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Attorney General

Brown and Arizona AG Goddard Announce $94 Million Agreement with Western Union to Fight Money Laundering by Mexican Cartels

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Los Angeles – Attorney General Edmund G. Brown Jr. today announced a $94 million settlement with Western Union Financial Services, Inc., that resolves a decade-long investigation into illicit money transfers that “have flowed freely” in the Southwest border region.

The settlement includes $50 million in funding for the “Southwest Border Anti-Money Laundering Alliance,” a four-state coalition against money laundering that includes the attorneys general of Arizona, California, New Mexico and Texas.

“For years, billions of dollars in smuggling profits have flowed freely between the United States and Mexico,” Brown said. “Today’s agreement with Western Union gives our region the resources and cooperation we need to stem the flow of illicit cash across our borders.”

The settlement follows a decade-long investigation by the Office of the Arizona Attorney General into illegal money-laundering activity in the Southwest border region. The investigation found that hundreds of millions of dollars are being channeled to drug, weapon and human traffickers through Western Union money transfers.

To resolve Arizona’s investigation and more effectively address illegal money laundering, Western Union has agreed to:

• Provide $50 million to establish and fund the Southwest Border Anti-Money Laundering Alliance;
• Invest $19 million over the next several years into upgrades to its anti-money-laundering program;
• Provide $4 million to support an independent monitoring program established to ensure anti-money-laundering measures are implemented; and
• Pay $21 million to the State of Arizona to cover investigation and litigation expenses.

Additionally, today’s settlement requires Western Union to provide California with access to transaction data so investigators can track trends in the flow of illicit money, identify money-laundering points and target drug, weapon and human traffickers.

The Southwest Border Anti-Money Laundering Alliance will support and fund training, information sharing and other initiatives in member states and Mexico and will work to enhance and better coordinate money-laundering investigations and prosecutions. Under the agreement, law enforcement organizations in Arizona, California, New Mexico and Texas will each be guaranteed grants totaling a minimum of $7 million to bolster efforts to combat money laundering.

The U.S. Drug Enforcement Agency estimates that $18 billion to $39 billion is being smuggled from the United States to Mexico every year.

Today's agreement with Western Union and the Southwest Border Anti-Money Laundering Alliance's governing agreement are attached.

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Attachment	Size
n1860_ca-western_union_agreement.pdf	15.9 KB
n1860_alliance_governing_agreement.pdf	131.97 KB