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Attorney General Alan Wilson joins $80 Million enforcement action against Block, Inc. and Cash App for BSA/AML violations

(COLUMBIA, S.C.) – Attorney General Alan Wilson announced today that the Money Services Division of the South Carolina Attorney General's Office (the "Money Services Division") and 47 other state financial regulatory agencies have taken coordinated action against Block, Inc. ("Block"), formerly known as Square, Inc., for violations of the Bank Secrecy Act ("BSA") and anti-money laundering ("AML") laws that safeguard the financial system from illicit use.

More than 50 million consumers in the United States use Cash App, Block's mobile payment service, to spend, send, store, and invest money.

In the multistate settlement signed last week, Block agreed to pay an $80 million penalty to the state agencies and hire an independent consultant to review the comprehensiveness and effectiveness of its BSA/AML program. Within 9 months of the settlement, the independent consultant will submit its report to the states, and Block will have 12 months after this report is filed to correct any deficiencies identified as a result of the review.

State regulators in Arkansas, California, Massachusetts, Florida, Maine, Texas, and Washington State led the multistate enforcement effort. Block cooperated with the states throughout the settlement.

Under BSA/AML rules, financial services firms are required to perform due diligence on customers, including verifying customer identities, reporting suspicious activity, and applying appropriate controls for high-risk accounts. State regulators found Block was not in compliance with certain requirements of BSA and AML laws.

Through a strong, nationwide regulatory framework, state financial regulators license and serve as the primary supervisor of more than 700 money transmitters. To protect consumers and enforce safety and soundness requirements, state regulators regularly coordinate supervision of multistate firms and, when necessary, initiate enforcement actions. This coordination supports consistency and collaboration, while preserving the authority of individual states to take direct action.

Consumers can visit [NMLS Consumer Access] to verify that a company is licensed to do business in South Carolina, and they may also view past enforcement actions.

The Money Services Division can be reached by calling 803-734-1221 or by email at msb@scag.gov. Consumers can learn more about the Money Services Division by visiting the Attorney General's Office website at https://www.scag.gov/inside-the-office/legal-services-division/money-services/ or can submit a complaint at https://tinyurl.com/SCMSB.

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