



Charles G. Cooper  
Commissioner

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## **TEXAS DEPARTMENT OF BANKING**

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### **PRESS RELEASE**

*Date: January 15, 2025*

## **Texas Department of Banking Joins \$80 Million Enforcement Action Against Block, Inc. for BSA/AML Violations**

The Texas Department of Banking 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.

In the [multistate settlement](#) signed this week, Block agreed to pay an \$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.

“Ensuring licensed money transmitters have adequate BSA and AML compliance programs is essential to combating money laundering and protecting Texas and its consumers,” said Commissioner Cooper.

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. The multistate Networked Supervision coordination supports consistency and collaboration, while preserving the authority of individual states to take direct action.

Texas residents who have questions about the enforcement action should contact the Non-Depository Supervision by email at [msb@dob.texas.gov](mailto:msb@dob.texas.gov) or toll free at 877-276-5554.

Consumers are encouraged to conduct their due diligence by visiting the [Nationwide Multistate Licensing System \(NMLS\) Consumer Access](#) website to verify that a company is licensed to do business in Texas, and they may also view past enforcement actions.

State financial regulators license and supervise more than 34,000 nonbank financial services companies through the [Nationwide Multistate Licensing System](#), including mortgage companies, money services businesses, consumer finance providers, and debt collectors.