

TESTIMONY OF

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On behalf of the

CONFERENCE OF STATE BANK SUPERVISORS

before the

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS  
AND CONSUMER CREDIT

UNITED STATES HOUSE OF REPRESENTATIVES

June 21, 2006

Good morning, Chairman Bachus, Representative Sanders, and members of the Subcommittee. I am Diana Taylor, Superintendent of Banks for the State of New York and a member of the board of directors of the Conference of State Bank Supervisors (CSBS). I am pleased to be here today on behalf of CSBS to discuss the impact of Bank Secrecy Act (BSA) compliance requirements on the availability of banking services to Money Services Businesses (MSBs). MSBs are a varied and segmented industry that involves many constituents: banks, check cashers, money transmitters, other types of MSBs, agents of MSBs, and customers.

CSBS is the professional association of state officials who charter, regulate and supervise the nation's approximately 6,240 state-chartered commercial banks and savings institutions, and nearly 400 state-licensed foreign banking offices nationwide. CSBS gives state bank supervisors a national forum to coordinate, communicate, advocate and educate on behalf of the state banking system.

The New York State Banking Department, like the majority of state banking departments nationwide, is also responsible for licensing, supervising, examining and regulating MSBs that operate within our state's borders. According to the most recent CSBS survey, 43 states, the District of Columbia, Guam and Puerto Rico all license some type of MSB, and legislation is currently pending in several of the states that have no law in place. Thirty-one of these states, including New York, examine MSBs for compliance with federal BSA and anti-money laundering regulations. We, like most of our colleagues, use the Federal Financial Institutions Examination Council (FFIEC) manual and other guidance issued by regulatory agencies, including the Financial Crimes Enforcement Network (FinCEN), as the foundation of our examination procedures.

The MSBs that New York currently licenses, supervises and examines are money transmitters and check cashers. In 2005, money transmitters in New York State alone processed more than 92 million transactions totaling in excess of \$96 billion; the New York State check cashing industry processed more than 34 million checks totaling in excess of \$15 billion.

Like all commercial businesses, MSBs range in complexity, from a small business operating in a single location to a sophisticated, complex national provider operating in multiple states. The risk profiles also vary significantly among different types of MSBs. Money transmission and check cashing activities are vastly different types of financial services, with much different risk profiles.

FinCEN's current definition of an MSB is very broad: an MSB is a money transmitter or any entity that offers money orders, travelers' checks, check cashing services, currency dealing or exchange, or stored value cards with a transaction threshold of \$1,000 or more for any one person on any given day. This definition captures not only businesses that consider money services their primary function, but also those for which money services are incidental, such as grocery stores that provide check cashing services for customers without a fee.

FinCEN's definition of an MSB also does not differentiate among different levels of risk within the MSB industry. Money transmitters, for example, take in funds for transfers and transfer a sizable portion of those funds overseas. Check cashers, on the other hand, pay out funds and service a specific locality or neighborhood. It would seem, therefore, that a money transmitter might be at higher risk for participation in terrorist financing than a check casher.

## **The Need for Money Services Businesses**

MSBs do fill a need in many markets. They provide convenient access to financial services in many neighborhoods with few or no bank branches. Some individuals and families are unable or unwilling to obtain traditional banking services; for these groups, which often include immigrants and low-income households, MSBs may be the only means of access to cash, or the only avenue for sending funds to family members abroad. Billions of dollars in micropayments pass through these MSBs every year, and these payments make up a significant percentage of the gross national product in many developing countries.

## **The Nature of Money Services Businesses**

MSBs engage in short-term transactions. Money transmission and check cashing activities settle within days, making MSBs essentially pass-through settlement companies that are portals to our banking system.

The short-term, pass-through nature of an MSB creates factors that increase the industry's risk profile if not properly controlled. Although an MSB may have a core of repeat customers, a good portion of its customer base still consists of transient populations – thus, much of its business is one-time customer transactions. Money transmitters, in particular, may conduct their operations through multiple locations. MSBs by their nature are cash-intensive, fee-based entities that handle a large volume of transactions. These factors alone elevate an MSB's operational, liquidity, legal and reputational risks.

Other external factors may affect the risk profile of an MSB. Legitimate customers and businesses are vulnerable to fraud and exploitation at the hands of unlicensed or unregistered MSBs. These unlicensed and unregistered MSBs pose a reputational risk to their legitimate counterparts, which may be held guilty by association.

