



# **2005 MONEY SERVICES BUSINESS INDUSTRY SURVEY STUDY**

**FOR**

**FINANCIAL CRIMES ENFORCEMENT NETWORK  
(FINCEN)**

**PREPARED BY**

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## 1. EXECUTIVE SUMMARY

### *Objective and Scope*

The objective of this industry study is to provide the Financial Crimes Enforcement Network (FinCEN) with the most recent information regarding the size, revenue, geographic distribution, and other characteristics of various service sectors of the Money Services Business (MSB) Industry. These sectors include 1) check cashing, 2) money orders, 3) money transmitters, 4) foreign currency exchange, 5) stored value and 6) traveler's checks.

This survey study further identifies the extent to which the aforementioned financial services are being provided through other types of businesses (where money services are not the primary line of business), e.g. a retail grocery store, as a convenience to their customers.

FinCEN has regulatory responsibilities for a wide range of financial institutions including MSBs. In order to ensure the public that FinCEN makes fair and effective policy decisions to regulate the entire MSB industry, FinCEN requires the most current information regarding the size, extent, revenue and nature of MSBs nationwide.

In order to provide the most reliable and recent information regarding the MSB industry to FinCEN, we undertook the following survey approach:

1. We collected and compared the population of existing MSBs through various sources including the FinCEN registration list, the IRS non-bank financial institution list, the state licensee list, and a list of all businesses classified under the North America Industry Classification System Codes;
2. We designed and implemented a generally accepted and statistically sound two-stage sampling plan to select a representative sample of approximately 24,000 potential MSBs to be surveyed;
3. We developed a list of survey questions related to the industry information FinCEN was interested in collecting;
4. We sent out approximately 24,000 surveys in both English and Spanish;
5. We used statistical and econometric modeling techniques to extrapolate the information collected from the survey.

Consistent with FinCEN's request, this study provides statistical estimates of the size, transaction volume, and other important business characteristics for the following six MSB industry sectors:

- 1) Check Cashing;
- 2) Money Order;
- 3) Money Transmission: Domestic and International;





- 4) Foreign Currency Exchange;
- 5) Stored value;
- 6) Traveler's Checks.

### ***Major Findings***

KPMG and its subcontractor, Campos Market Research,<sup>1</sup> collected a total of 1,912 responses in this survey of the MSB industry. Our extrapolations of the MSB industry size and revenue are based on these 1,912 responses. Below is a summary of the major findings based on the survey results:

1. In 2005, the six MSB sectors accounted for approximately \$284 to \$305 billion in annual transaction volume.
  - a. Approximately 90% of this total transaction amount comes from money services offered by either primary MSBs or non-primary MSBs, and the remaining 10% was attributable to non-money services such as grocery, liquor and other retail and convenience services offered by MSBs.
  - b. The Check Cashing service accounted for approximately 30% of all money services transaction volume, and the money order service accounted for approximately 25% of all money services transaction volume.
  - c. Roughly 25% of all money services transaction volume was attributable to money transmission service. The transaction volume for international money transmission was roughly 40% higher than that for domestic money transmission.

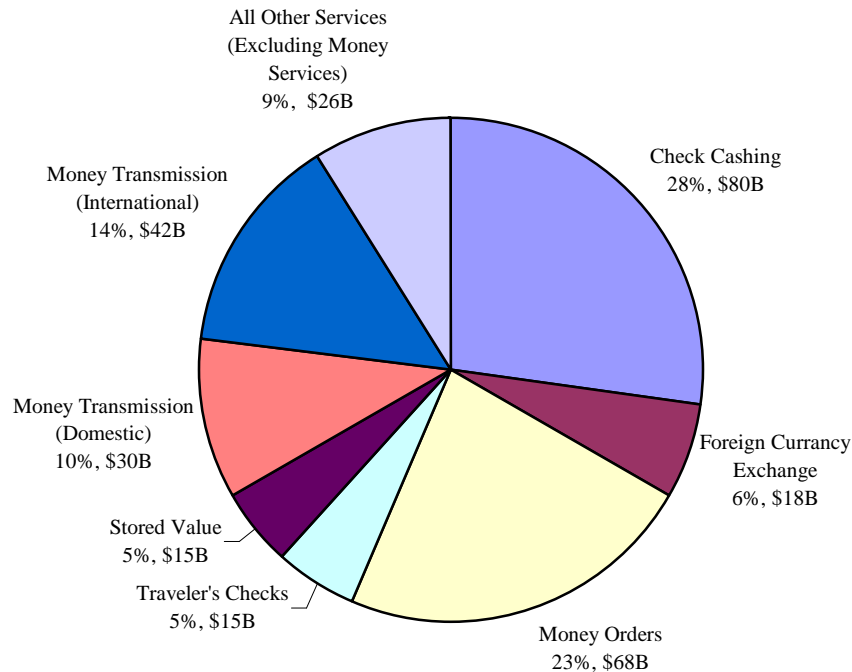
The pie chart below illustrates the amount of annual transaction volume attributable to each money service sector.

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<sup>1</sup> Campos Market Research is a market research firm located in Pittsburgh, who executed the survey on behalf of KPMG. For the remainder of this report, we will refer primarily to KPMG rather than continuing to differentiate the entity that carried out particular tasks.



