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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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PA DEPT OF BANKING

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU
OF COMPLIANCE AND LICENSING

v.

KEEFE COMMISSARY NETWORK, L.L.C.
d/b/a ACCESS CORRECTIONS

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: DOCKET No. 12 0019 (ENF-CO)
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CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking (“Department”), Bureau of Examinations, has conducted an examination of Keefe Commissary Network, L.L.C. d/b/a Access Corrections (“Keefe Commissary”) and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance and Licensing (“Bureau”) concluded that Keefe Commissary operated in violation of the act of September 2, 1965 (P.L. 490, No. 249), known as the Money Transmitter Act, 7 P.S. §§ 6101-6018 (“MTA”). Keefe Commissary, in lieu of litigation and in the interest of cooperation, neither admitting nor denying any wrongdoing, hereby stipulates that the following statements are true and correct in the settlement of the above-captioned matter and, intending to be legally bound, hereby agrees to the terms of this Consent Agreement and Order (“Order”).

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania’s administrative agency authorized and empowered to administer and enforce the MTA.

2. The Bureau is primarily responsible for administering and enforcing the MTA for the Department.

3. Keefe Commissary is a limited liability company with its corporate headquarters located at 10880 Linpage Place, Saint Louis, Missouri 63132.

4. Keefe Commissary's primary business is to supply food, personal care products, electronics and clothing to correctional facilities throughout the United States and has been engaged in this business since 1999.

5. To facilitate its primary business, Keefe Commissary also engages in the business of transferring money electronically from friends and family of inmates ("consumers") to correctional facilities that hold money in trust for inmates.

6. Keefe Commissary allows consumers to transfer money by using credit and debit cards through its website (www.accesscorrections.com), or by telephone or through its lobby kiosks if offered at the facilities; the consumers provide payment information to Keefe Commissary which ensures that the money is transmitted to the inmates.

7. The consumers may also transfer cash to inmates through the lobby kiosks.

8. The consumers pay Keefe Commissary a fee for each money transfer.

9. In June 2008, Keefe Commissary commenced offering its money transmitter services to correctional facilities located in Pennsylvania.

10. At the time, Keefe Commissary began to inquire with various states regarding whether it had to be licensed as a money transmitter to perform the money transmission services for the correctional facilities because correctional facilities performing the same service are exempt from licensing requirements.

11. Although Keefe Commissary did not make an inquiry with the Department directly regarding licensure, by August 2009, Keefe Commissary submitted a money transmitter application to the Department.

12. The Department, however, requested that Keefe Commissary submit additional information before it could process the money transmitter application.

13. On February 17, 2010, Keefe Commissary submitted the additional information requested by the Department so the Department could commence processing the completed application.

14. On May 12, 2010, the Department issued Keefe Commissary a money transmitter license, license number 28498.

15. On August 1, 2011 the Department, through an examiner, commenced a routine examination of Keefe Commissary.

VIOLATION

16. During the examination, the examiner found that Keefe Commissary transmitted money for Pennsylvania consumers to inmates located in correctional facilities since June 2008 although it did not submit a completed money transmitter application to the Department until February 2010.

17. Section 2 of the MTA provides, in relevant part, that:

No person shall engage in the business of transmitting money by means of a transmittal instrument for a fee or other consideration without first having obtained a license from the Department of Banking.

See 7 P.S. § 6102.

18. A person includes an “individual or organization....” 7 P.S. § 6101.

19. A transmittal instrument is “any check, draft, money order, personal money order or method for the payment of money or transmittal of credit....” 7 P.S. § 6101 (emphasis added).

20. Keefe Commissary is an organization that accepts Pennsylvania consumers’ credit, debit and cash payments and transfers them electronically for a fee; thus, Keefe Commissary engages in the “business of transmitting money by means of a transmittal instrument for a fee or other consideration” within the meaning of Section 2 of the MTA.

21. By transferring money in the form of credit, debit and cash for Pennsylvania consumers for a fee prior to obtaining a money transmitter license from the Department, the Department finds that Keefe Commissary violated Section 2 of the MTA, 7 P.S. § 6102.

22. From the commencement of the examination through the execution of this Order, Keefe Commissary has been cooperative with the Department by providing information and documents as requested.

AUTHORITY

23. The Department has the authority to impose an order against any company that engages in unlicensed money transmitter activity and may issue a fine of “up to two thousand dollars (\$2,000) for each offense.” *See* 7 P.S. §§ 6113.1, 6114, 6116; *see also* 1 Pa. Code § 35.20.

RELIEF

24. Fine. Within 30 days of the Effective Date of this Order as defined in Paragraph 31, Keefe Commissary shall pay the Department a fine in the amount of \$20,000. Payment shall be made by certified check or money order made payable to the “Department of Banking” and shall be mailed or delivered, in person, to the Compliance Division, Bureau of Compliance and Licensing located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

25. Corrective Action. Keefe Commissary shall not engage in the business of transmitting money by means of a transmittal instrument for a fee or other consideration unless licensed by the Department.

FURTHER PROVISIONS

26. Consent. Keefe Commissary hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the MTA and agrees that it understands all of the terms and conditions contained herein. Keefe Commissary, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

27. Publication. The Department will publish this Order pursuant to its authority in Section 302.A(5) of the Department of Banking Code. 71 P.S. § 733-302.A(5).

28. Entire Agreement. This Order contains the entire agreement between the Department and Keefe Commissary. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department and Keefe Commissary.

29. Binding Nature. The Department, Keefe Commissary, and all officers, owners, directors, employees, heirs and assigns of Keefe Commissary intend to be and are legally bound by the terms of this Order.

30. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

31. Effectiveness. Keefe Commissary hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

32. Other Enforcement Action.

(a) The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against Keefe Commissary in the future regarding all matters not resolved by this Order.

(b) Keefe Commissary acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

33. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

34. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

35. Titles. The titles used to identify the paragraphs on this document are for the convenience of reference only and do not control the interpretation of this document.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking, Bureau of Compliance and Licensing and Keefe Commissary Network, L.L.C. d/b/a Access Corrections, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING
BUREAU OF COMPLIANCE AND LICENSING**

Ryan M. Walsh
Acting Chief of Compliance

Date: February 17, 2012

**FOR KEEFE COMMISSARY NETWORK, L.L.C.
d/b/a ACCESS CORRECTIONS**

(Officer Signature)

(Print Officer Name)

L.L.C. Manager
(Title)

Date: 2-16-12