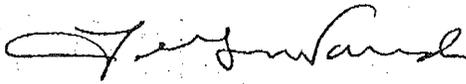


Robert Spagnoletti  
Attorney General of District of Columbia

(Signature Unavailable)  
Joseph B. Doyle, Administrator  
Georgia Gov Ofc Consumer Protection



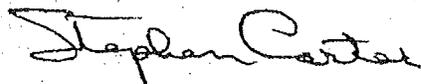
Steven Levins, Executive Director  
Hawaii Ofc Consumer Protection



Lawrence Wasden  
Attorney General of Idaho



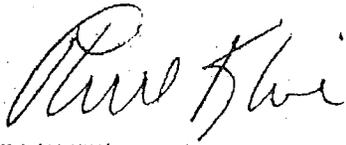
Lisa Madigan  
Attorney General of Illinois



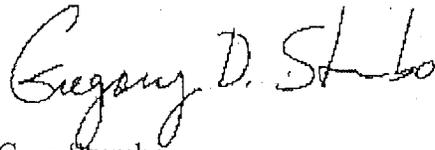
Steve Carter  
Attorney General of Indiana



Tom Miller  
Attorney General of Iowa



Phill Kline  
Attorney General of Kansas



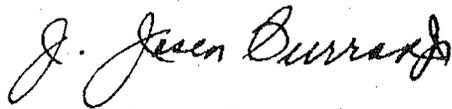
Greg Stumbo  
Attorney General of Kentucky



Charles Foti  
Attorney General of Louisiana



G. Steven Rowe  
Attorney General of Maine



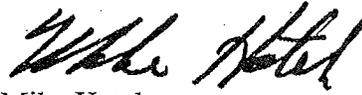
J. Joseph Curran, Jr.  
Attorney General of Maryland



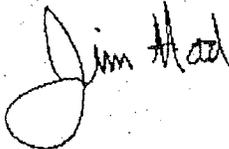
Tom Reilly  
Attorney General of Massachusetts



Mike Cox  
Attorney General of Michigan



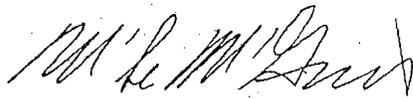
Mike Hatch  
Attorney General of Minnesota



Jim Hood  
Attorney General of Mississippi



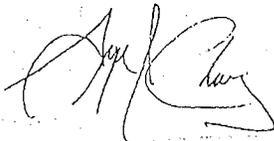
Jeremiah W. Nixon  
Attorney General of Missouri



Mike McGrath  
Attorney General of Montana



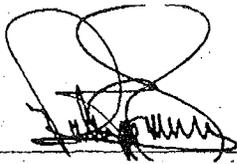
Jon Bruning  
Attorney General of Nebraska



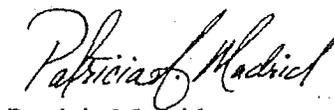
George Chanos  
Attorney General of Nevada



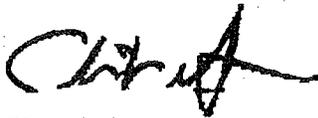
Kelly Ayotte  
Attorney General of New Hampshire



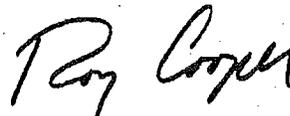
Peter C. Harvey  
Attorney General of New Jersey



Patricia Madrid  
Attorney General of New Mexico



Eliot Spitzer  
Attorney General of New York



Roy Cooper  
Attorney General of North Carolina



Wayne Stenehjem  
Attorney General of North Dakota



Jim Petro  
Attorney General of Ohio



W. A. Drew Edmondson  
Attorney General of Oklahoma



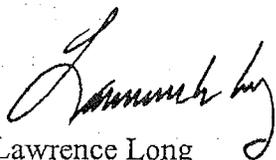
Hardy Myers  
Attorney General of Oregon



Patrick Lynch  
Attorney General of Rhode Island



Henry McMaster  
Attorney General of South Carolina



Lawrence Long  
Attorney General of South Dakota



Paul G. Summers  
Attorney General of Tennessee



Greg Abbott  
Attorney General of Texas



Mark Shurtleff  
Attorney General of Utah



William H. Sorrell  
Attorney General of Vermont



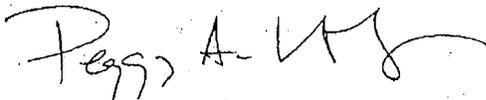
Judith W. Jagdmann  
Attorney General of Virginia



