



**AG STRANGE ANNOUNCES SETTLEMENT WITH MONEYGRAM
REGARDING COMPLAINTS OF FRAUD-INDUCED WIRE TRANSFERS**

(MONTGOMERY)--Attorney General Luther Strange today announced a settlement with Dallas-based MoneyGram Payment Systems, Inc. The settlement resolves a multistate investigation which focused on complaints of consumers who used MoneyGram's wire transfer service to send money to third parties involved in schemes to defraud consumers. In addition to Alabama, 48 states and the District of Columbia participated in this settlement.

"Fraudulent wire transfer schemes are prevalent and almost endless in the variety of scams perpetrated on unsuspecting victims," said Attorney General Strange. "Con artists prey on a grandparent's love and trust by claiming to be a grandchild in an urgent crisis. Others use the lure of riches through lottery and contest scams, or claim to be relatives facing emergency in a foreign land. The key to fight these tricks is vigilance on the part of consumers. If a stranger solicits someone offering big winnings for a wire transfer, the recipient should end the communication immediately. People who are contacted about a family member or friend in distress should not panic, but reach out independently to verify that assistance is actually needed."

The MoneyGram settlement has two main components. First, MoneyGram has agreed to maintain and continue to improve a comprehensive and robust anti-fraud program designed to help detect and prevent consumers from suffering financial losses as a result of these types of fraud-induced wire transfers. The program must be documented in writing and at a minimum, must include the following elements:

- mandatory and documented compliance training for agents and guidelines regarding when an agent's conduct warrants suspension or termination;
- suspension or termination of agents who fail to take commercially reasonable steps to reduce fraud-induced money transfers;
- a hotline system – telephonic and electronic- where employees and agents can report noncompliance with anti-fraud measures;
- sound mechanisms to evaluate actual fraud rates and consumer losses from fraud induced money transfers in order to utilize that information to improve compliance; and
- continued enhancement of technology solutions, including its Anti-Fraud Alert System (AFAS).

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Second, MoneyGram has agreed to pay a total of 13 million dollars to the states to fund a nationwide consumer restitution program and for the states' costs and fees. The settlement provides for an independent third-party settlement administrator who will review MoneyGram records and send notices regarding restitution to all consumers who are eligible to receive restitution under this settlement. Generally, consumers who are eligible for restitution previously filed complaints with MoneyGram between July 1, 2008, and August 31, 2009, regarding fraud-induced transfers sent from the U.S. to foreign countries other than Canada.

More information about this settlement is available at the Settlement Administrator's website: www.MoneyGramSettlement.com

In addition to Alabama, the following participated in the settlement: 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.