

BEFORE THE U.S. DEPARTMENT OF LABOR

In the Matter of:	§	
	§	
JUAN LOZADA-LEONI,	§	
	§	
Complainant,	§	
	§	
v.	§	Case No. 2018-SOX-00004
	§	
MONEYGRAM INTERNATIONAL,	§	
	§	
Respondent.	§	
	§	

JUAN LOZADA-LEONI’S ORIGINAL COMPLAINT

I. FACTS.....	1
II. CAST OF CHARACTERS	4
III. FAILURE TO COMPLY WITH DPA	5
IV. SPECIFIC VIOLATIONS OF THE DPA	8
V. COMPLAINANT’S PROTECTED ACTIVITY, RESPONDENT’S ADVERSE AND RETALIATORY ACTIONS	12
VI. FIRST CAUSE OF ACTION: Violation of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1514A.....	19
VII. FACTS AND LEGAL ISSUES STILL IN DISPUTE.....	20
VIII. RELIEF SOUGHT ON THE PART OF COMPLAINANT	21
IX. GOOD FAITH EFFORT OF COMMUNICATION	21
X. COMPLAINANT’S ADMINISTRATIVE COMPLAINT FILED WITH OSHA.....	22

I. FACTS

On October 18, 2016, Complainant began work as the Senior Manager for the U.S. Regional Compliance Team for MoneyGram International. As Senior Manager for Regional Compliance for the abovementioned territory, Complainant was responsible for supervising MoneyGram’s compliance officers and managers within his same territory, who, in turn, were responsible for measuring agents' compliance, anti-fraud and anti-money laundering programs and providing

training and awareness initiatives. Complainant was also responsible for driving MoneyGram's agents to implement or enhance compliance, anti-fraud and anti-money laundering policies and procedures and assisted in the development of same as required. Complainant worked under the direction of Juan Manuel Gonzalez, Head of Compliance for the Americas division of MoneyGram.

Shortly after starting his position at MoneyGram, Complainant began observing improprieties in MoneyGram's anti-fraud and anti-money laundering programs involving several small and large agents who utilize MoneyGram's services, including Walmart Stores, Inc., Albertsons Companies, LLC, Circle K Stores, Inc., CVS Caremark Corp., Supervalu, and Schnuck Markets, Inc. Specifically, in January 2017, Complainant notified Peter Green, Gonzalez's supervisor and Head of Regional Compliance of the Americas and Europe division of MoneyGram, that Gonzalez was failing to answer Complainant's emails regarding significant vulnerabilities with the agent oversight program. Peter Green expressed concern regarding these vulnerabilities, but nothing is done to remediate these vulnerabilities.

Complainant also notified Gonzalez in January 2017 of the need to add known fraudsters and money launderers to the "Individual Watch List" (hereinafter "IWL" to remove the ability of said to initiate transactions at the point of sale. Complainant notified Gonzalez that the IWL program was ineffective operating in its current state. Gonzalez failed to respond to or even acknowledge Complainant's email notifying him of such activity.

In February 2017, Gonzalez warned Complainant not to put deficiencies of compliance requirements in writing. This same month Complainant warned Gonzalez that the compliance team he managed was not "mission ready," and reported to Gonzalez that MoneyGram sales personnel had the capability to override compliance requirements and were doing so on a regular basis.

In March 2017, Complainant met with an employee of Freshfields, Bruckhaus Deringer, LLP, ("Freshfields") regarding irregularities with the anti-fraud/anti-money laundering compliance

program within MoneyGram. Complainant also brought these same concerns regarding irregularities in MoneyGram's Compliance Program to the attention of Chris Ponder, Director of Human Resources for the Compliance Department of MoneyGram. Ponder refused to investigate Complainant's claims of ethical violations on the part of Gonzalez, and subsequently criticized Complainant for his lack of deference to Gonzalez. At this point, Complainant notified the Legal Department within MoneyGram of his concerns regarding ethical violations. On March 22, 2017, Complainant reported to Phil Underwood, a monitor with Freshfields of significant vulnerabilities with the Southwest Border and China Corridor Programs of MoneyGram after MoneyGram's agent Yanni Garden was arrested for laundering a significant amount of money.

