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Illinois Department of
Financial and Professional Regulation

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Illinois Joins \$80 Million Enforcement Action Against Block, Inc., Cash App for BSA/AML Violations

CHICAGO – Illinois and 47 state financial regulatory agencies have taken coordinated action against Block, Inc., for violations of Bank Secrecy Act (BSA) and anti-money laundering (AML) laws that safeguard the financial system from illicit use.

More than 50 million consumers in the United States use Cash App, Block’s mobile payment service, to spend, send, store, and invest money.

“This enforcement action demonstrates the Illinois Department of Financial and Professional Regulation’s (IDFPR) continued commitment to ensuring the integrity of the financial services industry and protecting consumers,” said **IDFPR Secretary Mario Treto, Jr.** “The Department will continue to take action, including collaborating with fellow regulators, to ensure compliance with all applicable laws.”

In the multistate settlement signed this week, Block agreed to pay a \$80 million penalty to the state agencies, hire an independent consultant to review the comprehensiveness and effectiveness of its BSA/AML program, and submit a report to the states within nine months. Block then will have 12 months to correct any deficiencies found in the review after the report is filed.

“IDFPR makes every effort to identify risks to the financial services industry and consumers,” said **Division of Financial Institutions Director Francisco Menchaca**. “Protecting Illinois consumers is our top priority.”

State regulators in Arkansas, California, Massachusetts, Florida, Maine, Texas, and Washington State led the multistate enforcement effort. Block cooperated with the states in the settlement.

Under BSA/AML rules, financial services firms are required to perform due diligence on customers, including verifying customer identities, reporting suspicious activity, and applying appropriate controls for high-risk accounts. State regulators found Block was not in compliance with certain requirements, creating the potential that its services could be used to support money laundering, terrorism financing, or other illegal activities.

Through a strong, nationwide regulatory framework, state financial regulators license and serve as the primary supervisor of money transmitters. States license more than 700 money transmitters, and 99% of transmission activity through those firms is governed by the state-developed [Money Transmission Modernization Act](#) (MTMA). To protect consumers and enforce safety and soundness requirements, state regulators regularly coordinate supervision of multistate firms and, when necessary, initiate enforcement actions. This coordination – [Networked Supervision](#) – supports consistency and collaboration, while

preserving the authority of individual states to take direct action. Additional information on the state regulatory framework for money transmission can be found [here](#).

State financial regulators license and supervise more than 33,000 nonbank financial services companies, including mortgage companies, money services businesses, consumer finance providers, and debt collectors.

Illinois residents who have questions about the enforcement action should visit the IDFPR Division of Financial Institutions [website](#). Residents can also visit [NMLS Consumer Access](#) to verify that a company is licensed to do business in Illinois..

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