**Chart 1: Annual Transaction Volume for Each Money Service Sector**

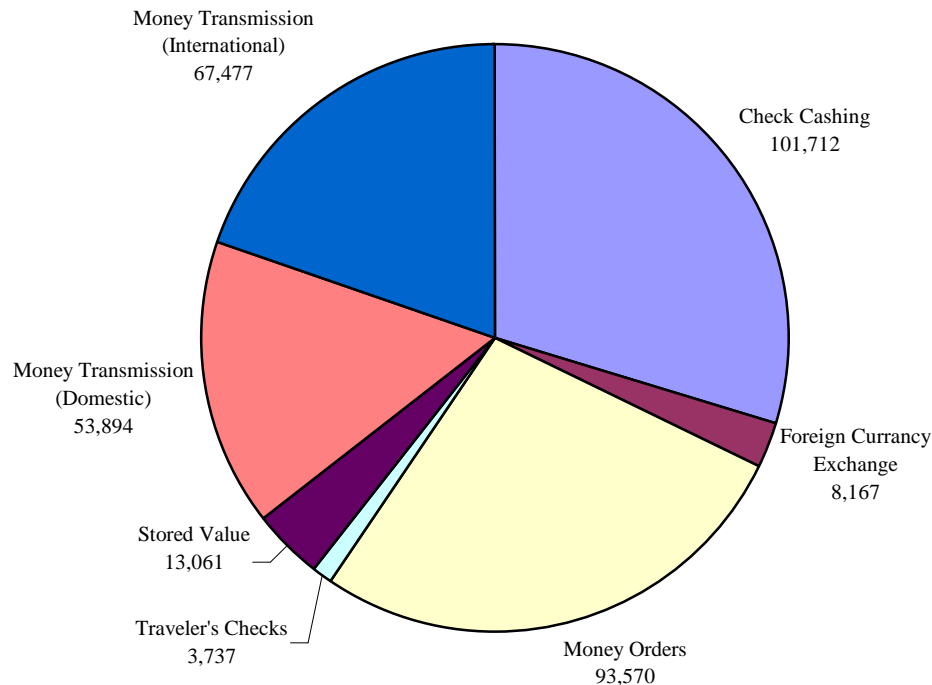


A more detailed discussion of annual transaction volume by service sectors for the MSB industry is provided in Section 4 of *Survey Results*.

2. In 2005, the total number of MSBs nation-wide is estimated to be 203,207, with a 95% confidence interval ranging from 194,825 businesses to 211,589 businesses.
  - a. Approximately 50% of all MSBs offer both check cashing and money order services.
  - b. Approximately 30% of all MSBs offer money transmission services. Most of the MSBs that offer domestic money transmission services also offer international money transmission services.
  - c. Approximately 4% of all MSBs offer foreign exchange services.
  - d. Approximately 6% of all MSBs offer stored value services, and only 2% of all MSBs offer traveler's check services.

The pie chart below illustrates the size of the MSB industry by various money service sectors.

**Chart 2: Total Number of Money Service Providers by Money Service Sectors<sup>2</sup>**



A more detailed discussion of the size of the MSB industry is provided in Section 4 of *Survey Results*.

3. In 2005, the daily transaction limit varies by service sectors. Primary MSBs tend to have a higher daily transaction limit than non-primary MSBs. Below is a brief summary:
  - a. For the check cashing service, the daily transaction limit ranges from \$1,000 to \$3,000.
  - b. For the money order service, the daily transaction limit ranges from \$100 to \$500.
  - c. For the money transmission sector, the daily transaction limit ranges from \$500 to \$3,000.
  - d. For the foreign currency exchange sector, the daily transaction limit is less than \$500.
  - e. For the stored value sector, the daily transaction limit is less than \$500.
  - f. For the traveler's check sector, the daily transaction limit is less than \$500.

<sup>2</sup> An MSB may provide multiple types of money services, and thus be counted in multiple sectors as shown in the pie chart.



### ***Comparison to the 1997 Coopers & Lybrand NBF I Study<sup>3</sup>***

In general, our findings are consistent with the 1997 Coopers & Lybrand Non-Bank Financial Institutions Study. Below is a brief summary of the comparison:

1. The 1997 Coopers & Lybrand NBF I study estimated the total annual transaction volume to be roughly \$200 billion in 1996. We estimated the total annual transaction volume to be roughly from \$284 to \$305 billion in 2005, which reflects a growth rate for the MSB industry of approximately 50% over the past decade.
2. The 1997 Coopers & Lybrand NBF I study estimated the total number of MSBs nation-wide to be roughly 158,000 in 1996. We estimated the total number of MSBs to be slightly over 203,000, reflecting a growth rate for the size of the MSB industry of approximately 29% over the past decade.

The remainder of this report is organized as follows. Section 3 describes the development of the survey instrument. Section 4 summarizes in detail the survey results both for the MSB industry overall and by service sectors. In Section 5, we discuss the statistical and econometric techniques that we used to project the total revenue, and total number of operating businesses for the MSB industry. Finally, the appendix contains a detailed discussion of the statistical sampling plan used to select the sample of 24,000 MSBs that were surveyed. The Appendix also contains additional tabulations of the survey results by various MSB service sectors and extrapolations for each state, as well as the econometric models used to project the size of the MSB industry.

### ***Treatment of the U.S. Postal Service***

The study does not include the U.S. Postal Service (USPS). Even though USPS offers money order services, the face value of those need not be estimated, since such information is readily available from the USPS annual reports. The exclusion of USPS was discussed with, and approved by FinCEN.

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<sup>3</sup> The February 1997 study conducted by Coopers & Lybrand entitled, “*Non-Bank Financial Institutions: A Study of Five Sectors for the Financial Crimes Enforcement Network.*” can be viewed at <http://www.fincen.gov/cooply.html>.