On March 23, 2017 Complainant sent a message to Gonzalez expressing great concern for the current state of the Strategic Account Oversight Program based on his determinations after investigating its Supervalu stores. On March 24, 2017, Complainant requested permission to suspend 13 Supervalu stores with unknown majority ownership. Gonzalez denied Complainant's requests. On March 28, 2017 Complainant notified MoneyGram's Legal Department with regarding the failure of the Strategic Account Oversight Program and thereafter was told by the Legal Department that the 13 Supervalu stores in question needed to be suspended. On March 31, 2017 Complainant received a phone call from Gonzalez whereby Gonzalez expressed his disdain toward Complainant for notifying the Legal Department as to the failure of the Strategic Account Oversight Program in relation the aforementioned 13 Supervalu stores. In that same conversation, Gonzalez notified Complainant that Complainant was not going to work out as one of Gonzalez's managers.

On April 4, 2017 Gonzalez terminated Complainant, citing that Complainant was "not a good cultural fit."

II. CAST OF CHARACTERS

The following individuals have personal knowledge of relevant issues herein:

Aaron Marcu: Monitor (partner at Freshfields); who had 11 attorneys with responsibility for monitoring DPA.

Alan Brooks: Recruiter; Complainant complained to him about Juan Manual Gonzalez, he told Complainant he was not the first to complain and recommended that he speak with Chris Ponder.

Andres Cruz: Human Resources employee assigned to Complainant's team.

Andy Villarreal: Chief Compliance Officer for MoneyGram.

Ashley MacMillan: Manager, Regional Compliance (Canada).

Benito Romano: Partner at Freshfields. Worked for Marcu; in charge of MoneyGram monitorship day-to-day operations.

Chris Ponder, II: Director HR. Complainant reported some of Gonzalez's unethical behavior to him; he never initiated an investigation. Ponder was involved in Complainant's termination.

Craig Bernier: Head of Compliance Monitoring, Financial Intelligence Unit (hereinafter "FIU"). Complainant spoke to him about IWL problems and problems with reaction times; Bernier said they were tracking problems but the technology used was not adequate to fix the problem.

Dayna Karel: Head of Vertical Sales for MoneyGram. Karel often clashed with Complainant over compliance issues; pressured RCO on Complainant's team to reopen stores before they were ready to do so. Karel was responsible for the Supervalu stores.

Derya White: One of the Complainant's direct reports, and the Senior RCO in charge of the Supervalu account.

Domh Jacir Leandro: Manager, Regional Compliance; responsible for the Walmart relationship. He was Complainant's direct supervisor when Complainant first started. Leandro told Complainant that HR was helping him get his green card by insuring that no U.S. candidate ended up as a finalist for the job posting of the position for which he held with a temporary work visa.

Eddie Ponce: Director for Government Reporting MoneyGram, close adviser to Andy Villarreal and the nemesis of Gonzalez. Ponce found systemic problems with the agent oversight program that Gonzalez was running and subsequently informed Villarreal of same.

Eli Morillo: Head of Global Programs (Compliance).

Freddy Morales: Supervisor for terminations and suspensions in the Global Back Office. He is willing to testify on Complainant's behalf.

John Tyson: Assistant General Counsel for MoneyGram, Regulatory Affairs. Tyson was a close personal friend with Gonzalez. Attempted to manufacture falsehood that Complainant had

misrepresented the facts in order to get an opinion.

Johnny Rosario: Head of Sales North Region; in charge of Corporate Store. During the New York trip, he was the individual to whom Complainant reported that one of his [Rosario] sales managers was harassing Sylvia Gil for doing her job.

Juan Manuel Gonzalez: Head of Regional Compliance for the Americas, Complainant's immediate supervisor at time of termination.

Lazlo Kallai: One of the Complainant's direct reports, and the RCO in charge of Walmart account. He was also in charge of Schnuck Markets account when we received a strongly worded email from Pam Mueller, Schnucks' assigned Compliance person, accusing MoneyGram of not doing anything to block fraudsters. In response, Lazlo told her to not contact the FBI for a few days – guidance that, upon discovering, Complainant corrected immediately.