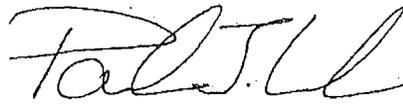
Rob McKenna  
Attorney General of Washington



Darrell V. McGraw, Jr.  
Attorney General of West Virginia



Peg Lautenschlager  
Attorney General of Wisconsin



Pat Crank  
Attorney General of Wyoming

**WESTERN  
UNION***To Send Money  
Para enviar dinero***HELP PREVENT CONSUMER FRAUD!**

- Are you sending money to claim lottery or prize winnings, or on a promise of receiving a large amount of money?
- Are you sending money because you were "guaranteed" a credit card or loan?
- Are you responding to an Internet or phone offer that you aren't sure is honest?
- Are you sending money to someone you don't know or whose identity you can't verify?

If so, ask the sales clerk to stop your transfer immediately, or call Western Union at 1-800-325-6000. If your money has not been picked up<sup>1</sup> yet, it will be returned to you.

**¡AYUDE A PREVENIR EL FRAUDE AL CONSUMIDOR!**

- ¿Está usted enviando dinero para reclamar ganancias de algún premio de lotería o cualquier otro premio, o bajo la promesa de recibir una gran cantidad de dinero?
- ¿Está usted enviando dinero porque le "garantizaron" que así obtendría una tarjeta de crédito o un préstamo?
- ¿Está usted respondiendo a una oferta por teléfono o por Internet que usted no está seguro sea legítima?
- ¿Está usted enviándole dinero a alguien a quien no conoce personalmente o cuya identidad no puede verificar?

De ser así, pídale al agente de ventas que suspenda la transferencia inmediatamente, o llame a Western Union al 1-800-325-4045. Si su dinero aún no ha sido recogido, le será devuelto.

◀ Important Consumer Information  
Información de Consumo Importante

**Use This Form  
To Send Money  
Around The World**

*Utilica esta forma  
Para enviar dinero  
todo el mundo*

**Thank you for choosing Western Union®.**  
*Gracias por escoger Western Union®.*

**IN ADDITION TO THE TRANSFER FEE, WESTERN UNION ALSO MAKES MONEY WHEN IT CHANGES YOUR DOLLARS INTO FOREIGN CURRENCY. PLEASE SEE ATTACHED PAGES FOR MORE INFORMATION REGARDING CURRENCY EXCHANGE. ADEMÁS DE LOS CARGOS POR EL SERVICIO DE TRANSFERENCIA, WESTERN UNION TAMBIÉN GANA DINERO CUANDO CAMBIA SUS DOLARES A MONEDA EXTRANJERA. POR FAVOR LEA EN LAS PAGINAS ANEXAS MAS INFORMACIÓN SOBRE EL CAMBIO DE MONEDA.**

"Fraud Warning": English: Body - 10.5 pt. font, Title - 11 pt. font Bold; Spanish: Body - 10.5 pt. font, Title - 11 pt. font Bold

"Use This Form...": English - 28 pt. font; "Use This Form..." Spanish - 22 pt. font

"Important Consumer Information": English arrow language - 16 pt. font; "Important Consumer Information" Spanish arrow language - 16 pt. font

On the version of the Send Form to be used for transfers to a bank account, rather than to a Western Union agent, the words "picked up" will be changed to "sent"

## EXHIBIT 2

### CONSUMER FRAUD

As a Western Union<sup>®</sup> Agent it is important for you to understand that there are scam artists throughout the world who will tell their victims that they *must* send money to them by wire transfer. Be aware of customers sending money to someone because they think they won a lottery or they were told this was the only way to pay for items they bought on the Internet. Also be aware of customers who are sending money because they were told they had to in order to guarantee them a grant, loan or credit card. The following information was prepared to assist you and your employees in recognizing consumer fraud. **Please photocopy and place in a conspicuous location the message appearing on page \_\_\_\_\_ for review by Western Union users.**

As you help consumers, the following tips may assist you in spotting situations where consumers may be at risk for being the victim of a scam:

#### SOME COMMON SCHEMES:

##### On-line Auction Scams

- Buyers are told they've bought something valuable, but the seller is unable to take any form of payment except wire transfer; seller never delivers merchandise after receiving payment
- Sellers receive payment via a certified check that is counterfeit
  - Check is made out for more than the purchase price
  - Seller is asked to send the difference back to the buyer as "change"
  - After change is sent, scammers' check bounces

##### Lottery, Sweepstake or Prize Scams (especially foreign lotteries, including Canadian Lotteries)

- Victims are falsely told they have won, or are about to win, a large prize or award
- Victims are told to send money to cover taxes, customs duties, cost of lottery tickets, insurance, etc., on all or part of the award in order to receive the prize or award
- But, legitimate sweepstakes companies will not tell winners to wire money in order to receive a prize or award
- In fact, no prize or award is ever delivered.

##### Advanced Payment Loan or Credit Card Scams

- Often targeted at people with bad credit
- May start as ad in paper - "Bad credit no problem - loans available by calling this telephone number."
- Consumer is told, "You are qualified, but you must send a fee to process your application/pay security deposit/pay insurance"
- No loan proceeds or credit card are issued

##### Emergency Needs Scams

- Scammers pose as police or hospital officials
- Falsely claim that customer's friend or loved one is in the hospital, in jail or dead
- Request money for bail, emergency medical treatment, or return of body

**Bogus Job Offers** – Victim is told to pay fee before being hired

**Investment Schemes** -- Scammers promise incredibly high returns in short period of time

**Foreign Official or Citizen Needing Help in Moving Money to U.S.**

- Customer receives email, fax or letter from foreign national seeking help
- Wants to move millions of dollars to U.S. and offers customer a percentage
- Asks customer to send money to cover initial costs
- Money is never transferred to the U.S.

**Guaranteed Government Grants**

- Victims are told they will receive a grant, must pay administrative fees first
- Victims never receive the promised grant

## **SOME COMMON CHARACTERISTICS OF FRAUD**

**Financial Risk**

- Victims are told they first must send cash to receive a “guaranteed” credit card, merchandise or prize
- Victims are told they must send money via wire transfer immediately
- Victims will be sending money to persons they have never met

**Fraudsters Misrepresent Western Union Services**

- To make a victim feel safe sending money by wire, the scam artist often gives the impression that Western Union will hold the money until a test question is answered or a control number is confirmed
- As you know Western Union is not an escrow service
- Test Questions or Control Numbers will not protect transactions or delay payment to the recipient.

**Customers are Told to Keep Transaction a Secret Because**

- Western Union might charge higher fees
- Government might tax their overseas sweepstakes award
- Robbers could target them if word gets out in the community

**Customers May Seem Unusually Excited or Cautious**

- Believe they will get something of great value soon (excitement, anticipation)
- Believe they **must** follow scammers’ instructions to the letter
- Often put special handling or pick-up instructions on To Send Money form
- May ask that Western Union hold transfer until they receive something
- May initiate conversations about transaction numbers or test questions (scammers tell their victims to make sure they obtain this information)
- May ask about delaying or timing the delivery of their funds to the recipient (to ensure they receive the prize or merchandise promised by the recipient)

**Customers May Send Money With Unusual Frequency**

- Once a victim has fallen for a scam, especially elderly victims of the lottery and prize

- scams, the scam artists will target them again and again
- Sometimes victims will mortgage their homes or go heavily into debt because the scam artists are so convincing about the need to keep sending money for fees or taxes to get a fabulous prize
  - By contrast, customers who often send money legitimately to family typically do so in regular intervals (e.g., payday)

**Note the Recipient's Name**

- Scammers may ask customer to list a famous person or fictional character as the recipient
- Scammers may ask customer to change recipient's name after transaction is initiated
- Scammers may ask customer to list a relative's name
- Customer may appear to be thinking up a name

**STEPS TO TAKE IF YOU SUSPECT THERE IS CONSUMER FRAUD:**

**1. Talk to Customer**

- Inform customer that "the transaction appears to be unusual"
- Alert customer to the types of fraud schemes by handing them the consumer alert brochure or pointing out the fraud warnings on the front of the "To Send Money" Form.
- Advise customer that if they suspect fraud and will stop the transaction immediately, they can get their money back.

