

FILED  
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MICHAEL K. JEANES, Clerk  
By B. McDonald  
B. McDonald, Deputy

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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN AND FOR THE COUNTY OF MARICOPA

State of Arizona, ex rel.	)	No. CV 2010-005807
Attorney General Thomas C. Horne,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	<b>ORDER</b>
	)	<b>APPROVING AMENDMENT TO</b>
Western Union Financial Services, Inc.	)	<b>SETTLEMENT AGREEMENT</b>
	)	
Defendant.	)	
	)	

The Court having received and considered the Stipulated Motion for Approval of Amendment to Settlement Agreement filed by the State of Arizona ("State")<sup>1</sup> and Western Union Financial Services, Inc. ("Western Union"), the Court finds and orders as follows:

<sup>1</sup> For purposes of this Order, the "State" includes the Money Transmitter Transaction Record Analysis Center ("TRAC" or "Center").

1 **FINDINGS**

2 THE COURT HEREBY FINDS:

- 3 1) The State and Western Union entered into a Settlement Agreement on February  
4 11, 2010, which was approved by the Court on February 24, 2010.
- 5 2) The terms of the Settlement Agreement provide that the court-appointed Monitor's  
6 Engagement shall end on July 31, 2013.
- 7 3) The Court entered orders tolling the time frames and extending the benefits and  
8 obligations of the Settlement Agreement on June 14, 2013, October 28, 2013, and  
9 December 19, 2013. Among other things, these orders extended the Monitor's  
10 Engagement through January 31, 2014.
- 11 4) The State and Western Union executed an Amendment to the Settlement  
12 Agreement on January 31, 2014.
- 13 5) The Amendment calls for, among other things, further extending the benefits and  
14 obligations of the Settlement Agreement and extending the period of the court-  
15 appointed Monitor's Engagement.
- 16 6) The public interest will be served by the terms of the Amendment to the  
17 Settlement Agreement.
- 18 7) The transaction data described in paragraph 17 of the Settlement Agreement,  
19 paragraph 32.5 of the Monitor Engagement Letter, and paragraph 17.1.6 of the  
20 Amendment includes "Personal Information." For purposes of this Order,  
21 "Personal Information" is defined as any information relating to an identified or  
22 identifiable individual, that Western Union produces pursuant to paragraph 17 of  
23 the Agreement, paragraph 32.5 of the Monitor Engagement Letter, or paragraph  
24 17.1.6 of the Amendment.
- 25 8) Under the Settlement Agreement, the Monitor Engagement Letter, and the  
26 Amendment, Western Union is required to disclose Personal Information to the  
27 State and the Monitor in accordance with 12 C.F.R. §§ 1016.15(a)(2)(ii)-(iii), (4)  
28 and (7)(i)-(iii).
- 9) The transaction data required to be produced pursuant to paragraph 7 of these  
findings and under the Amendment to the Settlement Agreement is reasonable in  
scope because (a) it is reasonably necessary for the Monitor and the State to  
understand the context of present transaction data and to know what effect the  
Monitor's Recommendations are having on money laundering activities and  
whether additional or different Recommendations should be made; (b) the  
transaction data shall assist the State in verifying the success of Western Union in  
remediating past problems in combatting money laundering; (c) data provided to

1 representatives of the Southwest Border states will assist the Monitor in  
2 determining what recommendations are appropriate; (d) the State needs access to  
3 comprehensive data so as to ensure that Western Union, after the  
4 Recommendations are implemented, is in full compliance with the border-wide  
duties imposed on Western Union by the Agreement and the Amendment.

5 10) The Personal Information Western Union is required to produce is necessary to  
6 carry out the legitimate interests of the State in investigating and prosecuting  
7 criminal activity, including money laundering and human smuggling, and the  
8 State's legitimate interests are not overridden by the fundamental rights and  
freedoms of the individuals whose Personal Information is disclosed to the State or  
the Monitor.

9 11) The Personal Information is limited to the information that is relevant and  
10 necessary to fulfill the purposes expressly contemplated by this Order or the  
11 Settlement Agreement and the Amendment and is proportional to fulfilling such  
purposes.