Lea Pfeifer: Attorney for MoneyGram to whom Complainant reported problems with the Supervalu account, after which she called Tyson to explain the situation. She was the main contact with whom Complainant spoke to about the problem, and the individual who reached out to Gonzalez to request an explanation.

Lily Duenas: Supervisor of the Compliance (Rules Team). Worked with Derek McMillan (Senior Director of Compliance). Found out about IWL mistake that lead to 3,000 known fraudsters not being blocked.

Manuel Gaico: Senior RCO in charge of corporate stores. Informed Complainant about significant problems with data integrity at the MoneyGram-run stores.

Pablo Rivera: One of Complainant's direct reports, and the Senior RCO in charge of the CVS account; experienced firsthand the irregularities with CVS stores caused by a lack of proper reporting.

Pam Mueller: Compliance for Schnuck Markets. Sent email to Kallai and Complainant accusing MoneyGram of not blocking fraudsters in IWL.

Peter Green: Head of Regional Compliance Americas and Europe.

Phil Underwood: Monitor team attorney with whom Complainant met in Miami.

Silvia Gil: Regional Compliance Officer (RCO), based out of NYC. One of Complainant's direct reports. She is willing to testify on Complainant's behalf.

Thomas Haider: Former compliance officer; prosecuted and made guilty plea.

Tom Moch: Worked for Dayna Karel in the Sales Department. Responsible for the Supervalu relationship. Attended meeting in Minneapolis with Karel.

III. FAILURE TO COMPLY WITH DPA

At the time of the imposition of the DPA (November 2012), MoneyGram made the

following public statements to investors regarding its intention to clean up its illegal practices. In the intervening 5 years, little substantive progress has been achieved here. Complainant has firsthand knowledge of the following deficiencies:

MoneyGram Statement regarding remedial measures (as of November 9, 2012)	Reality	Notes
Agreed to the appointment of an independent compliance Monitor.	Internal discussions within MoneyGram concern ways to mislead the Monitor team; many Senior leaders are upset that the Monitor is being hard on them and make comments that send the message that we need to be careful about the information we share with the Monitor.	Gonzalez bragged about not telling Monitor about Walmart visit to Frisco, tells his managers and compliance officers to take advantage of the fact that the Monitor’s team does not speak Spanish so that they can “shape the message,” when they are translating for them.
Terminated relationships with agents suspected to be involved in consumer fraud related to the MDPA and US DOJ investigation and aided in the prosecution of agents involved in criminal activities.	MoneyGram continues to apply its compliance program selectively, allowing some large volume agents like Supervalu to remain active despite not having effective compliance programs while showing highest levels of consumer fraud in the network.	Supervalu had 13 stores that were not being tracked by their compliance department; instead of immediately suspending them, MoneyGram allowed them to operate even when they knew nothing about them.
Paid \$18 million as part of an agreement with the Federal Trade Commission in October of 2009, pursuant to which the FTC distributed the funds to consumers who were victims of the consumer fraud perpetrated through MoneyGram agents.	MoneyGram continues to allow agents with higher than average fraudulent activity to remain active, and when suspended, they quickly unsuspend them and the cycle starts again,	Supervalu stores in Maryland were briefly suspended, Dayna Karrel, Senior Leader in Sales, put tremendous amount of pressure on compliance officers to get stores reopened.
Overhauled its global compliance, anti-money laundering and anti-fraud organization with a focus on building a more comprehensive compliance-based culture. The Chief Compliance Officer has the authority to terminate MoneyGram agents	MoneyGram did rebuild its program, but it continues to promote a culture in which the sales team has the authority to pressure compliance officers into changing their decisions to suspend stores and managers in agent oversight section of compliance are too willing to give large agents the	When Complainant left, the person that replaced him was a loyalist Gonzalez. MoneyGram also fired Ilan Heller and brought in a former employee that they knew would be a “yes man.” Another contributing factor is that the technology utilized for the anti-money laundering