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## **2. CONFIDENTIALITY**

All businesses surveyed in this study were assured of the confidentiality of their individual responses. In accordance with FinCEN, KPMG will not report or release any data that could be used to identify individual business to FinCEN or any other party. KPMG aggregated all survey responses and reports only the overall summary statistics for the entire Money Services Business industry.







### 3. SURVEY INSTRUMENT DEVELOPMENT

The goal of the survey design was to create a survey instrument that would enable the respondents to address all areas relevant to the objectives of the study while balancing that against the time required to complete the survey. Our development of the survey instrument incorporated the following steps:

- Conducted pre-survey interviews with subject matter experts,
- Developed a draft survey instrument,
- Field tested the survey instrument, and
- Incorporated revisions based upon results of the field test into the final survey instrument.

As described in the statistical sampling plan section, we used a stratified random sampling methodology to capture various characteristics that are of interest for the study. In particular, we designed a list of survey questions to study the geographic grouping and various types of money services businesses. The population stratification method ensures that all business types are sufficiently represented and the random sampling ensures that the data collected is not biased in favor of any one type of business or geographic location.

The following sections describe the design and the actual survey questionnaire used to gather business profile information from the randomly sampled MSBs.

#### *Development of Survey Questions*

KPMG first conducted pre-survey interviews with internal subject matter experts for the selection and design of the survey questions. Based on the scope of the study, we identified the following key areas that would comprise the survey:

- 1) Types of services offered
- 2) Primary business
- 3) Independent status or member of larger chain
- 4) Daily number of transactions for each of the following services
  - Check Cashers;
  - Currency dealers or exchangers;
  - Issuers/sellers/redeemers of money orders;





- Issuers/sellers/redeemers of traveler's checks;
  - Issuers/sellers/redeemers of stored value;
  - Money transmitters;
    - a. Domestic;
    - b. International;
- 5) Average size of daily transactions for each of the services outlined above
  - 6) Daily transaction limit for each of the services outlined above
  - 7) Annual transaction volume for each of the services outlined above
  - 8) Type of transaction fees for each of the services outlined above.
  - 9) Amount/percentage of fees for each of the six services.
  - 10) Informal Value Transfer System services (IVTS)
  - 11) Languages spoken by customers.

Based on the initial internal interviews, KPMG developed a draft survey instrument consisting of nine questions (some questions had several sub-questions). KPMG utilized internal resources to formulate questions and optimize the survey layout in order to improve the response rate. KPMG also benefited from FinCEN's feedback on the draft survey, and incorporated FinCEN's comments in the final version of the survey, which was used for the full mailing. To improve data collection from non-English sources, each mailed copy of the survey included both English and Spanish versions of the survey.

KPMG conducted a pilot survey to field-test the survey instrument. Field-testing of the survey using the feasibility samples enabled KPMG to assess the clarity, reliability and validity of the survey instruments. KPMG sent out the pilot survey to ten randomly selected potential MSBs in New York City. To increase the response rate for the pilot survey, we followed up a few weeks after the pilot mailing with telephone calls to those potential MSBs who had not yet returned a completed pilot survey. A total of seven MSBs responded to the pilot survey. KPMG used the information gathered from the seven completed pilot surveys to finalize the survey questions and develop the final survey. The following section describes the final survey questionnaire.

### ***Description of Survey Instrument***

The survey contained several major sections, each directed toward an examination of a characteristic of the MSB industry, plus background questions about the MSB. A copy of the survey questionnaire is included in Section 5 of the appendix.

In the first section of the survey, respondents were asked to provide some background information such as name, address, telephone number, the services offered, whether money services were their primary business, and whether they are an "agent" for another





MSB or have “agents” themselves. The definition of an MSB was listed at the beginning of the survey, with the intent that it would improve the response rate and also help obtain responses from businesses that may be unfamiliar with the definition of an MSB (and thus would not identify themselves as MSBs).

The second section of the survey was designed to provide a more detailed profile of each respondent in terms of the following characteristics:

- Number of daily transactions for each money service;
- Average size of daily transactions for each money service;
- Daily transaction limit for each money service;
- Annual gross transactions for each money service;
- Annual gross transaction volume (including both money and other services);
- Presence of transaction fees for each money service;
- Nature (fixed or percentage) of transaction fees for each money service.

The last section of the survey focused on obtaining information on money services business resembling Informal Value Transfer System (IVTS) and on the various ethnic groups IVTS is serving. Additionally, the last section of the survey also asked respondents to indicate the number of IVTS service providers in the vicinity of their business locations.

### ***Data Processing of Returned Surveys***

On June 29, 2005, we mailed out the surveys to a random sample of 23,983<sup>4</sup> potential MSBs. Respondents had approximately two months to complete and return the survey. KPMG concluded the survey process on August 31, 2005 in order to ensure that we could deliver this final report according to schedule. Any sampled potential MSB that had not yet responded by August 31, 2005 was treated as a non-response. We inputted the information gathered from the responded surveys into an electronic database to facilitate the final statistical extrapolation.

Prior to performing any statistical analysis, KPMG reviewed the responses that we received and performed various consistency checks and the following imputations:

- KPMG used the company name from the survey to check that there were no responses from banks, credit unions, or loans and savings associations (the survey population excluded those financial institutions based on the company name reported in the lists of businesses provided by FinCEN).

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<sup>4</sup> Among the initial random sample of 24,000 potential MSBs, one record had no address, and sixteen records had no zip codes. Thus the survey package could only be mailed to 23,983 sampled potential MSBs with complete address information.



