

Western Union CO
Form 8-K
January 20, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 19, 2017

THE WESTERN UNION COMPANY

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32903
(Commission
File Number)

20-4531180
(I.R.S. Employer
Identification No.)

12500 East Belford Avenue
Englewood, Colorado
(Address of principal executive offices)

80112
(Zip Code)

(866) 405-5012
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Edgar Filing: Western Union CO - Form 8-K

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On January 19, 2017, The Western Union Company (the "Company") announced that it, or its subsidiary Western Union Financial Services, Inc., as specified below, had entered into (1) a Deferred Prosecution Agreement (the "DPA") with the United States Department of Justice ("DOJ"), and the United States Attorney's Offices for the Eastern and Middle Districts of Pennsylvania, the Central District of California, and the Southern District of Florida (collectively, the "USAOs"), (2) a Stipulated Order for Permanent Injunction and Final Judgment (the "Consent Order") with the United States Federal Trade Commission ("FTC"), and (3) a Consent to the Assessment of Civil Money Penalty with the Financial Crimes Enforcement Network ("FinCEN") of the United States Department of Treasury (the "FinCEN Agreement"), to resolve the respective investigations of those agencies. As previously disclosed in the Company's filings with the United States Securities and Exchange Commission, the investigations by the DOJ and FTC focused primarily on the Company's oversight of certain agents and whether its anti-fraud program, as well as its anti-money laundering controls, adequately prevented misconduct by those agents and third parties. FinCEN provided notice to the Company dated December 16, 2016 of its investigation regarding possible violations of the United States Bank Secrecy Act. The DPA, Consent Order, and FinCEN Agreement are collectively referred to herein as the "Agreements."

Under the Agreements, the Company will, among other things, (1) pay an aggregate amount of \$586 million to the DOJ to be used to reimburse consumers who were the victims of third-party fraud conducted through the Company's money transfer services (the "Compensation Payment"), and (2) retain an independent compliance auditor for three years to review and assess actions taken by the Company under the Agreements to further enhance its oversight of agents and protection of consumers. The FinCEN Agreement also sets forth a civil penalty of \$184 million, the full amount of which will be deemed satisfied by the Compensation Payment, without any additional payment or non-monetary obligations. No separate payment to the FTC is required under the Agreements. If the Company fails to comply with the Agreements, it could face criminal prosecution, civil litigation, significant fines, damage awards or regulatory consequences which could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

The foregoing summary of the Agreements does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the Agreements, which are filed as Exhibits 10.1, 10.2, and 10.3 to this current report on Form 8-K and incorporated by reference into this Item 1.01. The Company's press release announcing its entry into the Agreements is attached as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

Number	Description of Exhibit
10.1	Deferred Prosecution Agreement dated January 19, 2017 by and between The Western Union Company, the United States Department of Justice, and the United States Attorney's Offices for the Eastern and Middle Districts of Pennsylvania, the Central District of California, and the Southern District of Florida
10.2	Stipulated Order for Permanent Injunction and Final Judgment dated January 19, 2017 by and between The Western Union Company and the United States Federal Trade Commission
10.3	Consent to the Assessment of Civil Money Penalty dated January 19, 2017 by and between Western Union Financial Services, Inc. and the Financial Crimes Enforcement Network of the United States Department of Treasury
99.1	Press release issued by The Western Union Company on January 19, 2017.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 20, 2017

THE WESTERN UNION COMPANY

By:	/s/ DARREN A. DRAGOVICH
Name:	Darren A. Dragovich
Title:	Vice President and Assistant Secretary

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
	Deferred Prosecution Agreement dated January 19, 2017 by and between The Western Union Company, the United States Department of Justice, and the United States Attorney's Offices for the Eastern and Middle Districts of Pennsylvania, the Central District of California, and the Southern District of Florida
10.1	Stipulated Order for Permanent Injunction and Final Judgment dated January 19, 2017 by and between The Western Union Company and the United States Federal Trade Commission
10.2	Consent to the Assessment of Civil Money Penalty dated January 19, 2017 by and between Western Union Financial Services, Inc. and the Financial Crimes Enforcement Network of the United States Department of Treasury
10.3	
99.1	Press release issued by The Western Union Company on January 19, 2017.