MoneyGram Statement regarding remedial measures (as of November 9, 2012)	Reality	Notes
for fraud or money-laundering concerns.	benefit of the doubt which allows these agents to continue to operate without having a good system in place.	program is out of date and essentially useless, and despite this being widely acknowledged within the company, it remains unaddressed.
Created two new executive-level positions with responsibility for enhancing efforts to combat consumer fraud, fostering cooperation with law enforcement, enhancing interaction with U.S. and International regulators and enhancing MoneyGram's compliance systems.	Yes, but the Chief Compliance Officer, Andy Villarreal, openly expresses frustration over the Monitor's negative findings and has suggested that that he will stop "opening the books to them." He also hires his friends to work at MoneyGram, (such as Kyle Deblock) many of whom are completely unqualified for their positions and on occasion openly disparaged the efforts of agent oversight personnel.	The compliance team under Andy's leadership is dysfunctional and territorial.
Bolstered global compliance and risk management procedures by implementing a risk-based agent audit program which includes the implementation of a new anti-fraud alert system and a financial intelligence unit both of which are responsible for monitoring transactions and agent behavior.	People from different regions do not effectively communicate, if high fraud activity is happening in China, the China corridor compliance officers in the US do not speak to their counterparts in China. FIU does a good job but they also need agent oversight personnel to step up and have eyes on the ground	Gonzalez continues to pretend that everything is running as it should, yet has no China Corridor program and the Southwest program lost its main architect.
Implemented a new agent training program that provides information on the types of consumer fraud scams as well as how to detect, prevent, report and handle suspicious transactions.	This only covers a very small portion of agents and it does not really force large agents to change their ways. The exception is Walmart, who is suspected of developing its own money transfer business, and as a result, is strengthening their own compliance programs. Stores including Supervalu and CVS are not being pushed as they	Training is woefully deficient; electronic modules are not effective. Many agents have completely failed to comply with the training.

MoneyGram Statement regarding remedial measures (as of November 9, 2012)	Reality	Notes
	should be in terms of meeting strict compliance requirements.	
Strengthened partnerships with law enforcement globally to assist in the investigation and prosecution of money laundering, fraud and other matters. In the U.S., those agencies include the Federal Bureau of Investigation, U.S. Immigration & Customs Enforcement, U.S. Marshals Service, Drug Enforcement Agency, U.S. Secret Service, and U.S. Postal Service.	This has happened to some extent; Complainant does know that FIU works very closely with law enforcement and they have achieved some success.	

IV. SPECIFIC VIOLATIONS OF THE DPA

Complainant noted the following specific breakdowns and willful violations of the DPA during the six months that he was employed at MoneyGram (note: not a complete list):

November 2016	8	February 17, 2017	11
November 2016, Ongoing	9	February 21, 2017	11
January 17, 2017	9	Late February/Early March 2017	11
January 21, 2017	9	Early March 2017	11
Approximately February 2017, Ongoing.....	9	March 22, 2017	11
Approximately February 2017, Ongoing.....	10	March 22, 2017	12
February 2017	10	March 23, 2017, Ongoing	12
February 2017	10	March 31, 2017	12
February 12-18, 2017	10		

November 2016

Event	Specifics	Internal Complaint?	Notes
November 2016	Walmart meeting in Frisco, Texas	Yes	Gonzalez bragged to Morillo that he hoodwinked the Monitor by excluding said Monitor from a meeting with the largest client, a direct

			violation of MoneyGram's specific DPA agreement.
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November 2016, Ongoing

Event	Specifics	Internal Complaint?	Notes
Ongoing (beginning November 2016)	Issues with Domh Leandro, Manager, Regional Compliance	Yes; Gonzalez, Morillo	Leandro was continually overruled Sylvia Gil's recommendations, was insubordinate to Complainant when under his management, was consistently noncompliant with QA protocol, and was noncompliant with company rules regarding appraisals.