- KPMG corrected the city name of the respondent if that information was misspelled on the returned survey.
- KPMG imputed the city of the respondent if that information was not provided on the returned survey. For returned surveys that could be mapped to the survey population, we used the city name recorded in the survey population. If a survey could not be mapped back to the survey population (for example because the business name has changed) we used the telephone number, the zip code, or the company name of the respondent to infer the city name.
- In a very small number of cases, we could identify the state, but not the city of the respondent. In those cases, we randomly assigned that survey a city from the list of cities sampled from the same state.
- While reviewing the survey responses, KPMG identified a few instances where respondents had provided a range (i.e. 5 to 10 daily money services transactions) instead of a single number (5 daily money services transactions). In those instances we used the midpoint of the reported range.
- While reviewing responses to survey question 7,<sup>5</sup> KPMG noticed that in some cases columns 1 or 3 were left blank, even though a response was entered in columns 2 or 4. For those cases we imputed the responses missing from columns 1 and 3.
- Some respondents did not answer some of the questions in the survey. Depending on the nature of the question, we either treated those as non-responses or not applicable.
- Survey questions 4 through 7 are interrelated. However, we identified cases where these four questions were not answered logically. For instance, a check casher might answer the check cashing section of question 4, but did not provide any corresponding information in questions 5 through 7, even though it is reasonable to expect that the respondent should also answer questions 5 through 7 accordingly. In addition, while reviewing responses to questions 4 through 7, we identified cases where a respondent did not answer any of those questions for a particular money service (for example the money orders sections for Q4, Q5, Q6,

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<sup>5</sup> Survey question number seven gathers the information on transaction fees by service. Columns 1 and 3 ask whether the transaction fees by service are percentage based or fixed fees. Column 2 asks the actual fee percentage and Column 4 asks for the actual fixed fees.



and Q7 were left blank). If all of questions 4 through 7 were left blank, KPMG recoded the responses to those questions to “Not Applicable”. If some but not all questions 4 through 7 were left blank, KPMG treated the unanswered questions as non-responses. Question 6 also contains a sub-question on total annual revenues (not only money services revenue). All cases where that sub-question was not answered were treated as non-responses, unless there was a note that the business does not offer any money services (and should be excluded from the population) or that the business is no longer operating.

- KPMG identified respondents that are out of business or do not offer any money services by manually reviewing the additional comments provided on the returned surveys.
  
- In some cases, the survey was sent to a branch, which in turn forwarded the survey to the company headquarters. In those cases, the headquarters completed the survey based on information for all branches. KPMG identified those based on the additional survey comments provided on the returned surveys. Surveys completed by headquarters based on information for all branches were excluded from the extrapolations.
  
- KPMG also reviewed the survey data for obvious outliers. For example, the sections of question 6 dealing with individual sectors have possible answers from 1 to 5. In some cases, returned surveys contained a 6 or a 7. Similarly, in some cases responses to question 2 contained unusually large number of employees. Some of the responses to question 7 contained unusually high fees. In each of those cases we have reviewed the survey responses and corrected erroneous entries if possible.
  
- KPMG also noticed that some respondents, who identified themselves as offering primarily “money services” in question 2 of the survey, did not identify themselves as a “money service business” in question 1. Because the definition of an MSB involves both offering the listed money service and meeting the dollar threshold of more than \$1,000 for one person on any day, we have treated those as valid responses, and have not performed any imputations.





#### 4. SURVEY RESULTS

The following sections describe the survey results in detail.

##### *Response Rates by States*

We mailed out all surveys to the list of 23,983 sampled potential MSBs at the end of June 2005. Respondents had until August 31, 2005 to return the survey. In a few instances returned surveys were not completed, but there was a comment indicating that the sampled business no longer exists or that the sampled business does not offer any money services. Those incomplete surveys, in addition to responses from business headquarters for multiple locations were excluded from the analyses.

Table 3 below shows the total number of sampled businesses and returned surveys by state. The overall survey response rate is approximately 8%. The survey response rates vary substantially across states. Survey response rates for the major markets (as identified by the number of potential MSBs) are generally close to the overall response rate.

Our analysis of the survey responses and non-responses did not identify any patterns that would warrant an adjustment to the survey results for the potential bias resulting from non-responses. Hence, in the analyses sections, we have treated all survey non-responses as being random as opposed to being influenced by some state, demographic, or business characteristics. Or equivalently, we have treated the sample of all responses as a valid statistical random sample, and thus representative of the entire population of MSBs.





**Table 3: Total Number of Sampled MSBs and Received Survey Responses by State**

	State	Total Number of Surveys Sent	Total Number of Survey Responses Received	Response Rate
1	California	4,648	423	9%
2	Texas	2,342	202	9%
3	New York	1,559	136	9%
4	Florida	1,499	114	8%
5	Washington	932	52	6%
6	Illinois	860	85	10%
7	Pennsylvania	808	59	7%
8	Michigan	801	59	7%
9	Maryland	761	56	7%
10	North Carolina	722	39	5%
11	Arizona	691	44	6%
12	Nevada	686	45	7%
13	New Jersey	609	60	10%
14	Ohio	593	41	7%
15	Colorado	577	30	5%
16	Massachusetts	425	40	9%
17	District of Columbia	410	35	9%
18	Georgia	386	31	8%
19	Indiana	360	27	8%
20	Oklahoma	332	37	11%
21	Missouri	331	27	8%
22	Tennessee	315	15	5%
23	Minnesota	285	18	6%
24	Virginia	281	30	11%
25	Oregon	267	17	6%
26	Puerto Rico	240	18	8%
27	New Mexico	197	13	7%
28	Wisconsin	195	12	6%
29	South Carolina	170	8	5%
30	Louisiana	160	13	8%
31	Alabama	154	12	8%
32	Kentucky	154	12	8%
33	Hawaii	146	15	10%
34	Utah	134	10	7%
35	Mississippi	110	5	5%
36	Nebraska	108	7	6%
37	Delaware	100	5	5%
38	Rhode Island	99	3	3%
39	Kansas	73	7	10%
40	Idaho	64	5	8%
41	Iowa	59	2	3%
42	Alaska	56	1	2%
43	Arkansas	51	4	8%
44	Connecticut	48	3	6%
45	Montana	37	1	3%
46	North Dakota	34	5	15%
47	South Dakota	33	2	6%
48	Wyoming	26	3	12%
49	Maine	23	1	4%
50	West Virginia	23	4	17%
51	New Hampshire	16	2	13%
52	Vermont	10	1	10%
	<b>Total</b>	<b>24,000</b>	<b>1,896</b>	<b>8%</b>