In addition, since MSBs are portals to the banking system, they can be vulnerable to customers who try to use them to gain access to the banking system for the purposes of money-laundering or other financial crimes. These customers may prefer to seek out MSBs in an attempt to avoid recordkeeping requirements, thinking the MSB is one step removed from the banking system. These customers may not realize that MSBs must have compliance programs that adhere to BSA/Anti-Money Laundering (AML) provisions, or may expect an MSB to have a weaker compliance program.

Are MSBs high risk? The risk profile of an MSB certainly is at a higher risk than other commercial entities that operate in more traditional non-financial service segments, such as manufacturing. However, all commercial entities have risk. The more important question is how MSBs manage these risks. Can management properly identify, monitor and control risks so that high risk activities or high levels of risk can be brought to acceptable levels?

MSB management must be willing and able to manage its business risks, including the standards required for a BSA/AML program. If an MSB is unable or unwilling to meet these standards, it cannot expect to be able to maintain a bank account or a banking relationship. Certain MSB industry participants may be unwilling or unable to meet the BSA/AML standards; as a result, we would expect to see consolidation within the MSB industry.

## **The Relationship Between Banks and Money Services Businesses**

When banks provide services to their customers, they must weigh the risk profile of each customer and price their services accordingly.

MSBs require specific banking services. These services include the establishment and maintenance of a bank account, transaction processing, and currency processing (both currency draws and currency deposits). MSBs also require a variety of credit facilities, such as lines of credit for liquidity purposes. Not only does the MSB require access to a bank account, but an agent of an MSB must also have access to that bank account.

Relationships between a bank and an MSB generally work better if the bank and MSB are in close proximity to each other. Close proximity between these two entities makes it easier for the MSB to make a deposit as carrying currency draws or deposits over great distances creates a security issue for the MSB, or it forces the MSB to incur the additional cost of contracting for secured transportation.

In the case of an MSB's agents, it is more efficient, effective and secure for an agent to deposit transmission activity daily and transfer the funds to the transmitter via the Automated Clearing House (ACH) network, rather than use some form of physical transportation that may require more than one day to settle.

The banking relationship is vital for an MSB to stay in business. Without the access to the payments system that a bank provides, MSBs cannot clear or collect checks or transfer funds. An MSB also represents a customer base that can generate revenue for the bank. This customer relationship is primarily transaction based.

The decision of two large banks to discontinue their services to MSBs in New York in 2005 required approximately 30 money transmitters and 180 check cashers to change their banking relationships. All of those businesses, except for two that had other issues, were able to establish new banking relationships with other institutions, and the transition was orderly. Twenty-nine banks currently provide services to money transmitters in New

York, with two banks providing 42% of these relationships. Only 12 banks provide services to check cashers, and 87% of our licensed check cashers do business with only two of these banks.

The two banks that are most active in providing services to money transmitters are currently considering exiting this business. This departure will undoubtedly present a significant challenge to New York's MSBs, not only in the short term but in the long term as well, as the decline in competition is likely to raise fees for these businesses.

## **Banks and MSBs: Finding a Solution**

So how do we solve this problem?

We clearly do not want to see one bank holding the vast majority of MSB accounts. It is better for the safety and soundness of the entire industry if MSB accounts are spread out across a diversity of banks. Therefore, our solution must create incentives that ultimately serve to protect consumers, the banks and the MSBs.

Piecemeal, stop-gap legislation is not a viable solution.

The New York State legislature, for example, is currently considering legislation that would prevent any banking institution in the state from denying banking services to an MSB on the basis of the Bank Secrecy Act without the prior approval of the Superintendent of Banks. My department strongly opposes this bill, which would set a dangerous precedent. The role of a regulator is not to mandate who a regulated entity should or should not do business with. It would be entirely inappropriate for any government entity to require that banks provide service to a particular type of business.

The solution requires effort from all parties involved: the MSBs, the banking industry, state and federal banking regulators, FinCEN and the IRS.

The following recommendations, while not comprehensive, form the basis of a solution.

**Revisit the FinCEN definition of an MSB.** The current definition seems too broad, with a threshold so low that it may capture more entities than intended, which leads to further uncertainty for banks. The definition should target the entities whose primary business is providing financial services, rather than entities that offer financial services only incidentally to their core business.