January 17, 2017

Event	Specifics	Internal Complaint?	Notes
January 17, 2017	Significant flow with IWL program	Yes; Gonzalez	No response

January 21, 2017

Event	Specifics	Internal Complaint?	Notes
January 21, 2017	Vulnerabilities of Delta Works System	Yes	

Approximately February 2017, Ongoing

Event	Specifics	Internal Complaint?	Notes
Approximately February 2017, Ongoing	Ineffective appraisal process	Yes	"Appraisal process is designed to promote loyalty to Juan Manuel Gonzalez, not company values or a culture of compliance,

			<p>[Gonzalez] has resisted attempts to follow the company's appraisal process without any repercussions”</p> <p><i>[Email from Lozada-Leoni to Phil Underwood, Monitor]</i></p>
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Approximately February 2017, Ongoing

Event	Specifics	Internal Complaint?	Notes
Approximately February 2017, Ongoing	Ineffective supervision of compliance officers	Yes	

February 2017

Event	Specifics	Internal Complaint?	Notes
February 2017	Gonzalez instructed all RCO and managers “don’t put anything in emails.”	Yes, to Alan Brooks, Senior Recruiter	Brooks recommended Complainant bring his concerns to the attention of Chris Ponder as soon as possible.

February 2017

Event	Specifics	Internal Complaint?	Notes
February 2017	Sales people had the authority capability and to override compliance requirements.	Yes	

February 12-18, 2017

Event	Specifics	Internal Complaint?	Notes
NYC Hilton meeting	Some agents were unable to effectively communicate in English.	Yes	Hindered ability of agents to send SAR reports (suspicious activity reports); Gonzalez appeared

			uninterested, wanted to ignore.
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February 17, 2017

Event	Specifics	Internal Complaint?	Notes
February 17, 2017	Beginning of Circle K problems.	Yes; Gonzalez, Morillo	

February 21, 2017

Event	Specifics	Internal Complaint?	Notes
February 21, 2017	High turnover rate thwarted compliance with DPA.	Yes; Gonzalez	Retaliation; one-on-one reprimand meeting.

Late February/Early March 2017

Event	Specifics	Internal Complaint?	Notes
Miami meeting/PowerPoint presentation	Monitor present; prior to Complainant's scheduled presentation, Gonzalez instructed Complainant to remove information that would alert Monitor to deficiencies re DPA .		Retaliation; one-on-one reprimand meeting.

Early March 2017

Event	Specifics	Internal Complaint?	Notes
During Miami trip	Eddie Ponce issue; Ponce frozen out, denied crucial information by Gonzalez.	Yes.	Gonzalez instructed Complainant to withhold key information from Ponce.

March 22, 2017

Event	Specifics	Internal Complaint?	Notes
March 22, 2017	Beginning of China Corridor problems.	Yes; Gonzalez, Morillo	

March 22, 2017

Event	Specifics	Internal Complaint?	Notes
March 22, 2017	Vulnerabilities of China corridor program (Yanni Garden).	Yes	Alerted Phil Underwood with Monitor.

March 23, 2017, Ongoing

Event	Specifics	Internal Complaint?	Notes
March 23, 2017, Ongoing	Beginning of Supervalu problem.	Gonzalez, Juan Noguera, Morillo, etc.	

March 31, 2017

Event	Specifics	Internal Complaint?	Notes
March 31, 2017	Restricted access to legal	Yes; taken off Supervalu account; resulted in termination.	

V. COMPLAINANT’S PROTECTED ACTIVITY, RESPONDENT’S ADVERSE AND RETALIATORY ACTIONS

Approximately November 2016	12	February 21, 2017, Ongoing	16
Approximately November 2016	13	February 2017, Ongoing	16
Approximately November 2016, Ongoing	13	March 1, 2017	16
January 2017	13	March 15, 2017	17
January 24, 2017	14	March 24, 2017	17
January 31 2017	14	March 29, 2017	18
Approximately February 2017, Ongoing...	14	March 30, 2017	18
Approximately February 2017, Ongoing...	15	March 31, 2017, After rebuttal of one-on-one reprimand meeting	18
February 12-18, 2018, Ongoing.....	15	March 31, 2017	18
February 12-18, 2017, Ongoing.....	16	April 4, 2017	19
February 16, 2017, Ongoing	16		
February 16, 2017	16		