### *Money Services Offered*

Few of the respondents identifying themselves as primarily MSBs offer non-money services at the same location. On the other hand, businesses that do not identify themselves as MSBs are primarily convenience, liquor, retail, or grocery stores. This suggests that many non-MSBs often offer money services as a convenience to their customers. For these non-MSBs, the revenue from money services usually does not contribute substantially to total revenues.

Table 4 shows the distribution of respondents as to what services are offered and how they characterize themselves. For example, 95% of those that classified themselves as convenience store also considered that they were not primarily offering money services.

**Table 4: Money Services Offered by MSBs<sup>6</sup>**

Services Offered	All MSBs	Primarily MSBs	Primarily Non-MSBs
Money services business	54%	49%	51%
Convenience store	22%	5%	95%
Other <sup>7</sup>	20%	14%	85%
Grocery store/super market	14%	4%	95%
Liquor store	14%	6%	93%
Retail store	13%	6%	94%

*Based on Q1: Please indicate all types of businesses that you operate at this location by checking the appropriate boxes below. Please check all boxes that apply and Q2: 2. Are money services your primary business?*

Table 5 below shows the distribution of primary MSBs by state based on the survey responses. As indicated in Table 5 geographically, many of the businesses that identify themselves as offering primarily money services are located in the major markets along the East and West coast, while businesses that offer other services as well are located in smaller markets within the United States. This observation is consistent with the fact that the demand for money services is usually higher in larger markets and thus making money services more likely to be viable as a primary business.

<sup>6</sup> Many MSBs offer multiple services, money or non-money.

<sup>7</sup> The "Other" category includes all other services offered at that location. Examples of services in that category are: bars, restaurants, drug stores, bus stations, etc.





**Table 5: Geographic Distribution of MSBs Based on the Survey Results  
 (According to whether respondents considered themselves Primarily an MSB)**

	State	Total Number of Survey Respondents	Percentage of Primary MSBs	Percentage of Businesses that are NOT Primary MSBs
1	California	423	26%	74%
2	Texas	202	21%	79%
3	New York	136	77%	23%
4	Florida	114	32%	68%
5	Illinois	85	66%	34%
6	New Jersey	60	45%	55%
7	Pennsylvania	59	45%	55%
8	Michigan	59	9%	91%
9	Maryland	56	22%	78%
10	Washington	52	19%	81%
11	Nevada	45	12%	88%
12	Arizona	44	23%	77%
13	Ohio	41	13%	87%
14	Massachusetts	40	32%	68%
15	North Carolina	39	38%	62%
16	Oklahoma	37	26%	74%
17	District of Columbia	35	12%	88%
18	Georgia	31	17%	83%
19	Virginia	30	30%	70%
20	Colorado	30	23%	77%
21	Indiana	27	26%	74%
22	Missouri	27	12%	88%
23	Puerto Rico	18	53%	47%
24	Minnesota	18	29%	71%
25	Oregon	17	13%	88%
26	Hawaii	15	67%	33%
27	Tennessee	15	27%	73%
28	Louisiana	13	15%	85%
29	New Mexico	13	8%	92%
30	Alabama	12	25%	75%
31	Wisconsin	12	17%	83%
32	Kentucky	12	8%	92%
33	Utah	10	22%	78%
34	South Carolina	8	63%	38%
35	Kansas	7	29%	71%
36	Nebraska	7	14%	86%
37	Delaware	5	20%	80%
38	Idaho	5	20%	80%
39	Mississippi	5	20%	80%
40	North Dakota	5	0%	100%
41	Arkansas	4	0%	100%
42	West Virginia	4	0%	100%
43	Connecticut	3	67%	33%
44	Wyoming	3	33%	67%
45	Rhode Island	3	0%	100%
46	South Dakota	2	50%	50%
47	Iowa	2	0%	100%
48	New Hampshire	2	0%	100%
49	Maine	1	100%	0%
50	Alaska	1	0%	100%
51	Montana	1	0%	100%
52	Vermont	1	0%	100%



Respondents who reported that money services are their primary business tend to have quite similar numbers of employees. Business that offer additional services tend to be more heterogeneous, as that group includes both small grocery stores as well as larger chain supermarkets. Table 6 below shows the distribution of the total number of employees for primary MSBs and non-primary MSBs.

**Table 6: Distribution of Number of Employees**  
 (According to Classification as whether Primarily an MSB)

Primarily an MSB?	Percentage of Responses	Average Number of Employees
Yes	31%	8
No	69%	36

*Q2. Are money services your primary business? Please provide the total number of employees for your business.*

Responses to questions 3 and 3B were generally fairly complete, with very few cases in which those survey questions were left blank. As indicated in Table 7 below, slightly less than half of the respondents serve as an agent for another MSB. There were generally very few instances in which a respondent would serve as an agent for more than two MSBs.

