



1 prepaid digital card services, including loading and transferring funds and making payments, as  
2 well as other financial services. At all relevant times to this Assurance of Discontinuance, Block  
3 (as either Block or Square, Inc., its previous name) was registered as a Money Services Business  
4 (MSB) with the Financial Crimes Enforcement Network, also known as FinCEN, pursuant to 31  
5 C.F.R. § 1022.380. Block has also held a money transmitter license from Washington’s  
6 Department of Financial Institutions (DFI) for its Cash App program since 2013 (Lic. No. 550-  
7 MT-71858).

8         2.2. Starting in or about August 2020, the Washington Attorney General’s Office  
9 (AGO) initiated an investigation of Washington’s loss of over \$648 million from identity theft  
10 and unemployment benefits fraud during the COVID-19 pandemic. Beginning in April 2021, the  
11 AGO began seeking Court authority to issue Civil Investigative Demands (CIDs) to financial  
12 institutions that had received deposits of unemployment benefits obtained through identity theft  
13 or other fraud.

14         2.3. An initial phase of this investigation involved using Washington forfeiture laws  
15 to recover fraudulent pandemic-related unemployment payments still physically located in  
16 accounts in financial institutions in the United States. The AGO filed 26 complaints and  
17 37 motions for forfeiture between August 2021 and September 2023 that returned to the  
18 Washington Employment Security Department (ESD) \$41.5 million in stolen funds held in  
19 accounts at financial institutions across the United States. Following service of CIDs on Block  
20 and other financial institutions, on August 2, 2022, the AGO filed a Complaint in Forfeiture *In*  
21 *Rem* against \$105,138.19 in unemployment funds held in 42 accounts at Block (No. 22-2-  
22 12195-5). Block itself was not a defendant and cooperated with Washington’s forfeiture efforts.  
23 On August 15, 2022, this Court for King County, Washington, granted Washington’s motions  
24 and ordered \$105,138.19 forfeited to Washington from accounts held by Block, which Block  
25 remitted.



1 offered prepaid cards and financial services to Washington residents, and received from the  
2 Washington Employment Security Department transfers or deposits of unemployment insurance  
3 benefits for or in the name of Washington consumers, without ensuring compliance with the  
4 Bank Secrecy Act (31 U.S.C. § 5311 *et seq.*) and the rules and regulations issued thereunder by the  
5 U.S. Department of the Treasury (31 C.F.R. Chapter X).

6 3.2 Block does not agree that the conduct alleged by Washington violated the  
7 Consumer Protection Act, RCW 19.86.020, or any other law or regulation. Nonetheless, for  
8 purposes of resolution of this matter, and to avoid the time, expense, delay, inconvenience, and  
9 uncertainty of further investigation or litigation, Block is entering into this Assurance of  
10 Discontinuance with Washington.

11 3.3 Nothing contained herein may be taken as or construed to be an admission or  
12 concession of any alleged violation of law or regulation, or of any other matter of fact or law, or  
13 of any liability of wrongdoing, nor shall it constitute any evidence or finding supporting any of  
14 the allegations of fact or law alleged by Washington. This Assurance shall not be used by any  
15 third party for any purpose. This Assurance shall not constitute a waiver of any defense that  
16 Block may raise in any other proceeding.

#### 17 IV. PAYMENTS

18 4.1. Pursuant to RCW 19.86.080(2), within thirty (30) days of entry of this Assurance of  
19 Discontinuance, Block shall pay to Washington, twenty (20) million dollars. The Attorney General  
20 shall use the funds for future monitoring and enforcement of the Assurance of Discontinuance,  
21 recovery of its costs and attorneys' fees incurred in investigating this matter, restitution, future  
22 enforcement of RCW 19.86, or for any other lawful purpose in the discharge of the Attorney  
23 General's duties at the sole discretion of the Attorney General.

24 4.2. No part of the above payments shall be designated as a civil penalty, fine, and/or  
25 forfeiture of any kind.