Approximately November 2016

Event	Reported to	Detail	Adverse action
During a conference call with approximately 100	Kyle Deblock, Head of Compliance; Infrastructure (under	Deblock appeared annoyed at Complainant for	Began to feel cold shoulder from Kyle Deblock. Thereafter

individuals, Complainant indicated problems associated with MoneyGram's call center handling fraud complaint.	Andy Villareal), who was in this call.	suggesting that the MoneyGram call center needed to attempt to collect additional information from callers identified as potential fraudsters; Complainant pointed out that this is what compliance was telling MoneyGram agents to do.	"lost access" to him.
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Approximately November 2016

Event	Reported to	Detail	Adverse action
During a conference call, Complainant told informed Gonzalez that the termination of Claudia Raskey, an RCO, needed to be reported to the Monitor ASAP; Complainant also warned about Ilan Heller and Domh Leandro, as they had allowed Claudia Raskey to fabricate data for her reports.	Gonzalez	Gonzalez took no action against Heller or Leandro and told Complainant to not tell Monitor that Raskey had been fired.	Complainant insisted that under the DPA, the firing needed to be reported to the Monitor; Gonzalez acted annoyed with Complainant.

Approximately November 2016, Ongoing

Event	Reported to	Detail	Adverse action
Complainant felt that his team was not "mission ready," and would be ineffective at DPA compliance.	Gonzalez, also, Eli Morillo, Head of Global Programs (Compliance)	This was due to high turnover rate.	One-on-one reprimand meeting.

January 2017

Event	Reported to	Detail	Adverse action
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Complainant's email correspondence to Gonzalez regarding significant vulnerabilities regarding agent oversight program were left unacknowledged and unanswered.	Peter Green, Head of Regional Compliance Americas and Europe	Green initially seemed responsive and concerned.	Was completely ignored thereafter by Green, no change in responsiveness of Gonzalez
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January 24, 2017

Event	Reported to	Detail	Adverse action
Complainant's team was experiencing significant problems with large agent data integrity, caused by problems with MoneyGram's Delta Works technology.	Gonzalez	Complainant's email correspondence to Gonzalez were left unacknowledged and unanswered.	No response.

January 31, 2017

Event	Reported to	Detail	Adverse action
Mandatory meeting (reported March 1, 2017)	Phil Underwood, Freshfields	Gonzalez instructed RCOs not to record problems with agent oversight in writing so that the Monitor would be unable to request those emails for evidence.	No change.

Approximately February 2017, Ongoing

Event	Reported to	Detail	Adverse action
Lily Duenas informed Complainant of backlog of names that needed to be entered into the IWL system.	Gonzalez	Reported that Lily Duenas had informed Complainant that 3,000 names were not entered properly into IWL system, allowing bad actors	No response.

		to continue transacting and committing fraud for three months before she noticed the issue. The section running IWL did not notice the issue for three months and only became aware after Duenas told them.	
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Approximately February 2017, Ongoing

Event	Reported to	Detail	Adverse action
MoneyGram was not honoring block request for Schnucks.	Gonzalez and Juan Noguera	Reported that Sheryl Stanhope, the store auditor from Schnuck wrote a message informing Compliance that MoneyGram was not honoring block request, and as a result, fraudsters continued to use Schnuck to defraud customers.	No response.

February 12-18, 2018, Ongoing

Event	Reported to	Detail	Adverse action
NYC trip	Gonzalez	Subordinates of Complainant (RCOs assigned to NYC) confirmed that some agents were unable to effectively communicate in English, meaning they could not file SARs with FINCEN, which was an important part of MoneyGram's compliance program.	No response, overall tone when interacting with Complainant shifted to annoyance.

February 12-18, 2017, Ongoing

Event	Reported to	Detail	Adverse action
NYC trip	Gonzalez	Sales was attempting to sabotage the work of one of Complainant's RCO's, Sylvia Gil.	Change in behavior on the part of Gonzalez, also addressed in one-on-one reprimand meeting.