**Table 7: Distribution of Total Number of MSBs for which the Respondent is an Agent**

Agent for another MSB?	Percentage of Responses	Average Number of MSBs for which the Business is an Agent
Yes	44%	2
No	56%	NA

*Q3a. Is your business an agent for another MSB? If yes, how many MSBs are you an agent for?*

Table 8 indicates that less than 10% of the respondents report having agents of their own. In the typical case, respondents have very few agents, suggesting that most of them do not represent national chains.

**Table 8: Distribution of the Total Number of Agents**

Do you have agents?	Percentage of Responses	Average Number of Agents
Yes	6%	96
No	94%	NA

*Q3b. Does your business have agents? If yes, how many agents do you have?*

In summary, the responses to question 3 indicate that a typical surveyed business serves as an agent for another MSB, and in less than 10% of the cases that business would also have a couple of agents of its own. In addition, less than 2% of all respondents have more than 10 agents. Thus the survey responses show that the MSB industry consists of very few large chains and many small money services businesses.

In addition to the more traditional money services that represent the focus of the survey, respondents were also asked to indicate if they offer other less traditional means of money transfer<sup>8</sup>. Table 9 shows the percentage of MSBs who provide Informal Value Transfer services.

**Table 9: Percentage of MSBs Providing IVTS Services**

Do you provide IVTS like services?	Percentage of Responses
Yes	6%
No	94%

*Q8A: Do you provide your customers the type of services similar to IVTS described in the paragraph above?*

Table 10 shows respondents' perception of how many IVTS service providers are within three miles of their locations.

<sup>8</sup> Informal Value Transfer System (IVTS) is a term used to describe a money or value transfer system that operates informally as a business to transfer money. IVTSs are found in various cultures, and include hawala, hundi, fei ch'ien, hoe kuan, hui k'aun, and many others. IVTS provides an alternative remittance system, particularly for persons who may be outside the reach of the traditional financial sector. An IVTS works by transferring money without actually moving it. The basic IVTS transaction involves a sender, two trusted intermediaries, and a recipient. For example, a U.S. resident who wants to send money to a friend in Country B would give it to a U.S. IVTS, who typically gives the sender a code or identification mechanism. The U.S. IVTS then contacts a local IVTS in Country B, for example by telephone, fax, or e-mail, and the sender contacts the intended recipient to convey the code. The local IVTS in Country B then delivers the specified funds to the recipient upon presentation of the code.

**Table 10: Distribution of Informal Value Transfer Systems**

Total Number of IVTSs in Your Vicinity	Percentage of Responses
None	23%
1	33%
2 to 5	30%
6 to 10	7%
More than 10	8%

*Q8B: Please provide your best estimate of the total number of IVTS service providers (including yourself if you identify yourself as an IVTS) within 3 miles radius of your business.*

Based on the survey results, slightly more than 5% of the respondents provide IVTS services to their customers. More than 14% of respondents indicate they are aware of IVTS services being provided within a three-mile radius. IVTS service providers appear to be geographically clustered: almost 60% of all respondents aware of IVTS providers in their vicinity indicated that there were more than 2 IVTS providers in a three-mile radius. The distribution of IVTS-like services in localized markets is consistent with the hypothesis that they generally serve more populous geographic locations. The survey results also indicate that the number of customers IVTS providers could serve may be limited by the size of their network.

Customers for the surveyed businesses represent a diverse group, speaking more than 40 different languages in addition to the languages listed in the survey. One interesting pattern is that the percentage of customers speaking one of the languages listed on the survey (other than English) is generally higher for businesses that identify themselves as offering primarily money services. This is especially pronounced for Spanish and the inclusive “Other” category (which includes the languages in response to the “Other, please specify” part of question 9). This suggests that businesses identifying themselves as primary MSBs tend to serve particular ethnic segments of the population.

**Table 11: Languages Spoken by Customers**

Languages Spoken By Customers	All MSBs		Primarily MSB		Primarily Non-MSBs	
	Yes	No	Yes	No	Yes	No
English	89.7%	10.3%	87.5%	12.6%	90.7%	9.3%
Spanish	69.2%	30.8%	73.2%	26.8%	67.3%	32.7%
Other	8.8%	91.2%	11.4%	88.6%	7.7%	92.3%
Tagalog/Phillipine	5.6%	94.4%	9.0%	91.0%	4.1%	95.9%
Russian	5.3%	94.7%	10.3%	89.7%	3.1%	96.9%
Vietnamese	5.0%	95.0%	4.7%	95.3%	5.2%	94.8%
Chinese	4.0%	96.0%	3.8%	96.3%	4.2%	95.9%
Korean	3.9%	96.1%	3.4%	96.6%	4.2%	95.8%
Arabic	3.3%	96.7%	2.4%	97.6%	3.7%	96.3%
Somolian	0.8%	99.2%	0.8%	99.3%	0.9%	99.2%
Farsi	0.4%	99.6%	0.0%	100.0%	0.6%	99.4%

*Q9. What languages do your customers speak? Please check those that are most commonly spoken by your customers. Please check no more than the 3 or 4 languages most frequently spoken.*

### ***Profile of the Check Cashing Sector***

About two thirds of the respondents offer check cashing to their customers, making check cashing one of the largest sectors in terms of the total number of businesses that provide the service. Geographically, more than two thirds of the surveyed check cashers are located in one of the following ten states or the District of Columbia: Texas, California, Maryland, New York, Florida, Illinois, Michigan, Pennsylvania, Georgia and Ohio. The survey results also indicate that in most cases, check cashing is offered as a convenience to customers, since most of the businesses that provide check cashing services do not identify themselves as primary MSBs.