1 jurisdiction to bring any such claim. This Assurance of Discontinuance is not an admission or  
2 finding that Block violated the Washington Consumer Protection Act, the Bank Secrecy Act, or  
3 any other applicable law or regulation, nor shall either party make any statement to the contrary.

4 5.3. Aside from those claims described in paragraph 5.1, nothing in this Assurance of  
5 Discontinuance shall be construed to limit or bar any other claims the State of Washington or  
6 the AGO may have against Block, nor does it bind any other person or entity from pursuing  
7 available legal claims or remedies against Block.<sup>1</sup> However, this Assurance shall not be used as  
8 evidence or precedent in any action or proceeding, except an action to enforce the terms thereof.

9 5.4. In the event Block fails to make any of the monetary payment referenced herein,  
10 this release of claims becomes void, and nothing shall prevent Washington from enforcing  
11 RCW 19.86 and seeking permanent injunctive relief and recovery of costs, restitution, and civil  
12 penalties against Block for any conduct covered by this Assurance of Discontinuance prior to  
13 and after its execution by the parties.

14 5.5. Proof of failure to comply with this Assurance of Discontinuance shall be *prima*  
15 *facie* evidence of violations of RCW 19.86 (and may be enforced by the Washington Attorney  
16 General in the same manner it uses to enforce violations of assurances of discontinuance entered  
17 Pursuant to RCW 19.86.110), the AGO CIDs to Block on July 28, 2022 (and, on October 27,  
18 2022, an amended CID), December 20, 2023, and March 3, 2025, thereby placing upon the  
19 violator the burden of defending against the Court's imposition of injunctions, restitution, civil  
20 penalties, and other relief that the Attorney General may seek.

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24 <sup>1</sup> This Assurance of Discontinuance is distinct from and does not relate to the January 15, 2025 Settlement  
25 Agreement and Consent Order between Block and 47 state regulatory agencies (including Washington's  
26 Department of Financial Institution), nor does this Assurance of Discontinuance otherwise limit or bar any claims  
by State Money Transmission Regulators, including to enforce the terms of that Settlement Agreement. See  
[https://www.csbs.org/sites/default/files/other-files/Block\\_Settlement\\_and\\_Consent\\_OrderFinal\\_1.13.2025-  
order%20only.pdf](https://www.csbs.org/sites/default/files/other-files/Block_Settlement_and_Consent_OrderFinal_1.13.2025-order%20only.pdf).

1 **VI. ADDITIONAL PROVISIONS**

2 6.1. This Assurance of Discontinuance is not an admission or finding that Block  
3 violated the Washington Consumer Protection Act.

4 6.2. The undersigned parties agree this Assurance of Discontinuance terminates  
5 Washington’s investigation into Block. The undersigned parties agree that the above-captioned  
6 matter as to Block (*In Re: Block, Inc.*, No. 21-2-04057-4 SEA) should be dismissed with  
7 prejudice and closed, and all pending motions denied as moot. The AGO will so notify the Court  
8 and prepare any filings to dismiss this matter. Block will join any such filings as necessary.

9 6.3. Under no circumstances shall this Assurance of Discontinuance or the name of  
10 the State of Washington or the AGO, or any of its employees or representatives, be used by  
11 Block or by their officers, employees, representatives, or agents in conjunction with any business  
12 activity of Block.

13 6.4. To the extent that Block makes any changes to its business in Washington to  
14 achieve or facilitate conformance to the terms of this Assurance of Discontinuance, such changes  
15 shall not constitute any form of evidence or an admission by Block of explicit or implicit or  
16 wrongdoing or failure to comply with Washington law or the Washington Consumer Protection  
17 Act.

18 APPROVED on this \_\_\_\_ day of \_\_\_\_\_, 2026.

19 \_\_\_\_\_  
20 HON. KAREN DONOHUE  
21 King County Superior Court Judge  
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1 Presented by:


2 NICHOLAS W. BROWN  
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14 Agreed to and approved for entry by



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