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Postal Inspectors Announce \$115.8 Million Disbursement to Victims of MoneyGram Fraud

The U.S. Postal Inspection Service announced today the disbursement of over \$115 million to 38,889 victims, as part of the compensation process to victims defrauded through the use of MoneyGram money transfers. These victims will recover their full loss amounts.

In November 2018, MoneyGram entered into Agreements with the U.S. Department of Justice (DOJ) and Federal Trade Commission (FTC) to the administrative forfeiture of \$125 million. While under a 2012 Deferred Prosecution Agreement (DPA), MoneyGram implemented a new fraud protection system that proved ineffective by not blocking a substantial number of transfers with consumers they previously identified as receiving fraud transfers. MoneyGram did not disclose these weaknesses to the DOJ, and told the DOJ the rise in consumer fraud transfers were substantially related to external circumstances.

"This \$115 million disbursement provides a measure of financial justice for the many victims who were harmed by fraudsters who preyed on them," said Inspector in Charge Christopher A. Nielsen, U.S. Postal Inspection Service, Philadelphia Division. "The U.S. Postal Inspection Service is proud to be part of this exemplary collaborative effort with our law enforcement and regulatory partners, particularly the U.S. Attorney's Office for the Middle District of Pennsylvania, the DOJ Money Laundering and Asset Recovery Section and the Federal Trade Commission, to facilitate a process where victims are delivered restitution."

"This distribution of \$115.8 million to nearly 40,000 victims—each of whom is being fully compensated for their losses—demonstrates the Department of Justice's continued commitment to making victims whole," said Assistant Attorney General Kenneth A. Polite, Jr. of the Justice Department's Criminal Division. "This is an example of how the Department will use every tool at its disposal, including in corporate criminal matters, to provide justice to victims."

"Working together with the skilled and dedicated investigators of the U.S. Postal Inspection Service, the DOJ Money Laundering and Asset Recovery Section, and the FTC, we have achieved outstanding results," said U.S. Attorney for the Middle District of PA, Gerard M. Karam. "This \$115.8 million disbursement to over 38,000 victims demonstrates the commitment to compensate and serve justice to the victims of these frauds."

"MoneyGram violated an FTC order by continuing to let scammers rip off its customers," said Samuel Levine, Director of the FTC's Bureau of Consumer Protection. "The FTC is pleased to be working with our law enforcement partners to provide refunds to claimants. Other firms that facilitate fraud and ignore FTC orders should expect to face similar consequences."

If you believe you have been a victim of a crime with a connection to the U.S. Mail, report it to Postal Inspectors at 877-876-2455 or www.uspis.gov/report.

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