Check cashing transactions volume (as measured by the categories in the survey) appear to differ markedly between primary MSBs and non-primary MSBs. Generally, compared to non-primary ones, a higher percentage of primary MSBs report transaction volume in the upper brackets. On the other hand, more non-primary MSBs tend to report revenues in the lower revenue brackets.

Primary MSBs tend to handle more daily transactions, even though typical daily transaction is between \$100 and \$500 for both primary and non-primary MSBs. However, non-primary MSBs tend to have lower transaction limits when compared to primary MSBs, presumably in part because of issues associated with handling larger amounts of cash. For example, a typical primary MSB had a per customer check cashing

limit between \$1,001 and \$2,999, while a typical non-primary MSB limits check cashing to no more than \$500. Fees for check cashing services also vary significantly for both primary and non-primary MSBs. In most cases, the fee is a percentage of the face value of the check, with the typical fee being about 1% for both primary and non-primary MSBs. Table 12 shows the size of check cashing business based on the survey results.

**Table 12: Size of Check Cashing Businesses**

Annual Transaction Volume	Primarily MSB	Primarily Non-MSB
Less than \$10,000	5%	28%
\$10,000 to \$24,999	4%	13%
\$25,000 to \$49,999	5%	8%
\$50,000 to \$99,999	13%	8%
\$100,000 to \$499,999	69%	41%
\$500,000 to \$1,000,00	1%	1%
More than \$1,000,000	3%	3%

### *Profile of the Money Orders Sector*

About 70% of respondents issue money orders to their customers, making money orders one of the largest sectors in terms of the number of businesses that provides the service. Geographically, more than 75% of the surveyed issuers of money orders are located in one of the following sixteen states or the District of Columbia: California, Texas, New York, Pennsylvania, Maryland, Illinois, Michigan, Florida, Ohio, New Jersey, North Carolina, Oklahoma, Nevada, Washington, Arizona, and Massachusetts.

Many non-primary MSBs report offering money order services, which suggests that this service, like check cashing, is offered as a convenience to customers. In terms of face value, surveyed primary and non-primary MSBs tend to report somewhat similar transaction volume from issuing money orders. The two are also very similar in terms of fee structure: the typical MSB charges a fixed fee of less than \$1 per money order. The fee structure of money order issuers is also similar for the few who charge a percentage fee: typically around 1% of face value. Primary and non-primary MSBs differ somewhat in terms of the average number of daily transactions and transaction limits: primary MSBs tend to handle more transactions per day and have higher transaction limits (\$100 to 500) relative to non-primary MSBs, but the average daily transaction is between \$100 and \$500 for both. Table 13 shows the size of the money order sector across primary MSBs and non-primary MSBs.

**Table 13: Size and Distribution of the Money Orders Sector**

<b>Annual Transaction Volume</b>	<b>Primarily MSB</b>	<b>Primarily Non-MSB</b>
Less than \$10,000	29%	30%
\$10,000 to \$24,999	12%	7%
\$25,000 to \$49,999	12%	8%
\$50,000 to \$99,999	8%	10%
\$100,000 to \$499,999	35%	41%
\$500,000 to \$1,000,00	1%	2%
More than \$1,000,000	3%	2%

### *Profile of the Money Transmission Sector*

#### *Domestic Transfers*

Domestic money-transfer services are provided by both primary and non-primary MSBs. Geographically, 75% of the surveyed domestic money transmitters are located in one of the following states: New York, Illinois, Pennsylvania, Texas, Maryland, Michigan, New Jersey, California, Florida, Massachusetts, Washington, Arizona and North Carolina.

Within each revenue category, the share of primary MSBs is similar to the share of non-primary MSBs. Excluding respondents identified as “Not applicable”, 15% of primary MSBs report annual transaction volume between \$10,000 and \$49,999, compared to about 14% for non-primary MSBs. This indicates that domestic money transfers generate about the same total revenue for both primary and non-primary MSBs. Both primary and non-primary MSBs report that the typical daily transaction size of domestic money transfer is between \$100 and \$500. However, a primary MSB typically has a higher transaction limit when compared to a non-primary MSB: between \$1,000 and \$2,999 versus \$500 to \$1,000. Primary MSBs also handle more daily transactions relative to non-primary MSBs. In terms of fee structure, both primary and non-primary MSBs charge on average a fixed fee of \$12.95 for domestic money transfers. Table 14 shows the size of the domestic money transfer sector across primary and non-primary MSBs.

**Table 14: Size and Distribution of the Domestic Money Transfers Sector**

Annual Transaction Volume	Primarily MSB	Primarily Non-MSB
Less than \$10,000	34%	40%
\$10,000 to \$24,999	15%	14%
\$25,000 to \$49,999	11%	9%
\$50,000 to \$99,999	11%	12%
\$100,000 to \$499,999	28%	24%
\$500,000 to \$1,000,00	0%	1%
More than \$1,000,000	1%	0%

### *International Transfers*

Most of the surveyed domestic money transmitters also provide international money transmission services to their customers. As a result, the international money transfers sector shares the similarities between primary and non-primary MSBs in terms of revenue, service, geographical distribution and fee structure. Primary MSBs that transmit money internationally handle more daily transactions and have a higher daily limit than non-primary MSBs, and typically charge a fixed fee for the service. Table 15 shows the size of the international money transfer sector across primary and non-primary MSBs.