12 12) This Court has authority to enter this Order under Ariz. Const. art. VI, § 24, the  
13 Rules of Civil Procedure, A.R.S. § 12-123, and A.R.S. § 13-2314.

#### 14 **APPROVAL OF AMENDMENT**

##### 15 **1. IT IS HEREBY ORDERED THAT:**

- 16 a) The Amendment to the Settlement is accepted and approved in all respects.
- 17 b) The court-appointed Monitor's Engagement is extended pursuant to the terms of  
18 the Amendment.
- 19 c) Western Union shall provide the transaction data described in paragraph 17 of the  
20 Settlement Agreement, paragraph 32.5 of the Monitor Engagement Letter, and  
21 paragraph 17.1.6 of the Amendment to the State, the Monitor, and Participating  
22 States, as applicable, pursuant to the terms of this Order and the Settlement  
Agreement and the Amendment.
- 23 d) The original Order of February 24, 2010, and other orders of this Court are hereby  
reaffirmed except to the extent modified by this Order.
- 24 e) In order to implement the Amendment, Western Union shall pay the amounts set  
25 forth at: (1) paragraph 11 of the Amendment relating to the Monitor's  
26 compensation and expenses; (2) the amounts set forth at paragraph 12.7 relating to  
27 TRAC expenses; and (3) paragraph 18 relating to arbitrator fees.
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1 **PRIVACY, CONFIDENTIALITY, AND INFORMATION SECURITY**

2 **2. IT IS FURTHER ORDERED THAT:**

- 3 a) The State, the State's duly authorized agents, the Monitor, and the Monitor's duly  
4 authorized agents shall Process the Personal Information only for the purposes  
5 expressly contemplated by this Order, the original Order of February 24, 2010,  
6 other orders of this Court, or the Settlement Agreement and Amendment.<sup>2</sup>
- 7 b) The State, the State's duly authorized agents, the Monitor, and the Monitor's duly  
8 authorized agents shall hold the Personal Information in strict confidence.
- 9 c) The State, the State's duly authorized agents, the Monitor, and the Monitor's duly  
10 authorized agents shall limit access to the Personal Information to their authorized  
11 personnel who have a need to know the Personal Information in order to exercise  
12 the State's or the Monitor's, as appropriate, duties under this Order or the  
13 Settlement Agreement and the Amendment and who have explicitly agreed in  
14 writing to comply with legally-enforceable privacy, confidentiality, and  
15 information security obligations that are substantially similar to those required by  
16 this Order and the Settlement Agreement and the Amendment.
- 17 d) The State, the State's duly authorized agents, the Monitor, and the Monitor's duly  
18 authorized agents shall not duplicate, share, transfer, disclose, or otherwise  
19 provide access to the Personal Information to any third party, except to the extent  
20 required by law, or otherwise authorized by this Order or the Settlement  
21 Agreement and the Amendment, and the disclosure is to another law enforcement  
22 or prosecutive agency that has agreed in writing prior to the disclosure to keep the  
23 Personal Information confidential to the maximum extent permissible by law.  
24 Prior to such duplication, sharing, transfer, disclosure, or access, the State, the  
25 State's duly authorized agents, the Monitor, and the Monitor's duly authorized  
26 agents, as appropriate, shall obtain from the intended recipient of the Personal  
27 Information a written agreement that it will comply with legally-enforceable  
28 privacy, confidentiality, and information security obligations that are substantially  
similar to those required by this Order and the Settlement Agreement and the  
Amendment. With respect to any recipients authorized to receive the Personal  
Information pursuant to this Section 2(d), the State, the State's duly authorized  
agents, the Monitor, or the Monitor's duly authorized agents, as appropriate, shall  
duplicate, share, transfer, disclose, or provide access to only the minimum amount

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<sup>2</sup> "Process" or "Processing" is any operation or set of operations performed upon the Personal Information, whether or not by automatic means, such as creating, collecting, procuring, obtaining, accessing, recording, duplicating, organizing, storing, adapting, altering, retrieving, consulting, using, disclosing, or destroying the information.