**Consider further clarifications of standards.** Regulators should be able to develop simplified, standardized requirements for MSBs that serve a lower-risk client base. This new standard could serve as a foundation for an advanced comprehensive BSA/AML program. A single-location check casher that serves a low-risk client base, such as cashing only payroll checks without any money transmission activity, could be deemed a low risk MSB, particularly in the area of terrorist financing. This type of business would be an ideal candidate for a simplified standardized BSA/AML program.

Additionally, while the joint guidance issued by FinCEN and the federal banking agencies did help clarify regulators' expectations for banks that serve MSBs, further guidance may also be necessary in two areas: appropriate due diligence when maintaining accounts for foreign providers of money services; and identifying entities that may be operating covertly as MSBs.

Congress and the federal regulatory agencies changed the federal requirements for BSA/AML procedures because of real and potential weaknesses in our existing system. Changes in the MSB industry as a result of these new legal requirements were not only inevitable, but necessary and desirable. We need to review the current foundation of BSA/AML to see whether we can clarify the standards further.

**Continue to improve federal and state coordination.** Thirty-nine states have signed a Memorandum of Understanding (MOU) with FinCEN and 35 states have signed a similar MOU with the Internal Revenue Service (IRS) to set forth procedures for sharing certain Bank Secrecy Act information. Among other elements, we agree to share information about FinCEN's administration of the Bank Secrecy Act; the individual states' policies and procedures for BSA compliance examinations; significant BSA examination findings; proposed enforcement actions, and analytical data.

Sharing this information helps both the states and FinCEN fulfill our missions as supervisors and enforcers of applicable law. These MOUs improve and enhance cooperation among agencies, reduce duplication of effort, and ensure consistency in the application of federal standards. Through this enhanced cooperation and coordination, we hope to achieve our ultimate goal of helping all financial institutions identify, deter and prevent all forms of financial crimes, including terrorist financing and money laundering.

We also hope and expect that improvements in coordination, communication and consistency will boost banks' confidence in their ability to manage the risks involved with providing services to MSBs.

These MOUs, however, cannot entirely address a critical need for additional resources at both state and federal levels. The number of check-cashing outlets alone exceeds 11,000 nationwide. In order to carry out our responsibilities effectively and efficiently we need access to additional training and a renewed commitment from FinCEN and the IRS to deliver on the promises of the MOUs.

Federal and state regulators, FinCEN and the IRS need to continue our efforts to deliver a consistent message to the banking industry about their obligations and rights. In New York, the Office of the Comptroller of the Currency (OCC) has adopted an approach of concurrent jurisdiction with respect to MSBs. The OCC requires that MSBs that are operating subsidiaries of national banks retain their state MSB licenses and continue to be subject to state regulation, supervision and examination. At the same time, the OCC retains its own jurisdiction. We commend the OCC for this teamwork approach, which

has optimized oversight over MSBs, and call for Congress to support this approach and urge that it be continued on a nationwide basis by the OCC and be extended to the Office of Thrift Supervision (OTS).

**Create incentives to encourage banks to serve the MSB industry.** We, as regulators, might consider offering CRA credit to banks that provide services to MSBs, since a significant segment of these businesses' customers are low-income individuals and households, and are often minorities and new immigrants. Banks should be aware of the large populations these businesses serve, and think about ways to increase their access to these individuals and households, who often have no traditional banking relationships.

**Seek out incentives for banks to offer MSB-type services in unbanked and underbanked communities across the country.** In New York State, my department's Banking Development District program creates incentives for banks to open branches in underbanked areas by making them eligible to receive below-market, municipal deposits. This program has already led to branching in 27 underbanked communities throughout the state.

**Continue to require better risk management systems for MSBs.** MSBs must continue to improve their risk management systems, with continuing focus on the area of BSA/AML compliance. As MSBs make their commitment to compliance clear, banks may become more willing to provide services to these businesses.

**Continue to improve state supervision of these entities.** New York State has significantly strengthened its MSB licensing, supervision and examination program, as have many other states. Among many other standards, we require applicants for MSB licenses to submit information demonstrating compliance with the USA PATRIOT Act. This includes:

- Policies, procedures and internal controls designed to ensure compliance with BSA/AML requirements;
- A resume of the compliance officer responsible for day-to-day compliance with BSA/AML requirements and the entity's compliance program;
- Education and training programs for appropriate personnel;
- An affidavit that an independent review to monitor and maintain an adequate program will be performed.

Our supervisory protocol for MSBs follows a structure we call "FILMS," instead of the CAMELS program used for depository institutions.