**2. Call the Consumer Fraud Hotline (1- 800 325-6000)**

- Speak to a Western Union Fraud Hotline Representative
- Then invite the customer to speak with the Fraud Hotline representative

**3. Contact Local Law Enforcement or your State Attorney General's Office - Consumer Protection Division.**

[POSTER]

## **CONSUMER FRAUD ALERT - HELP WESTERN UNION STOP CONSUMER FRAUD - PROTECT YOUR HARD-EARNED MONEY!**

### **HELP PREVENT CONSUMER FRAUD!**

- Are you sending money to claim lottery or prize winnings, or on a promise of receiving a large amount of money?
- Are you sending money because you were "guaranteed" a credit card or loan?
- Are you responding to an Internet or phone offer that you aren't sure is honest?
- Are you sending money to someone you don't know or whose identity you can't verify?

If so, ask the sales clerk to stop your transfer immediately, or call Western Union at 1-800-325-6000. If your money has not been picked up yet, it will be returned to you.

### **¡AYUDE A PREVENIR EL FRAUDE AL CONSUMIDOR!**

- ¿Está usted enviando dinero para reclamar ganancias de algún premio de lotería o cualquier otro premio, o bajo la promesa de recibir una gran cantidad de dinero?
- ¿Está usted enviando dinero porque le "garantizaron" que así obtendría una tarjeta de crédito o un préstamo?
- ¿Está usted respondiendo a una oferta por teléfono o por Internet que usted no está seguro sea legítima?
- ¿Está usted enviándole dinero a alguien a quien no conoce personalmente o cuya identidad no puede verificar?

De ser así, pídale al agente de ventas que suspenda la transferencia inmediatamente, o llame a Western Union al 1-800-325-4045. Si su dinero aún no ha sido recogido, le será devuelto.

## FRAUD AGAINST WESTERN UNION

As a Western Union® Agent it is also important for you to protect yourself and Western Union from people who may try and steal money from Western Union. **Please review the following information and follow the instructions for every transaction.**

### SENDING TRANSACTIONS

- Sender must be present. **Do not** accept transactions over the telephone.
- Before a money transfer is sent, verify that you have received the proper amount of valid currency to cover the principal and fee.
- Western Union Customer Service Centers and Agents can make corrections to money transfer transactions (see instructions for making changes in the *Money Transfer Corrections and Refunds* section of this Guide). **Never** reenter a money transfer to make a correction.
- Protect account information. **Do not** divulge anything to anyone based on an incoming telephone call.
- Agents should conduct telephone transactions away from consumers to ensure that information is not compromised.
- Reconcile your Western Union business daily. This will detect any internal or external fraud in a timely manner.

### PAYING TRANSACTIONS

- The recipient of a money transfer must know: sender's name, origin of transaction, amount of transaction, be in the proper "Expected Payout Area" and have proper identification or know the "Test Question" and response. If the recipient does not have all the information — do not pay out. Instruct the recipient to call the sender.
- "Expected Payout Area" is the destination state or adjacent state.
- If a money transfer is not in the system — it does not exist. Instruct payee to call sender to confirm that the transfer was sent.
- Do not pay out a money transfer based on an incoming telephone call.

### GENERAL

- Position equipment so consumers cannot view what is on the screen.
- Be suspicious if prospective consumers stay near your transaction area and show an unusual interest in send or payout procedures.
- Insist that consumers complete all required sections on the send and receive money forms.
- Western Union will **NEVER** call you to input a money transfer to correct a problem on a previously sent transaction for any reason.
- Western Union will **NEVER** call you to input a money transfer to test the system for validation or any other computer or telecommunication problem.
- Western Union will **NEVER** call you to pay out a money transfer.
- Western Union will **NEVER** call you requesting confidential information.
- Do not return a call to Western Union using a number provided by a caller.
- **NEVER** input or pay out a money transfer (using the PC or via the telephone) at the request of an incoming telephone call.
- Protect your telephone — contact your telephone service provider to password protect your telephone from being call forwarded without your knowledge or permission.
- **NEVER** discuss money transfers with anyone other than the sender/receiver or your

Western Union representative.

- NEVER send a money transfer without first collecting the money from the sender.
- Be sure customers cannot see what is on the PC screen. Be cautious if the payee has a companion who tries to distract you or read the PC screen.

**CALL WESTERN UNION AT 1-800-634-1311 IF YOU SUSPECT THE CONSUMER  
IS BEING DEFRAUDED OR IS TRYING TO DEFRAUD YOU.**