- 1 of the Personal Information necessary to accomplish the purpose of the  
2 duplication, sharing, transfer, disclosure, or access.
- 3 e) The State, the State's duly authorized agents, the Monitor, and the Monitor's duly  
4 authorized agents shall each maintain a list of every internal and external recipient  
5 of the Personal Information, including third-party recipients granted access  
6 pursuant to Section 2(d) above. Each such list shall contain the name, title,  
7 affiliation, and contact information of the relevant individual, and the list shall be  
8 updated within 48 hours of granting access to a new recipient of the Personal  
9 Information.
- 10 f) The State, the State's duly authorized agents, the Monitor, and the Monitor's duly  
11 authorized agents shall exercise the necessary and appropriate supervision over  
12 their relevant personnel to maintain appropriate privacy, confidentiality, and  
13 security of the Personal Information.
- 14 g) The State, the State's duly authorized agents, the Monitor, and the Monitor's duly  
15 authorized agents shall utilize appropriate information security protocols to  
16 comply with applicable law and shall (i) ensure the privacy, security, and  
17 confidentiality of the Personal Information; (ii) protect against any anticipated  
18 threats or hazards to the privacy, security, and integrity of the Personal  
19 Information; and (iii) protect against any actual or suspected unauthorized  
20 Processing, loss, use, disclosure, or acquisition of, or access to the Personal  
21 Information known to the State, the State's authorized agents, the Monitor or the  
22 Monitor's authorized agents, hereinafter referred to as an "Information Security  
23 Incident."
- 24 h) The State, the State's duly authorized agents, the Monitor, and the Monitor's duly  
25 authorized agents shall make appropriate use of technology to ensure the privacy,  
26 security, and confidentiality of the Personal Information, including appropriate  
27 encryption procedures, authorization and documentation procedures, physical  
28 intrusion controls, and access controls.
- i) The State, the State's duly authorized agents, the Monitor, and the Monitor's duly  
authorized agents shall promptly inform Western Union in writing of any  
Information Security Incident of which the State, the State's duly authorized  
agents, the Monitor, and the Monitor's duly authorized agents, as appropriate,  
becomes aware. Such notice shall summarize in reasonable detail the effect on  
Western Union, if known, of the Information Security Incident and the corrective  
action taken or to be taken by the State, the State's duly authorized agents, the  
Monitor, and the Monitor's duly authorized agents, as appropriate. Notification  
may be delayed in accordance with A.R.S. § 44-7501(C) if a law enforcement  
agency advises that notification will impede a criminal investigation. The State,  
the State's duly authorized agents, the Monitor, and the Monitor's duly authorized  
agents, as appropriate, shall promptly take all necessary and advisable corrective

1 actions, and shall cooperate with Western Union in all reasonable and lawful  
2 efforts to prevent, mitigate, or rectify such Information Security Incident. The  
3 content of any public press release or media report shall be the subject of  
consultation with Western Union prior to any communication thereof.

4 j) To the extent permitted by any applicable federal, state, or local public records  
5 laws, the Personal Information shall be considered to be law enforcement  
6 investigatory materials and confidential information, and exempt from disclosure  
under the relevant public records laws.

7 k) The State and the Monitor, as appropriate, shall in good faith work together to  
8 enter into any reasonable privacy, confidentiality, or information security  
9 agreement reasonably necessary for Western Union to comply with legal  
10 requirements as they may become applicable from time to time. In case of any  
11 conflict between this Order or the Settlement Agreement and the Amendment and  
12 any such further privacy, confidentiality, or information security agreement, such  
further agreement shall prevail with regard to the Processing of Personal  
Information covered by it.

13 l) The State, the Monitor, and Western Union shall reasonably cooperate with one  
14 another with respect to every request, investigation, subpoena, lawsuit, legal  
15 challenge, access request, or other communication received by the State, the  
16 Monitor, or Western Union from any foreign or domestic government authority or  
17 data subject regarding the privacy, confidentiality, or information security of the  
18 Personal Information. The State, the Monitor, and Western Union shall promptly  
notify each party, in writing, of any such request. The obligations of this  
paragraph shall not apply to the extent that such cooperation may impede,  
compromise, or jeopardize any criminal investigation.