- "F" stands for the financial condition of the business; examiners look at the balance sheet composition, profitability, capital level, and other elements in order to determine the business's financial stability.
- "I" stands for internal controls and auditing, an evaluation of the business's internal policies and procedures.

- “L” stands for legal and regulatory compliance, the critical issue of whether and how the business follows state and federal laws, inclusive of BSA/AML.
- “M” stands for the all-important management component, as examiners look at the licensee’s ability to identify, measure and monitor risks.
- “S” stands for systems and technology, which is particularly important for money transmitters.

New York State takes an integrated approach that focuses on risk management with an emphasis on the compliance function, inclusive of BSA. Why is this important? We understand MSBs to be for-profit commercial entities that need a strong management system to identify, monitor and control risks. If an MSB is under financial stress, it will have to make certain business decisions. It will take on more risk, cut costs in non-revenue generating areas such as compliance, or both. This would translate into more risk but fewer resources for operational controls and compliance. Therefore, the weakening of the risk management system makes the MSB more vulnerable to BSA/AML violations and susceptible to money-laundering. Understanding how the FILMS components interact with each other provides an early-warning system about weakening conditions and a guide to where to look for noncompliance issues.

While the level of supervision is not yet consistent across the country, both CSBS and its counterpart organization, the Money Transmitters Regulators Association, have made a commitment to provide additional training and resources for state MSB examiners. CSBS has created a “boot camp” training course for BSA professionals in state banking departments, to ensure that state regulators have the most up-to-date information available on BSA policies and procedures. CSBS has also begun certifying examiners as BSA compliance practitioners. In cooperation with our staff, CSBS has developed an MSB Examiner Course that helps state MSB examiners to conduct examinations of money transmitting and check cashing businesses.

States have regulated and supervised MSBs for many years. State interest initially emphasized consumer protection, making sure that these businesses did not defraud or exploit the most vulnerable of our citizens. Over the past two decades, this mission has evolved to include financial and money laundering concerns. Although MSBs are not generally supervised on the federal level, the addition of FinCEN, in the area of BSA, as the federal enforcement agency and the designation of the IRS as the federal examination and investigating agency for MSBs has caused our role to evolve even further.

## **Conclusion**

It is essential that we keep this industry viable for those who need it. Doing so will require a sustained effort on the part of all involved – the MSBs themselves, the banking industry, state and federal banking regulators, FinCEN and the IRS.

No silver bullet can solve this issue, and fingerpointing is not helpful. Licensing alone is not a panacea, despite the arguments of some MSBs. It is also not helpful for banks to

categorically refuse to do business with MSBs. Regulators must be consistent in their requirements for the industries. Everyone must work together.

I commend the Subcommittee for holding a hearing on this important issue, which is a case not of good vs. bad, but of several imperatives conflicting – the government’s need to identify, deter and interdict terrorist and criminal financing; the banks’ need to manage their risks; the money-services businesses’ need for financial services; and the public’s need for continued access to these services.

Balancing these needs will require constant communication among all parties involved. This hearing is a welcome addition to that communication, and I look forward to answering any questions the Committee may have.