February 16, 2017, Ongoing

Event	Reported to	Detail	Adverse action
Hilton hotel bar meeting	Gonzalez, Johnny Rosario (Head of Sales & Account Management North Region)	Inappropriate pressure from Sales.	One-on-one reprimand meeting.

February 16, 2017

Event	Reported to	Detail	Adverse action
Hilton hotel bar meeting	Gonzalez, Green, 5 RCO's from Complainant's team	Sarah Osmani issues; Complainant's subordinate who became very upset when given criticism by Complainant.	One-on-one reprimand meeting, cold shoulder from Gonzalez.

February 21, 2017, Ongoing

Event	Reported to	Detail	Adverse action
February 21, 2017	Gonzalez	NYC meeting issues; e.g., Silvia Gil.	One-on-one reprimand meeting.

February 2017, Ongoing

Event	Reported to	Detail	Adverse action
Teleconference	Gonzalez	Significant problems with Southwest Border and China Corridor programs.	One-on-one reprimand meeting, cold shoulder from Gonzalez.

March 1, 2017

Event	Reported to	Detail	Adverse action
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Meeting with Monitor during Miami RCO conference	Phil Underwood, Monitor	Problems with IWL program, Gonzalez hiding Walmart meeting from Monitor and boasting about it, lack of oversight of financial institutions, Gonzalez telling the Latin American team to “shape the message” whenever they were in Spanish-speaking countries with Monitor team members who did not speak Spanish, also reported that RCO team was 30% understrength.	Green and Gonzalez saw Complainant speaking with Phil; later questioned him at length as to the nature of the conversation, and thereafter acted suspiciously around Complainant.
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March 15, 2017

Complainant’s rebuttal of one-on-one meeting.

March 24, 2017

Event	Reported to	Detail	Adverse action
Trip to Minneapolis for Supervalu HQ Review	Gonzalez	Complainant found the following deficiencies: Significant problems with agent oversight program for strategic agents. Supervalu had not had an independent review for years. MoneyGram was not tracking around 13 minority-owned stores for compliance purposes. Gonzalez was furious with Complainant for putting his concerns	Significant loss in communication; Gonzalez indicated that due to a “lack of transparency,” Complainant could no longer be trusted, and Complainant was eventually terminated.

		in writing.	
	Ponce	Ponce said he would inform Villareal	
	Morillo	Morillo was furious with Gonzalez for letting this happen front of the monitor's team (which had sent a lawyer to sit in with our HQ review	

March 29, 2017

Event	Reported to	Detail	Adverse action
Request for legal opinion	John Tyson, Vice President Associate & General Counsel	Complainant asked for legal opinion regarding his request to suspend 13 Supervalu stores.	Accused of misrepresentation by Tyson on approximately April 3, 2017.

March 30, 2017

Event	Reported to	Detail	Adverse action
Request for investigation into possible ethics violations	Chris Ponder, Director of Human Resources	Complainant asked Ponder to commence an investigation into Gonzalez's potential ethical violations.	Ponder refused, chastised Complainant for lack of deference.

March 31, 2017, After rebuttal of one-on-one reprimand meeting

Event	Reported to	Detail	Adverse action
Gonzalez indicated that he would like to discuss Complainant's rebuttal to Gonzalez's criticisms.		Gonzalez stated that he would not respond in writing.	Significant loss in communication; Gonzalez indicated that due to a "lack of transparency," Complainant could no longer be trusted.

March 31, 2017

Event	Reported to	Detail	Adverse action
Complainant	Gonzalez	Questioned	Removed from

questioned Supervalu strategy		Supervalu strategy.	Supervalu account.
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April 4, 2017

Event	Reported to	Detail	Adverse action
Termination		Complainant terminated; reason given was that he was “not a good cultural fit.”	

VI. FIRST CAUSE OF ACTION
Violation of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1514A

Complainant subjectively believed the conduct on which he “blew the whistle” was a violation of an enumerated provision of Section 806 of SOX and his belief was objectively reasonable “based on the knowledge available to a reasonable person in the same factual circumstances with the same training and experience as the aggrieved employee.”