19 m) Except as required by applicable law, the State, the State's duly authorized agents,  
20 the Monitor, and the Monitor's duly authorized agents shall cooperate with  
21 Western Union to return to Western Union or its designee, or shall securely  
22 destroy, or render unreadable or undecipherable if return is not reasonably  
23 feasible, any and all Personal Information related to a particular consumer  
24 transaction to the extent the Personal Information is in the State's, the State's duly  
25 authorized agents', the Monitor's, or the Monitor's duly authorized agents', as  
26 appropriate, possession, custody, or control, within five years of the date of  
27 completion of the relevant underlying consumer transaction. With respect to the  
28 Monitor, promptly upon the expiration of all rights and obligations under this  
Order and the Settlement Agreement and the Amendment, the Monitor and the  
Monitor's duly authorized agents, as appropriate, shall cooperate with Western  
Union to return to Western Union or its designee, or shall securely destroy, or  
render unreadable or undecipherable if return is not reasonably feasible, the  
Personal Information in the Monitor's or the Monitor's duly authorized agents', as  
appropriate, possession, custody, or control. In the event applicable law does not

1 permit the State, the State's duly authorized agents, the Monitor, or the Monitor's  
2 duly authorized agents to comply with the delivery or destruction of the Personal  
3 Information as required by this paragraph, (i) the State and the State's duly  
4 authorized agents shall ensure the confidentiality of the Personal Information and  
5 shall not Process or otherwise use or disclose any of the Personal Information  
6 related to a particular consumer transaction after five years from the date of  
7 completion of the relevant underlying consumer transaction, and (ii) the Monitor  
8 and the Monitor's duly authorized agents shall ensure the confidentiality of the  
9 Personal Information and shall not Process or otherwise use or disclose any of the  
10 Personal Information after termination of the Monitor Engagement. The  
11 provisions of this paragraph shall not apply to the State when the Personal  
12 Information is maintained by the State or other law enforcement authority for an  
13 ongoing criminal investigation or ongoing prosecution.

14 n) The State's, the State's duly authorized agents', the Monitor's, and the Monitor's  
15 duly authorized agents' obligations set forth in this Order shall survive the  
16 termination of the Settlement Agreement and the Amendment and the termination  
17 of all rights and obligations subject thereto.

18 o) Under paragraph 17.1.6 of the Amendment, the states of California, New Mexico,  
19 and Texas are Participating States and are currently recipients of transaction data  
20 and Personal Information under the Agreement of February 11, 2010. Further, the  
21 Participating States may be entitled to additional transaction data and Personal  
22 Information pursuant to paragraph 17.1.6 of the Amendment. In addition, other  
23 agencies and entities are currently third-party recipients of transaction data and  
24 Personal Information under the Agreement of February 11, 2010. Any such third-  
25 party recipients and any other entity entitled to receive transaction data under  
26 paragraph 17.1.6 of the Amendment shall not be entitled to receive such  
27 transaction data or Personal Information after the date of this Order until such  
28 third-party recipient and entity executes an agreement with the State providing that  
it will be bound by the privacy, confidentiality, information, security, and  
immunity provisions of this Order.

**3. IT IS FURTHER ORDERED THAT:**

a) Western Union shall provide the transaction data to a Participating State, as  
defined in paragraph 23.2.2 of the Settlement Agreement, only after such  
Participating State agrees in writing to privacy, confidentiality, and information  
security obligations that are substantially similar to those required by this Order  
and the Settlement Agreement and the Amendment.

b) The State and the Monitor shall provide to any third-party law enforcement,  
regulatory, or prosecutive agency that is a recipient of the transaction data  
described in paragraph 17 of the Agreement, paragraph 32.5 of the Monitor  
Engagement Letter, or paragraph 17.1.6 of the Amendment, or information that is

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derived by the State, the State's duly authorized agents, the Monitor, or the Monitor's duly authorized agents from such transaction data, a copy of the Agreement, the Amendment, and this Order, and shall require any recipient agency to give written assurances that it will be bound by paragraph 13 of the Agreement.

Warren Granville 1/31/14  
The Honorable Warren Granville  
Superior Court Judge

The foregoing instrument is a full, true and correct copy of the original on file in this office.

Attest 1/31 20 14  
MICHAEL K. JEANES, Clerk of the Superior Court of the State of Arizona, in and for the County of Maricopa.

By C.B. McDonald Deputy