## Money Services Businesses – Part I

|                      | Department Licenses Money Services Businesses (MSBs) |  |   | Department Examines MSBs for Compliance with Federal BSA Anti-Money Laundering Regulations |   |
|----------------------|--|--|---|--|---|
|                      | Yes/No   | Entities Licensed by the Department  | Other Agency Responsible for Licensing MSBs   | Yes/No   | Exam Procedures Examiners Utilize During an Examination of MSBs   |
| Alabama              | Yes  | Payday lenders, small loan companies, finance companies, mortgage brokers, pawnshops, and title pawn shops.  | Money transmitters and check sellers are regulated by the Alabama Securities Commission. Pure check cashers are unlicensed in this state. | No   | N/A   |
| Alaska               | No   | N/A  | MSBs are not presently licensed in Alaska. Legislation is proposed for the 2006 session for our division to regulate them.                | No   | N/A   |
| Arizona              | Yes  | Money transmitters   | None  | Yes  | FFIEC Manual  |
| Arkansas             | No   | No   | State Board of Collection Agencies  | No   | N/A   |
| California           | Yes  | Money transmitters, agents of money transmitters, issuers of money orders and travelers checks (payment instruments)   | CA Department of Justice supervises check cashers   | Yes  | Detailed work program which includes a review for compliance with the Office of Foreign Asset Controls, transactions testing, review of CTR/SAR filings, verification (count of) CTS/SAR, and review for annual independent AML review which is required for all MSBs. Risk assessment is also required to determine if licensee is addressing BSA/AML issues. Limited data mining is also performed. In house and external training is supplemented with information from various law firms, FinCEN training information, IRS examination manual, FRB/FDIC manuals, and best practices recommended by the BASEL committee and ACAMS study guides (Financial Action Task Force 40 recommendations, plus 9 special recommendations issued in late 2004). |
| Colorado             | Yes  | Money transmitters   | N/A   | Yes  | State of Colorado Manual  |
| Connecticut          | Yes  | Money transmitters and check cashers   | N/A   | Yes  | FFIEC Manual  |
| Delaware             | Yes  | Money transmitters and check cashers   | N/A   | Yes  | FFIEC Manual  |
| District of Columbia | Yes  | Money transmitters and check cashers   | N/A   | Yes  | DC Examination Procedures are based on FFIEC and IRS guidelines.  |
| Florida              | Yes  | Office of Financial Regulation's Division of Securities and Finance licenses Funds Transmitters, Payment Instrument Issuers, Check Cashers, Foreign Currency Exchangers, and Deferred Presentment Providers. | N/A   | Yes  | Office of Financial Regulation is currently developing a composite set of exam procedures taking applicable portions of the procedures contained in the IRS guidelines and the FFIEC that are relevant to MSB's.  |
| Georgia              | Yes  | Money transmitters, check sellers, and check cashers   | N/A   | Yes  | Still under development for some categories; however, portions of the FFIEC Manual and IRS exam procedures, in addition to established internal procedures will be utilized in most cases.  |
| Guam                 | Yes  | Money transmitters, check cashers, and agents of Western Union   | N/A   | Yes  | IRS guidelines  |
| Hawaii               | No   | N/A  | No state agency has that responsibility.  | N/A  | N/A   |
| Idaho                | Yes  | Money transmitters, open system cash cards, payment instrument sellers and issuers, and wire transfer  | N/A   | Yes  | To be determined.   |



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|                |  | agencies.  |   |  |   |
| Illinois       | Yes  | Check cashers  | N/A   | No   | N/A   |
| Indiana        | Yes  | Money transmitters and check cashers                               | N/A   | Yes  | IRS and FFIEC both.   |
| Iowa           | Yes  | Money transmitters   | N/A   | Yes  | Based on FFIEC Manual   |
| Kansas         | Yes  | Money transmitters   | N/A   | No   | N/A   |
| Kentucky       | Yes  | Checks sellers, check cashers                                      | N/A   | No   | N/A   |
| Louisiana      | Yes  | Money transmitters and check cashers                               | N/A   | Yes <sup>1</sup>   | IRS/FinCEN guidelines and FFIEC Manual  |
| Maine          | No   | N/A  | Office of Consumer Credit Regulation        | No   | N/A   |
| Maryland       | Yes  | Money transmitters and check                                       | Compliance exam procedures                  | Yes  | Compliance exam procedures developed in-house   |
| Massachusetts  | Yes  | Foreign transmittal agencies, check cashers, and check sellers     | N/A   | Yes  | The exam procedures are a combination of the FFIEC's manual and the IRS' examination guidelines.  |
| Michigan       | Yes  | Issuers of travelers checks and money orders                       | N/A   | No   | N/A   |
| Minnesota      | Yes  | Money transmitters and check cashers                               | N/A   | No   | N/A   |
| Mississippi    | Yes; not in all instances                            | All consumer finance licenses.                                     | N/A   | No   | However, money transmitters are examined for structuring.   |
| Missouri       | Yes  | Money transmitters and money order companies                       | N/A   | No   | N/A   |
| Montana        | No   | N/A  | Licensing not required                      | No   | N/A   |
| Nebraska       | Yes  | Sale of check companies  | N/A   | No   | N/A   |
| Nevada         | Yes  | Money transmitters & check cashers                                 | N/A   | Yes  | Incorporating into our processes ookk   |
| New Hampshire  | No   | N/A  | Legislation pending                         | No   | Legislation pending   |
| New Jersey     | Yes  | Money transmitters, foreign money transmitters, and check cashers. | N/A   | Yes  | Procedures for the review BSA for MSBs have been developed internally. The FFIEC BSA Examination procedures were used as a guideline and some of the FFIEC procedures were incorporated into the State's program. |
| New Mexico     | No   | N/A  | They are not licensed in New Mexico         | No   | N/A   |
| New York       | Yes  | Money transmitters and check cashers                               | N/A   | Yes  | FFIEC Manual and FinCEN Handbook  |
| North Carolina | Yes  | Money transmitters and check cashers                               | N/A   | No   | For application approval, MSB must prove that they are registered as an MSB with FinCEN. Agency is currently in process of developing MSB examination procedures for compliance with BSA/AML regulations.         |



