



## Statement from Western Union

### Coordinated Settlement with Attorneys General of 49 U.S. States & District of Columbia Resolves Previously Disclosed Investigation

*Terms Largely Track Recent FTC Settlement*

**January 31, 2017**

The Western Union Company (NYSE: WU) provided the statement below in response to the announcement of a coordinated settlement reached with U.S. state attorneys general of 49 states plus the District of Columbia. The settlement resolves a previously disclosed investigation by certain state attorneys general that focused primarily on the Company's oversight of certain agents, and whether the Company's anti-fraud program adequately prevented misconduct by those agents and third parties, mainly during the 2004 to 2012 period.

The settlement, which has been filed in different forms in different states, includes a payment of \$5 million to cover investigative, enforcement and other costs, along with compliance enhancements that largely track with the terms of the Federal Trade Commission (FTC) consent order announced on January 19<sup>th</sup>.

The Company said: "We share the goals of the attorneys general and are committed to protecting consumers and the integrity of our global money transfer network from abuse by bad actors. That's why we have significantly enhanced our compliance program in recent years by adding more employees with law enforcement and regulatory expertise, strengthening our consumer education and agent training, bolstering our technology-driven controls and having our Chief Compliance Officer report directly to the Compliance Committee of the Board of Directors.

"Over the past five years, we have increased overall compliance funding by more than 200 percent and now spend approximately \$200 million per year on compliance, with more than 20 percent of our workforce dedicated to compliance functions. The incidence of consumer fraud reports associated with Western Union money transfers has been extremely low – less than one-tenth of 1 percent of all consumer-to-consumer money transfer transactions during the past 10 years. Over the last five years, the dollar value of reported fraud in consumer-to-consumer transactions, compared with the total value of all such transactions, has dropped more than 60 percent."

Western Union on January 19<sup>th</sup> announced resolutions with the Department of Justice (DOJ), FTC and Financial Crimes Enforcement Network (FinCEN), which included a payment of \$586 million for reimbursement of fraud victims and a commitment to certain compliance enhancements. More information about the DOJ administered reimbursement program can be found on its [website](#).



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