

UNITED STATES DEPARTMENT OF THE TREASURY



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## **FinCEN Assesses \$1 Million Penalty and Seeks to Bar Former MoneyGram Executive from Financial Industry**

### **Individual Accountability Emphasized in Civil Actions**

**WASHINGTON, DC** – The Financial Crimes Enforcement Network (FinCEN) today issued a \$1 million [civil money penalty](#) (CMP) against Mr. Thomas E. Haider for failing to ensure that his company abided by the anti-money laundering (AML) provisions of the Bank Secrecy Act (BSA). Concurrently, FinCEN's representative, the U.S. Attorney's Office for the Southern District of New York (SDNY), today filed a [complaint](#) in U.S. District Court that seeks to enforce the penalty and to enjoin Mr. Haider from employment in the financial industry. This CMP is the product of a joint investigation by FinCEN and the SDNY.

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.

“In my job, I've met hundreds of compliance officers and I know them to be some of the most dedicated and trustworthy professionals in the financial industry,” said FinCEN Director Jennifer Shasky Calvery. “FinCEN and our law enforcement partners greatly depend on their judgment and their diligence in our common fight against money laundering, fraud, and terrorist finance. Mr. Haider's failures are an affront to his peers and to his profession. With his willful violations, he created an environment where fraud and money laundering thrived and dirty money rampaged through the very system he was charged with protecting. His inaction led to personal savings lost and dreams ruined for thousands of victims.”

Manhattan U.S. Attorney Preet Bharara said: “Compliance officers perform an essential function in our society, serving as the first line of defense in the fight against fraud and money laundering.

Unfortunately, as the complaint alleges, Mr. Haider violated his obligations as MoneyGram's Chief Compliance Officer. By allegedly failing to take the actions clearly required of him under the law, he allowed criminals to use MoneyGram to defraud innocent consumers and then launder the proceeds of their fraudulent schemes. As this case demonstrates, we are committed to working with FinCEN to enforce the requirements of the Bank Secrecy Act and hold individuals such as Mr. Haider accountable."

Mr. Haider was responsible for monitoring MoneyGram's worldwide network of agents, and through the information he received from complaints to the Fraud Division, he could have suspended or terminated any agents that were participating in illicit activity. His inaction led to thousands of innocent individuals being duped out of millions of dollars through fraud schemes that funneled, and sometimes laundered, their illicit profits through MoneyGram's money transmission network.

The schemes relied on a variety of tales and false promises aimed at misleading and persuading unsuspecting victims to send money through the participating MoneyGram agents and outlets. The often elderly victims were solicited through the mail, e-mail, and telephone, and told, among other things, that they had won a lottery, had been hired for a "secret shoppers" program, had been approved for a guaranteed loan, or had been selected to receive an expensive item or cash prize. The victims were told that to receive the item or winnings, they had to pay the perpetrators money in advance. For example, in situations where the victims were promised lottery winnings or cash prizes, they were told that they had to pay taxes, customs' duties, or processing fees up front and were directed to send the advance payments to fictitious payees using MoneyGram's money transfer system.

Mr. Haider also failed in his responsibility to ensure the filing of suspicious activity reports (SARs) on agents whom he knew or had reason to suspect were engaged in fraud, money laundering, or other criminal activity. By failing to file SARs, despite having extensive information regarding complicit MoneyGram outlets and the evident victimization of MoneyGram's customers, he denied critical information to law enforcement which could have been used to combat the fraud and dismantle the criminal networks.

Director Shasky Calvery expressed her appreciation to Preet Bharara, the U.S. Attorney for the Southern District of New York, and his Office, for their extensive contributions to the investigation and for their extraordinary partnership with FinCEN. She also thanked the U.S. Attorney's Office for the Middle District of Pennsylvania, the Asset Forfeiture and Money Laundering Section of the U.S. Department of Justice, and the U.S. Postal Inspection Service for their assistance with the case.

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.*