## Money Services Businesses – Part I

|                | Department Licenses Money Services Businesses (MSBs) |  |   | Department Examines MSBs for Compliance with Federal BSA Anti-Money Laundering Regulations |   |
|----------------|--|--|---|--|---|
|                | Yes/No   | Entities Licensed by the Department  | Other Agency Responsible for Licensing MSBs                               | Yes/No   | Exam Procedures Examiners Utilize During an Examination of MSBs   |
| North Dakota   | Yes  | Money transmitters   | N/A   | Yes  | Department plans on implementing procedures in next 90 days.  |
| Ohio           | Yes  | Foreign and domestic money transmitters; check cashers and check caser lenders.  | N/A   | Yes  | MTRA coordinated exam procedures developed by State of Texas.   |
| Oklahoma       | Yes  | Money order sellers  | N/A   | Yes  | FFIEC Manual  |
| Oregon         | Yes  | Money transmitters, payday lenders, pawnshops, and finance companies. We do not license or examine check cashers.                          | The State of Oregon does not license check cashers.                       | Yes  | FFIEC Manual for the appropriate business type.   |
| Pennsylvania   | Yes  | Money transmitters, check cashiers, and pawn brokers   | N/A   | Yes  | We created an internal BSA examination for money transmitters.  |
| Puerto Rico    | Yes  | Money transmitters, check cashiers, and pawn brokers   | N/A   | Yes  | Custom made Examination Program in line with Federal and Local laws and regulations.  |
| Rhode Island   | Yes  | Money transmitters, check sellers, and check cashers.  | N/A   | Yes  | It is our intent to utilize the FFIEC Manual in future examinations.  |
| South Carolina | NR   | NR   | NR  | NR   | NR  |
| South Dakota   | Yes  | Money order issues   | N/A   | No   | N/A   |
| Tennessee      | Yes  | Money transmitters and check cashers   | N/A   | No   | N/A   |
| Texas          | Yes  | Money transmitters, currency exchangers, money order issuers, travelers check issuers, third party gift cards, and issuers of stored value | N/A   | Yes  | MSB examiners utilize procedures developed in-house using BSA laws/regulations as guidelines.   |
| Utah           | Yes  | Money transmitters   | Check cashers register with the Department, but are not issued a license. | Yes  | Department developed questionnaire and BSA required compliance standards.   |
| Vermont        | Yes  | Money transmitters, check cashers, currency exchange companies   | N/A   | Yes  | FFIEC manual  |
| Virgin Islands | Yes  | Money transmitters, check cashers, currency exchange, and non-ATM service  | N/A   | Yes  | The Division has recently assumed jurisdiction of money service businesses and is currently putting in place examination procedures and guidelines. |
| Virginia       | Yes  | Check sellers and money transmitters   | N/A   | No   | N/A   |
| Washington     | Yes  | Money transmitters, check cashiers, and currency exchangers  | N/A   | Yes  | Have own exam procedures along with federal guidance.   |
| West Virginia  | Yes  | Currency transmitters, including check cashers, check sellers, and currency exchangers   | N/A   | No   | N/A   |
| Wisconsin      | Yes  | Sellers of checks (money transmitters) and currency  | N/A   | No   | N/A   |



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|---------------|--|-------------------------------------|---|--|---|--|
|               | Yes/No   | Entities Licensed by the Department | Other Agency Responsible for Licensing MSBs | Yes/No   | Exam Procedures Examiners Utilize During an Examination of MSBs   |  |
|               |  | exchanges (check cashers)           |   |  |   |  |
| Wyoming       | Yes  | Money transmitters                  | N/A   | Yes  | FFIEC Manual, as well as procedures and a work program created by the state's money transmitter examiner. |  |
| <b>Totals</b> | <b>Yes</b>   | <b>No</b>                           |   | <b>Yes</b>   | <b>No</b>   |  |
|               | <b>46</b>  | <b>7</b>                            |   | <b>31</b>  | <b>21</b>   |  |

NR: Not Reported.  
N/A: Not Applicable.

<sup>1</sup> Money transmitters only.