

ORDER NO. 2020-034

IN THE MATTER OF:

HASHI MONEY WIRING, LLC

SEATAC, WASHINGTON

§ BEFORE:

§

§ THE BANKING

§ COMMISSIONER OF TEXAS

§

§ AUSTIN, TRAVIS COUNTY, TEXAS

CONSENT ORDER

On this day, in the matter of Hashi Money Wiring, LLC (Respondent) was submitted to me, Charles G. Cooper, Banking Commissioner (Commissioner) of the State of Texas, for consideration and action.

1. Respondent holds Money Transmission License No. 3091 issued by the Texas Department of Banking (“Department”) pursuant to Texas Finance Code (“Finance Code”) Chapter 151 and operates an international money transmission business headquartered in SeaTac, Washington.
2. The Texas Department of Banking (Department) has jurisdiction over Respondent and the subject matter of this proceeding pursuant to Texas Finance Code (Finance Code) Chapter 151 (Chapter 151). The Commissioner has the authority to issue this Consent Order (Order) and to assess administrative penalties pursuant to Finance Code §§ 151.706 and 151.707.
3. Respondent has been properly notified of its right to an administrative hearing under Chapter 151.
4. The undersigned representative of Respondent has full authority to enter into and bind Respondent to the terms and conditions of this Consent Order.
5. The statutory provisions at issue in this matter include, but are not limited to, Finance Code §§ 151.302, 151.702, 151.706, and 151.707.

6. Any violation of this Order could subject Respondent to additional regulatory or enforcement actions authorized by Chapter 151 and other provisions of Texas law. Nothing in this Order diminishes the regulatory or enforcement powers of the Department, the Commissioner, or the Finance Commission of Texas under Chapter 151 or other applicable law.
7. For purposes of this proceeding, Respondent knowingly and voluntarily waives:
 - a. Service upon Respondent of this Order;
 - b. The right to present defenses to the allegations in this proceeding;
 - c. Notice and hearing prior to imposition of this Order;
 - d. The filing of proposed findings of fact and conclusions of law;
 - e. The issuance of a proposal for decision by an administrative law judge;
 - f. The filing of exceptions and briefs with respect to such proposal for decision;
 - g. Any review of this Order by the Texas Finance Commission; and
 - h. Judicial review of this Order as provided by Texas Government Code § 2001.171 et seq., and any other challenge to the validity of this Order.
8. Respondent and the Commissioner agree to this Order solely for the purpose of this proceeding, and without Respondent admitting or denying any violations of law or regulations.
9. Respondent does not admit to or deny the accuracy of the Department's Findings under Section I of this Order.
10. This Order does not constitute an admission by Respondent that Chapter 151 or a rule adopted, or order issued under Chapter 151 has been violated.
11. Respondent has agreed to comply with the terms that are set out in the Order below.

12. This Order does not restrict the Department with respect to any enforcement action or other recourse regarding any other violations by Respondent not now known to the Department that come to the attention of the Department. Nothing herein shall be construed to limit Respondent's right to contest any future finding or determination of non-compliance.
13. Nothing in this Order guarantees that Respondent will be issued a new license under Chapter 151 or requires the Department or Commissioner to issue Respondent a license; however, if Respondent applies for a license as permitted by this Order, the Department will investigate Respondent's compliance with this Order and Respondent's qualifications for a license in good faith.

I. Findings

12. Respondent is wholly owned by President Abdulhakim Hashi.
13. Starting on November 12, 2018, the Department initiated a full scope, on-site examination of Respondent's business operations and books and records at Respondent's headquarters in SeaTac, Washington pursuant to Finance Code Section 151.601 (the "Examination").
14. At the time of the Examination, Respondent conducted money transmission business in Texas through four authorized delegates ("ADs") located throughout Texas.
15. The Department continued to correspond with Respondent regarding issues identified subsequent to the conclusion of the on-site portion of the Examination until January 2020.
16. The Department's review of the information obtained from Respondent and information obtained through subpoena of Respondent's bank records revealed that Respondent committed numerous violations of the Finance Code and made material misrepresentations to the Department.
17. During the Examination, Respondent made the following representations to the Department:

- a. Respondent conducts only outbound money transfers to certain countries in Africa on behalf of individuals through a network of ADs located in Texas;
 - b. Respondent does not transfer money on behalf of businesses located in Texas, only individual consumers;
 - c. Customer funds are never deposited into an AD's bank account. Cash and checks received from customers in Texas by ADs are physically transported to Respondent in Washington State;
18. A review of Respondent's records subsequent to the Examination revealed that Respondent's money transmission business deviated substantially from the above representations, including:
- a. Respondent regularly accepts funds from businesses located in Texas;
 - b. Respondent's ADs commingle customer funds and allow funds to be deposited into third party bank accounts; and
 - c. Respondent transmits funds into Texas on behalf of businesses.
19. Respondent concealed these facts from the Department by omitting and making false entries in its transaction database.
20. Respondent allows its ADs to conduct business in Texas in violation of Chapter 151 of the Finance Code and fails to maintain oversight and control of its ADs. The Department's investigation led to the following findings:
- a. Respondent failed to properly execute agreements with two ADs in Texas;
 - b. ADs could not produce a copy of Respondent's AML program and were unable to demonstrate basic knowledge of the program;
 - c. ADs processed numerous transactions in violation of the AML program;

- d. ADs deposited funds into their own bank accounts in violation of Respondent's AD agreement;
 - e. ADs carried out transactions after posted business hours;
 - f. ADs could not substantiate the amount of customer funds due to Respondent; and
 - g. One AD advertised money transmission services for an unlicensed entity.
22. Respondent was unable to substantiate the amount of customer funds due from its ADs reported on its balance sheet. Information provided by Respondent was inconsistent and did not reconcile to the Respondent's financial records. Additionally, Respondent's financial records failed to include entries for the receipt of a significant amount of cash that was received from a business in Washington State that was ultimately delivered to a business located in Texas. The Commissioner has considered the matter and believes that, based on credible evidence, Respondent's actions satisfy the requirements for the issuance of an order revoking Respondent's money transmission license pursuant to Finance Code § 151.703. In particular, the Commissioner has determined the following:
- a. it is not in the public's interest that Respondent possess a money transmission license in Texas;
 - b. Respondent has violated Chapter 151, the Bank Secrecy Act, the USA PATRIOT ACT, and rules adopted under the foregoing laws;
 - c. Respondent has not fully cooperated with an examination authorized by Chapter 151;
 - d. Respondent has engaged in unsafe and unsound acts and practices and has conducted business in an unsafe manner;

- e. conditions and information exist that, if known at the time Respondent applied for its money transmission license, would have been grounds for denying Respondent's application;
 - f. Respondent knowingly made material misstatements and suppressed or withheld material information on a report and other documents required to be filed with the Department; and
 - g. an AD of Respondent has knowingly violated this chapter, a rule adopted or order issued under this chapter, or a state or federal anti-money-laundering or terrorist funding law, and Respondent knows or should have known of the violation and has failed to make a reasonable effort to prevent or correct the violation.
23. The Commissioner has determined further that such actions and violations of laws and regulations demonstrate that Respondent does not possess the financial responsibility and condition, business experience, competence, character, and general fitness to justify the confidence of the public and warrant the belief that Respondent will conduct business in compliance with Chapter 151 and rules adopted under Chapter 151 and other applicable state and federal laws.
24. As required by Finance Code § 151.707(d), the Commissioner has considered the seriousness of the violations, Respondent's compliance history, and Respondent's good faith in attempting to comply with Chapter 151. Based on these findings the Commissioner finds that a penalty of \$30,000 is appropriate.

