

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL & PROFESSIONAL REGULATION
DIVISION OF FINANCIAL INSTITUTIONS**

In the matter of)
Skrill USA, Inc) 13CC210
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)

To: Skril USA, Inc. Schwartz & Ballen
61 Broadway, Suite 1603 1990 M Street, N.W., Suite 500
New York, NY 10006 Washington, DC 20036-3465

CEASE AND DESIST ORDER

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF FINANCIAL INSTITUTIONS (the “Department”), having conducted an examination of facts related to Skril USA, Inc, formally Moneybookers USA, Inc., (“Skril”) pursuant to the Transmitters of Money Act, 205 ILCS 657/1 *et seq.* (“TOMA” or “Act”), hereby issues this order:

STATUTORY PROVISIONS

1. Section 5 of the Act defines “transmitting money,” in pertinent part:

Transmitting money means the transmission of money by any means, including transmissions to or from locations within the United States or to and from locations outside of the United States by payment instrument, facsimile or electronic transfer, or otherwise, and includes bill payment services. 205 ILCS 657/§5. (emphasis added).

2. Section 10 of the Act states, in pertinent part:

No person may engage in this State in the business of selling or issuing payment instruments, transmitting money, or exchanging, for compensation, payment instruments or money of the United States government or a foreign government to or from money of another government without first obtaining a license under this Act. 205 ILCS 657/§10.

3. Section 90(b) of the Act states, in pertinent part:

If the Director finds, after an investigation that he considers appropriate, that a licensee or other person is engaged in practices contrary to this Act or to the rules promulgated under this Act, the Director may issue an order directing the licensee or person to cease and desist the violation.

The Director may, in addition to or without the issuance of a cease and desist order, assess an administrative penalty up to \$1,000 against a licensee for each violation of this Act or the rules promulgated under this Act. 205 ILCS 657/§90(b).

4. Section 90(g) of the Act states:

Each transaction in violation of this Act or the rules promulgated under this Act and each day that a violation continues shall be a separate offense. 205 ILCS 657/§90(g).

5. Section 90(i) of the Act states, in pertinent part:

Any person who, without the required license, engages in conduct requiring a license under this Act shall be liable to the Department in an amount equal to the greater of (i) \$5,000 or (ii) an amount of money accepted for transmission plus an amount equal to 3 times the amount accepted for transmission. 205 ILCS 657/§90(i).

6. Section 90(h) of the Act states, in pertinent part:

A person who engages in conduct requiring a licensee under this Act and fails to obtain a license from the Director ... is guilty of a Class 3 felony. 205 ILCS 657/§90(h).

FACTUAL FINDINGS

1. The Department is statutorily charged *inter alia*, with the responsibility and authority to regulate the Act, 205 ILCS 657/1 *et. seq.*
2. The Department is granted supervisory power and control over any transmitters of money doing business in Illinois.
3. Skrill is a foreign corporation organized under the laws of the State of Delaware and engaged in the business of money transmission in the State of Illinois. (*See* Exhibit A attached hereto and made a part of this Order.)
4. On March 9, 2010, Skrill filed an application for a transmitter of money license with the State of Illinois. (*See* Group Exhibit B attached hereto and made a part of this Order.)
5. On January 5, 2011, Skrill withdrew their TOMA application. (*See* Group Exhibit B attached hereto and made a part of this Order.)
6. On August 30, 2011, Skrill reapplied for a transmitter of money license with the State of Illinois. (*See* Group Exhibit C attached hereto and made a part of this Order.)

7. On October 6, 2011, the Department issued a request for additional information. (See Group Exhibit C attached hereto and made a part of this Order.)
8. November 6, 2012, Skrill provided the Department with a partial list of Illinois consumers that Skrill transmitted money for. (See Group Exhibit C attached hereto and made a part of this Order.)
9. Skrill has never been licensed as a transmitter of money by the Department.
10. TOMA requires that any business providing money transmission services to Illinois consumers must be licensed by the Department.
11. As of the date of this order, Skrill continues to engage in the business of transmitting money without a license with Illinois consumers.

LEGAL FINDINGS

12. Skrill's activity in Illinois fits squarely within the definition of transmitting money. 205 ILCS 657/§5.
13. Skrill transmitted money without a license from as early on as 2007 until present. 205 ILCS 657/§10.
14. The Department has the regulatory authority to issue an order directing Skrill to cease and desist from engaging in activities regulated by the Act. 205 ILCS 657/§90(b).
15. The Department has the regulatory authority to assess penalties of \$1,000 against Skrill for each violation of the Act. 205 ILCS 657/§90(b).
16. The Department has the regulatory authority to assess penalties of \$1,000 per day against Skrill for violating the Act. 205 ILCS 657/§90(g).
17. The Department has the regulatory authority to assess penalties against Skrill in an amount of four times the amount of money transmitted for the entire period of unlicensed activities. 205 ILCS 657/§90(i).
18. Skrill's engagement of conduct requiring a license under this Act, without having obtained a license from the Director as required by the Act, constitutes a Class 3 felony. 205 ILCS 657/§90(h).

NOW THEREFORE IT IS HEREBY ORDERED:

- I. Pursuant to §90(b) of the Act, Skrill and its officers, directors, employees, subsidiaries, affiliates and agents shall **CEASE AND DESIST** from providing any money transmission services in the State of Illinois.
- II. Skrill is ordered to **PRODUCE DOCUMENTS** to the Department, consisting of any and all account activity statements for Illinois consumers, any and all documents and records containing information relevant to money transmissions made to or from the accounts of Illinois consumers as well as copies of each annual independent review of Skrill's Anti Money Laundering program from 2008 until present by February 28, 2013.
- III. Skrill is ordered to report to the Department any and all unlicensed money transmissions done for Illinois consumers. The documents and reporting shall be produced by February 28, 2013 and delivered to the Consumer Credit Supervisor at the Illinois Department of Financial and Professional Regulation, Division of Financial Institutions, 100 W. Randolph Street, 9th Floor, Chicago, IL 60601.
- IV. Skrill shall be **LIABLE** to the Department in amount equal to \$1,000 per violation, as provided by §90(b) of the Act.
- V. Skrill shall be **LIABLE** to the Department in amount equal to \$1,000 each day that Skrill is in violation of the Act, as provided by §90(g) of the Act.
- VI. Skrill shall be **LIABLE** to the Department in the amount four times the amount unlicensed of money transmissions in Illinois, as provided by § 90(i) of the Act.
- VII. Payment shall be made by money order payable to the Illinois Department of Financial and Professional Regulation and delivered to the Consumer Credit Supervisor at the Illinois Department of Financial and Professional Regulation, Division of Financial Institutions, 100 W. Randolph Street, 9th Floor, Chicago, IL 60601 by February 8, 2013.

Pursuant to Section 90(b) of the Act, service of this Order shall be made either personally or by certified mail, return receipt requested. Service by mail shall be deemed completed if the Order is deposited in the post office, postage paid. Pursuant to Section 90(c) of the Act, Skrill may request a hearing, in writing, within 30 days after the date of service.

Dated this 28th day of January 2013.

Roxanne Nava, Director
Division of Financial Institutions