Respondent continuously failed to maintain an effective anti-money laundering program in violation of the Bank Secrecy Act and other federal anti-money laundering statutes; and

Respondent violated the terms of the November 2012 Deferred Prosecution Agreement with the Department of Justice; and

Respondent made material misrepresentations to shareholders regarding MoneyGram’s effective compliance regarding the above.

Respondent violated the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1514A, by taking adverse employment actions against Complainant, including, but not limited to, termination, in retaliation for Complainant's lawful conduct in opposing MoneyGram’s continued violation of various federal statutes, its failure to comply with the November 2012 DPA, and its material misrepresentations to shareholders regarding the above.

VII. FACTS AND LEGAL ISSUES STILL IN DISPUTE

Facts and legal issues that remain in dispute:

1. Is there a legitimate, nonretaliatory basis for any adverse employment action taken against the Complainant?

2. Can MoneyGram prove through clear and convincing evidence that the same adverse employment action would have been taken in the absence of any whistleblower activity?

With regard to Complainant's allegations of overall noncompliance with the DPA:

3. Was there a reasonable basis for MoneyGram's various defensive positions here?

4. Notwithstanding the above, did Complainant have a good faith basis for his articulated concerns?

5. Was Complainant's belief objectively reasonable "based on the knowledge available to a reasonable person in the same factual circumstances with the same training and experience" as Complainant?

6. Was Complainant subjected to any of the following?

- a. On-the-job harassment;
- b. Verbal abuse;
- c. Isolation;
- d. Marginalization; and/or
- e. Pretextual performance evaluations.

7. If so, were any of this retaliatory in nature?

8. If so, did any of the retaliatory conduct qualify for SOX protection?

9. Was the "one-on-one" meeting on February 21, 2017 with Gonzalez an adverse action that qualified for SOX protection?

10. Was Complainant subjected to unlawful SOX retaliation as a result his March 15, 2017 email rebuttal to Gonzalez regarding Gonzalez's criticisms in the earlier "one-on-one"

meeting?

11. Starting with the March 1, 2017 report to the Monitor, were any of Complainant's reports to the Monitor followed by adverse action that qualified for SOX protection?

12. Was the March 31, 2017 telephone call from Gonzalez to Complainant [indicating he would "not work out"] an adverse action that qualified for SOX protection?

13. Was Gonzalez's March 31, 2017 removal of Complainant from the Supervalu account an adverse action that qualified for SOX protection?

14. Was Ponder's April 3, 2017 refusal to investigate Gonzalez's conduct an adverse action that qualified for SOX protection?

15. Was the April 3, 2017 Tyson conversation and accusation of misrepresentations on Complainant's part an adverse action that qualified for SOX protection?

16. Was Complainant's termination on April 4, 2017 SOX-protected?

VIII. RELIEF SOUGHT ON THE PART OF COMPLAINANT

A prevailing SOX whistleblower is entitled to "all relief necessary to make the employee whole," which, in Complainant's case, includes the following:

- Back pay (lost wages and benefits);
- Reinstatement with the same seniority that the employee would have had, were it not for the retaliation;
- Alternatively; front pay in lieu of reinstatement;
- Special damages (damages for impairment of reputation, personal humiliation, mental anguish and suffering, and other noneconomic harm that results from retaliation); and
- Attorney's fees, and costs.

(Items 1 & 3, less amounts earned in mitigation since date of termination on April 4, 2017).

IX. GOOD FAITH EFFORT OF COMMUNICATION

The undersigned hereby indicates that good faith efforts have been made to resolve outstanding factual and legal issues.

**X. COMPLAINANT'S ADMINISTRATIVE COMPLAINT
FILED WITH OSHA.**

Complainant's administrative complaint filed with the Occupational Safety and Health Administration on September 28, 2017 is attached hereto as Exhibit A.

Respectfully submitted,

/s/ Steve Kardell

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ATTORNEY FOR COMPLAINANT

CERTIFICATE OF SERVICE

I hereby certify that the foregoing document has been served via hand delivery on all counsel of record on March 5, 2018.

/s/ Steve Kardell