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FILED
2026 JUL 07 10:52 AM
KING COUNTY
SUPERIOR COURT CLERK
E-FILED
CASE #: 21-2-04057-4 SEA

**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

In re the Civil Investigative Demand
Petition of: Block, Inc.

The Washington State Office of the
Attorney General,
Petitioner.

NO. 21-2-04057-4 SEA

ASSURANCE OF DISCONTINUANCE

The Honorable Karen Donohue

[CLERK'S ACTION REQUIRED]

I. INTRODUCTION

1.1. The State of Washington (Washington), by and through its attorneys, Nicholas W. Brown, Attorney General, and Spencer W. Coates, Aaron J. Fickes, Tyler Roberts, and Jonathan Tebbs, Assistant Attorneys General, files this Assurance of Discontinuance pursuant to the Consumer Protection Act (CPA), RCW 19.86.100.

1.2. This Assurance of Discontinuance resolves Washington's investigation of Block, Inc. (Block) regarding potential unfair or deceptive acts or practices under RCW 19.86.020 in connection with the failure to prevent fraud with respect to accounts into which Washington deposited unemployment proceeds during the COVID-19 pandemic, as well as any other claims in law or equity derived therefrom.

II. INVESTIGATION

2.1. Block is a publicly traded financial technology, or "fintech," company, incorporated in Delaware and headquartered in Oakland, California that operates the Cash App financial technology platform. Block's Cash App allows users, among other things, to access

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.¹ 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 ¹ 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
22
23
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1 Presented by:

2 NICHOLAS W. BROWN
3 Attorney General

4 *Spencer W. Coates*

5 SPENCER W. COATES, WSBA #49683
6 JONATHAN TEBBS, WSBA #53861
7 TYLER ROBERTS, WSBA #52688
8 AARON J. FICKES, WSBA #51584
9 Assistant Attorneys General
10 Complex Litigation Division
11 800 Fifth Avenue, Suite 2000
12 Seattle, WA 98104-3188
13 206-464-7744
14 Spencer.Coates@atg.wa.gov
15 Jonathan.Tebbs@atg.wa.gov
16 Tyler.Roberts@atg.wa.gov
17 Aaron.Fickes@atg.wa.gov
18 *Attorneys for State of Washington*

14 Agreed to and approved for entry by



17 ARAVIND SWAMINATHAN, WSBA #33883
18 NICKOLAS BOHL, WSBA #48978
19 Orrick, Herrington & Sutcliffe, LLP
20 401 Union Street, Suite 3300
21 Seattle, WA 98101
22 206-839-4300
23 aswaminathan@orrick.com
24 nbohl@orrick.com
25 *Counsel for Block, Inc.*

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9 KING COUNTY SUPERIOR COURT

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11 of: Block, Inc.

12 The Washington State Office of the
13 Attorney General,

14 Petitioner.

NO. 21-2-04057-4 SEA

ORDER GRANTING PETITION FOR
ORDER APPROVING ASSURANCE
OF DISCONTINUANCE PURSUANT
TO RCW 19.86.100

15 Pursuant to RCW 19.86.100, which authorizes the Attorney General to accept an
16 Assurance of Discontinuance in the enforcement of the Consumer Protection Act, the Court
17 hereby approves and orders entry of the Assurance of Discontinuance in this matter. Following
18 entry of the Assurance of Discontinuance, the clerk is directed to close this matter. Block's
19 Motion for Review (Dkt. No. 213) is hereby **DENIED AS MOOT**.

20 DATED this _____ day of _____ 2026.

21 _____
22 THE HONORABLE KAREN DONOHUE
23 King County Superior Court Judge
24
25
26

1 Presented by:

2 NICHOLAS W. BROWN
3 Attorney General

4 *s/ Spencer W. Coates*

5 SPENCER COATES, WSBA #49683

6 JONTHAN TEBBS, WSBA #53861

7 TYLER ROBERTS, WSBA #52688

8 AARON FICKES, WSBA #51584

9 Complex Litigation Division

10 800 Fifth Avenue, Suite 2000

11 Seattle, WA 98104-3188

12 206-464-7744

13 Spencer.Coates@atg.wa.gov

14 Jonathan.Tebbs@atg.wa.gov

15 Tyler.Roberts@atg.wa.gov

16 Aaron.Fickes@atg.wa.gov

17 Counsel for State of Washington

**King County Superior Court
Judicial Electronic Signature Page**

Case Number: 21-2-04057-4 SEA
Case Title: IN RE STATE OF WASHINGTON /CIVIL INVESTIGATIVE DEMAND
Document Title: Order
Date Signed: 07/08/2026



Judge: Brian McDonald

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