

53B.27 MONEY TRANSMITTERS; COOPERATION REQUIRED IN COMBATTING FRAUD.

Subdivision 1. **Fraud prevention measures required.** Each money transmitter shall:

- (1) provide a clear, concise, and conspicuous consumer fraud warning on all transmittal forms used by consumers to send money to an individual;
- (2) provide consumer fraud prevention training for agents involved with transmittals;
- (3) monitor agent activity relating to consumer transmittals; and
- (4) establish a toll-free number for consumers to call to report fraud or suspected fraud.

Subd. 2. **Voluntary disqualification by customer.** A money transmitter that originates money transfers in this state must allow an individual to voluntarily disqualify the individual from sending or receiving money transfers. The disqualification lasts for one year, unless the individual requests that it be in effect for a period longer than one year. The individual may terminate the disqualification at any time upon written notice to the money transmitter.

Subd. 3. **No transmit list.** (a) The commissioner shall create and maintain an electronic list of individuals for whom money transmitters may not make money transmissions. The commissioner may contract with a third-party vendor to create and maintain the list. The electronic list must include sufficient identifying information about individuals on the list to allow for money transmitters to match names on the "No Transmit List" with the names of individuals seeking to utilize the money transmitter's services to make money transmissions.

(b) The "No Transmit List" shall be populated in the following ways:

(1) an individual may request that the commissioner put the individual's name on the "No Transmit List;"

(2) persons with the legal authority to act on behalf of an individual may request that the commissioner put the individual's name on the "No Transmit List;"

(3) money transmitters shall request that the commissioner put the names of individuals on the "No Transmit List" that the money transmitter, their employees, their authorized delegates, or their authorized delegates' employees have detected are victims of a scheme to defraud and the names of individuals they have detected are participants in a scheme to defraud individuals residing in Minnesota;

(4) state and local law enforcement agencies and departments may request that the commissioner put the names of individuals residing in Minnesota who have been victims of a scheme to defraud on the "No Transmit List"; and

(5) money transmitters shall request that the commissioner put the names of individuals on the "No Transmit List" who have made a request directly to the money transmitter to be prohibited from making or receiving money transmissions.

(c) An individual on the "No Transmit List" shall remain on the list for a minimum of one year. After the expiration of one year, the individual may at any time request that his or her name be removed from the "No Transmit List," otherwise the name will remain on the list. An individual whose name was put on the "No Transmit List" by a person authorized to act on an individual's behalf shall remain on the list for a minimum of one year. After the expiration of one year, the person authorized to act on the individual's behalf

may at any time request that the commissioner remove the individual's name from the "No Transmit List," otherwise the name will remain on the list.

(d) An individual who requests that the individual's name be put on the "No Transmit List" may indicate at the time of the request that the name shall not be removed from the "No Transmit List" unless both the individual and at least one of two designated individuals requests the individual's name be removed from the list.

(e) The commissioner shall create request forms and establish procedures for submission of requests under this subdivision. The commissioner's forms and procedures shall include necessary requirements for verifying the identity and authority of individuals submitting requests. All requests must be submitted to the commissioner on the forms created by the commissioner and in accordance with the procedures established by the commissioner.

(f) Except as otherwise provided in this paragraph, data on individuals in the "No Transmit List" and in requests to have names put on or removed from the list are private data on individuals as defined in section 13.02, subdivision 12. The name of an individual on the "No Transmit List" may be provided to the individual or a person authorized to act on the individual's behalf and shall be provided to a money transmitter through a matching process for the purpose of determining whether it may initiate a money transmission. Data classified under this paragraph may be disclosed to requesting law enforcement agencies for law enforcement purposes or to other government agencies for purposes related to the regulation of money transmissions.

Subd. 4. Suspicious activity report. Each time a money transmitter requests that the commissioner put the name of an individual on the "No Transmit List" pursuant to subdivision 3, paragraph (b), clause (3), the money transmitter shall also submit a suspicious activity report pursuant to the federal Bank Secrecy Act.

Subd. 5. High incidence of schemes to defraud. The commissioner, after consulting with licensed money transmitters, may recommend a maximum transaction amount for money transmissions to countries associated with high incidence of schemes to defraud.

Subd. 6. Notification of attempted receipt of money transfer at unexpected location. Upon request of a sender of a money transmission, a money transmitter shall promptly notify the sender if the money transmitter receives notice that a person has attempted to receive the transfer at a physical location in a state or country other than the state or country specified by the sender. The money transmitter shall not authorize receipt of the transfer at any physical location not specified in writing by the sender at the time of the transmission unless the money transmitter has received authorization from the sender.

Subd. 7. Verification of name and location of receipt of money transfer. Upon request of a sender or the authorized delegate of a money transmission, a money transmitter shall provide the sender verification of the location where the transfer was received and the name of the person receiving the transfer. This subdivision only applies to transmissions received at a physical location.

History: 2012 c 234 s 2; 2013 c 50 s 2-6; 2013 c 103 s 1