

Mary Harper

From: >
Sent: Friday, July 26, 2013 1:39 PM
To: Jim Burns
Cc: Marilyn Chastain; Norman Real
Subject: Re: QUESTION REGARDING MONEY TRANSFER LAW CLARIFICATION IN IDAHO

Dear Mr. Burns,

Thank you for your very detailed and thoughtful response.

I only have 3 customers total that have utilized our services in the past and have now moved to Idaho and wants to continue to use our services. Some other States allow this and have given me written confirmation that it does not violate their laws. I now understand that this is not the case in Idaho and will not engage in providing services for these customers. I understand both your points and as a licensed money transmitter, we take very seriously the laws and regulations of each state.

I appreciate your response and have a great weekend.

Yours truly,

On Fri, Jul 26, 2013 at 12:12 PM, Jim Burns <jim.burns@finance.idaho.gov> wrote:

Dear :

We cannot give you any comfort that using a relative to secondarily deliver funds for transfer would be appropriate. Please consider the following:

1. As a money transmitter, it is your obligation to identify activities that may present problems both from a business perspective and an AML perspective. In this regard, you must consider whether the family member is essentially acting as a money transmitter themselves. They are accepting funds with the promise of delivery to a third party. This individual is then using your system to affect the delivery of the funds. One must consider whether you would identify and report (if needed) the beneficial ownership of the funds....and whether such an activity is suspicious. From a business perspective, would you risk doing business on behalf of an entity or individual that should be licensed?

2. The observations above may seem a bit over the top in the context of your fact set. However, it has been our experience that a once this practice begins, the relative in California may soon be facilitating funds transfers for family, friends and acquaintances of the individual who moved to Idaho. Most states would consider this unlicensed money transmitter activity. I believe that FinCen and the U.S. Treasury have similar views.

I hope that the preceding discussion helps you to understand the necessity of our view in this matter.

Regards,

Jim Burns, Investigations Chief

MBA, CFE, CRCP

Idaho Dept. of Finance

P.O. Box 83720

Boise, ID 83720-0031

[\(208\) 332-8080](tel:(208)332-8080)

From:]
Sent: Wednesday, July 24, 2013 5:25 PM
To: Jim Burns
Subject: Re: QUESTION REGARDING MONEY TRANSFER LAW CLARIFICATION IN IDAHO

Dear Mr. Burns,

Thank you for getting back to me. I understand these are the laws of Idaho and will respect them. We will not accept these transactions.

I have one final question. If my customer buys a money order in ID and sends it to his relative in California, and that resident in CA physically goes into my branch and sends the money on behalf of my customer. Would that be allowed?

Thank you very much for your help.

Regards,

On Wed, Jul 24, 2013 at 1:43 PM, Jim Burns <jim.burns@finance.idaho.gov> wrote:

Dear :

Than you for your email inquiry. For your information, Idaho has observed inquires similar to yours over the past year or two.

The Department has historically taken the position that the activity you describe is money transmission under the Idaho Money Transmitters Act and that a transmitters license would be required. Idaho's law does not have any transactional exemptions for limited activity.

There appears to be some confusion regarding whether the Idaho Money Transmitters Act is applicable where the remitter does not have a physical presence in Idaho. However, the Department of Finance has long take the position that our law is applicable to on-line transmitter forums (e.g., PayPal) and other money transmitter business models that do not have physical locations in our state.

Please let me know if you would like information on licensing in Idaho as a money transmitter and we will direct you to the appropriate resources.

Regards,

Jim Burns, Investigations Chief

MBA, CFE, CRCP

Idaho Dept. of Finance

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[\(208\) 332-8080](tel:(208)332-8080)

From:]
Sent: Wednesday, July 24, 2013 11:16 AM
To: Finance Internet Mail
Subject: QUESTION REGARDING MONEY TRANSFER LAW CLARIFICATION IN IDAHO

Dear members of the Idaho Department of Finance:

We are a Licensed Money Transmitter in California. We have a customer who once lived in California, and utilized our remittance services. That customer has since moved to your state, and wants to send a check or money order from your State to my office, in California to continue to utilize my services. To be clear, I have NO AGENTS, BRANCHES, employees, or any physical presence in Your State. The customer is basically mailing me a check or money order, and asking me to send that money to his family members in Vietnam.

This does not violate an California codes; however, I just want to make sure that it also does not violate any statutes in Your State. Can you please confirm that this is allowed in your State.

Thank you.

Vice President,

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