II. Order

It is hereby ORDERED, ADJUDGED and DECREED that:

25. Within seven days of the effective date of this Order, Respondent will cease and desist from accepting any new money transmission business in Texas. This includes business conducted directly or through ADs and includes but is not limited to advertising and soliciting persons in Texas.
26. Within 14 days of the effective date of this Order, Respondent will have returned to its Texas customers all customer funds or have satisfied all outstanding money transmission obligations.
27. Within seven days of complying with the above two paragraphs, Respondent will confirm in writing to the Department that all money transmission business has ceased and that there are no outstanding money transmission obligations or funds due to customers.
28. Within 21 days of the effective date of this Order, Respondent will surrender its original money transmission license to the Department at 2601 N. Lamar Blvd, Austin, Texas 78705 along with a written notice of surrender that includes the location at which the license holder's records will be stored and the name, address, telephone number, and other contact information for an individual who is authorized to provide access to the records for a period of five (5) years from the effective date of this Order.
29. Respondent will maintain the security required by Finance Code § 151.308 in the amount of at least Respondent's outstanding money transmission obligations to Texas customers. To the extent the Commissioner's consent is required to release the security, consent will be given upon receiving from Respondent written notice with supporting documentation that all outstanding money transmission obligations to Texas customers have been satisfied.
30. Respondent will pay a total of \$30,000 to the Department as an administrative penalty under Texas Finance Code § 151.707. Respondent will pay \$5,000 of the penalty after

September 1, 2020 but before September 5, 2020. Respondent will then make monthly payments of \$1,500 (except for the final payment of \$1,000) by the 5th day of each month starting on October 5, 2020, until the remaining \$25,000 penalty is paid in full. If Respondent does not make a full monthly payment within five days of the due date, the entire penalty amount remaining becomes immediately due.

31. Respondent may not apply for or obtain a license under Chapter 151 for twelve (12) months following the effective date of this Order.
32. In the event that Respondent does apply for a license, the Department will conduct an on- site investigation of Respondent and its authorized delegates pursuant to Finance Code § 151.204(b), and Respondent will pay all reasonable expenses associated with the investigation pursuant to Finance Code § 151.204(c). If at the time Respondent applies for a license, its most current examination ratings are satisfactory in states where it maintains a money transmission license, the Department may, at its discretion, forego an on-site investigation.
33. Respondent may not apply for a license if it has not received at least an examination rating of 3 or better at its most recent examination in states where Respondent maintains a money transmission license.
34. Before Respondent may apply for a license, Respondent must engage the necessary professionals, including consultants, attorneys, and/or accountants to remedy issues identified in the Order to Cease and Desist and Revoke License and the Department's latest Report of Examination and subsequent correspondence with the Department. Written confirmation must be prepared by one of Respondent's professionals and provided to the Department explaining how each issue was corrected and the controls put in place to ensure continuing compliance.

35. Audited financial statements required to be submitted with an application for a license must be prepared by a Certified Public Accountant but may not be prepared by Respondent's former accountant: H.D.H.
36. In addition to the requirements imposed by this Order, all requirements applicable to an application for a new license under Chapter 151 will apply to any future application submitted by Respondent, including application fees.
37. Mr. Hashi, as the controlling principal of Respondent, may not circumvent or avoid the requirements of this Order by applying for a license through a different legal entity.

Effective Date

This Order against Respondent is effective on the date signed by the Commissioner and is final and non-appealable as of that date.

Signed on this 3rd day of September, 2020.

/s/ Charles G. Cooper
Charles G. Cooper
Commissioner, Department of Banking

AGREED AS TO FORM AND SUBSTANCE

Hashi Money Wiring, LLC

/s/ Abdulhakim Hashi

By: Abdulhakim Hashi

Date: August 17, 2020

APPROVED AS TO FORM:

/s/ Ryan McCarthy

Ryan McCarthy

Assistant General Counsel Texas Department of
Banking

Date: August 31, 2020

/s/ Irma Jacobson

Irma Jacobson

Jacobson PLLC

Attorney for Hashi Money Wiring, LLC

Date: August 24, 2020