

# FinCEN and Manhattan U.S. Attorney Announce Settlement with Former MoneyGram Executive Thomas E. Haider



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WASHINGTON—The Financial Crimes Enforcement Network (FinCEN) and the U.S. Attorney’s Office for the Southern District of New York announced today the settlement of claims under the Bank Secrecy Act (BSA) against Thomas E. Haider, the former Chief Compliance Officer of MoneyGram International, Inc. Mr. Haider has agreed to a three-year injunction barring him from performing a compliance function for any money transmitter and has agreed to pay a \$250,000 penalty. He also has admitted, acknowledged, and accepted responsibility for the following, among other things: (1) failing to terminate specific MoneyGram outlets after being presented with information that strongly indicated that the outlets were complicit in consumer fraud schemes; (2) failing to implement a policy for terminating outlets that posed a high risk of fraud; and (3) structuring MoneyGram’s anti-money laundering (AML) program such that information that MoneyGram’s Fraud Department had aggregated about outlets, including the number of reports of consumer fraud that particular outlets had accumulated over specific time periods, was not generally provided to the MoneyGram analysts who were responsible for filing suspicious activity reports with FinCEN.

Acting FinCEN Director Jamal El-Hindi recognized the efforts of FinCEN’s Enforcement Division’s Office of Special Investigations, and its Office of Compliance and Enforcement in this matter. He also expressed his appreciation to Joon H. Kim, the Acting U.S. Attorney for the Southern District of New York, and his Office, for their extensive contributions to the case and outstanding partnership with FinCEN.

“FinCEN relies on compliance professionals from every corner of the financial industry,” said Acting FinCEN Director Jamal El-Hindi. “FinCEN and our law enforcement partners need their judgment and their skills to effectively fight money laundering, fraud, and terrorist financing. Compliance professionals occupy unique positions of trust in our financial system. When that trust is broken, it is important that we take action so that the reputations of thousands of talented compliance officers are not diminished by any one individual’s outlying egregious actions. We have repeatedly said that when we take an action against an individual, the record will clearly reflect the basis for that action. Here, despite being presented with various ways to address clearly illicit use of the financial institution, the individual failed to take required actions designed to guard the very system he was charged with protecting, undermining the purposes of the BSA. Holding him personally accountable strengthens the compliance profession by demonstrating that behavior like this is not tolerated within the ranks of compliance professionals.”

Acting U.S. Attorney Joon H. Kim said: “Compliance officers perform an essential function, serving as the first line of defense in the fight against fraud and money laundering. Unfortunately, as today’s settlement shows, Thomas Haider violated his obligations as MoneyGram’s chief compliance officer. By failing to terminate MoneyGram outlets that presented a high risk for fraud and to take other actions clearly required of him, Haider allowed criminals to use MoneyGram to defraud innocent consumers. We are committed to working with FinCEN to enforce the requirements of the Bank Secrecy Act and to hold individuals like Haider accountable.”

In December 2014, FinCEN issued a \$1 million civil money penalty against Mr. Haider for failing to ensure that his company abided by the AML provisions of the BSA. The U.S. Attorney's Office for the Southern District of New York then filed a complaint in U.S. District Court that sought to enforce the penalty and to enjoin Mr. Haider from employment in the financial industry. This settlement concludes those actions and was approved by U.S. District Judge David S. Doty of the U.S. District Court for the District of Minnesota.

From 2003 to 2008, Mr. Haider was the Chief Compliance Officer for MoneyGram International Inc. Mr. Haider oversaw MoneyGram's Fraud Department, which collected thousands of complaints from consumers who were victims of fraudulent schemes. Mr. Haider also headed MoneyGram's AML Compliance Department, which was charged with ensuring compliance with requirements under the BSA designed to protect the financial system against money laundering and terrorist finance.

FinCEN seeks to protect the U.S. financial system from being exploited by illicit actors. Its efforts are focused on compromised financial institutions and their employees; significant fraud; third-party money launderers; transnational organized crime and security threats; and cyber threats. FinCEN has a broad array of enforcement authorities to target both domestic and foreign actors affecting the U.S. financial system.

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*FinCEN's mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.*



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