**Table 15: Size and Distribution of the International Money Transfers Sector**

Annual Transaction Volume	Primarily MSB	Primarily Non-MSB
Less than \$10,000	29%	38%
\$10,000 to \$24,999	13%	12%
\$25,000 to \$49,999	9%	10%
\$50,000 to \$99,999	9%	12%
\$100,000 to \$499,999	33%	27%
\$500,000 to \$1,000,00	0%	1%
More than \$1,000,000	7%	0%

### *Profile of the Foreign Currency Exchange Sector*

Unlike check cashers, there are far fewer businesses offering foreign currency exchange services. The survey results also indicate that the demand for foreign currency exchange services is localized to major cities such as Los Angeles, San Francisco, Philadelphia, Chicago, New York and Phoenix.



Foreign currency exchange services are typically offered by primary MSB; non-primary MSBs are much less likely to provide the service to their customers. The survey results show that primary MSBs are twice as likely to offer foreign exchange services compared to non-primary MSBs. Most of the reported annual transaction volume from foreign currency exchange services tends to be less than \$10,000. The typical foreign currency exchange service provider handles very few daily transactions, with a typical size of less than \$500, which is also the typical daily transaction limit. Based on the reported annual transaction volume, foreign currency exchange services are likely to be offered with other services at the same location (such as travel agency services). Almost two thirds of respondents charge a percentage fee for foreign currency exchange services, with a typical fee of about 6%. Table 16 shows the size of the foreign currency exchange sector across primary and non-primary MSBs.

**Table 16: Size of the Foreign Currency Exchange Sector**

<b>Annual Transaction Volume</b>	<b>Primarily MSB</b>	<b>Primarily Non-MSB</b>
Less than \$10,000	47%	48%
\$10,000 to \$24,999	5%	24%
\$25,000 to \$49,999	9%	0%
\$50,000 to \$99,999	7%	12%
\$100,000 to \$499,999	23%	12%
\$500,000 to \$1,000,00	7%	4%
More than \$1,000,000	2%	0%

### ***Profile of the Stored Value Sector***

Similar to the foreign currency exchange sector, very few of the survey respondents report providing stored value services to their customers. Stored value services are typically offered by primary MSB. About 50% of the surveyed stored value services providers are concentrated in New York, California and Illinois (roughly 25% in New York and the other 25% almost evenly split between California and Illinois), while Pennsylvania, Texas, Florida, Nevada, Arizona, Indiana and Michigan account for another 25% of the surveyed stored value providers.

Most of the reported annual transaction volume from stored value services tends to be less than \$10,000. The percentage of respondents reporting annual transaction volume less than \$50,000 is similar across primary and non-primary MSBs. A higher fraction of non-primary MSBs tend to be in the upper transaction volume brackets compared to primary MSBs. The typical daily transaction limit of stored value services is less than \$500 for both primary and non-primary MSBs. Typical daily transaction amounts are between \$100 and \$500 for primary MSBs and less than \$100 for non-primary MSBs.

Primary MSBs also typically handle more daily transactions than non-primary ones, even though the total daily number of stored value transactions is quite low for all MSBs. Both primary and non-primary MSBs typically charge a fixed fee of \$2 for the service. Table 17 shows the size of the stored value sector across primary and non-primary MSBs.

**Table 17: Size of the Stored Value Sector**

Annual Transaction Volume	Primarily MSB	Primarily Non-MSB
Less than \$10,000	49%	50%
\$10,000 to \$24,999	11%	9%
\$25,000 to \$49,999	2%	13%
\$50,000 to \$99,999	3%	11%
\$100,000 to \$499,999	34%	13%
More than \$1,000,000	1%	4%

***Profile of the Traveler's Checks Sector***

Similar to the foreign currency exchange and stored value sectors, very few of the survey respondents report providing traveler's check services to their customers. Since traveler's checks are accepted in most businesses, this finding suggests that respondents to this question are likely to represent issuers or sellers of traveler's checks as opposed to just redeemers. Traveler's checks are slightly more likely to be offered by primary MSBs compared to non-primary MSBs. Geographically, slightly less than a quarter of the respondents offering the service are located in California, with the rest spread across the other states. Reported annual transaction volume from traveler's checks tends to be less than \$10,000. The typical daily transaction limit for traveler's checks transactions is less than \$500 for both primary and non-primary MSBs, even though primary MSBs tend to handle slightly more transactions per day. Table 18 shows the size of the traveler's check sector across the primary and non-primary MSBs.

**Table 18: Size of the Traveler's Checks Sector**

Annual Transaction Volume	Primarily MSB	Primarily Non-MSB
Less than \$10,000	65%	57%
\$10,000 to \$24,999	7%	8%
\$25,000 to \$49,999	7%	15%
\$50,000 to \$99,999	7%	4%
\$100,000 to \$499,999	7%	8%
More than \$1,000,000	7%	8%



## 5. EXTRAPOLATION OF MSB INDUSTRY SIZE

### *Extrapolation Methodology*

#### *Total Number of MSBs*

Our methodology of extrapolating the total number of MSBs operating within each of the six money services sectors specified by FinCEN is based upon the assumption that the total number of MSBs within a geographic location is correlated to the key demographic characteristics of that area. KPMG developed a statistical model that relates the total number of MSBs operating in a given city to the key demographic characteristics of the city, such as the total population, household income, etc.

To estimate the model coefficients, KPMG compiled an electronic data file with demographic data from the 2000 U.S. Census and the 2003 and 2004<sup>9</sup> American Community Surveys (ACS). The ACS was designed to replace the currently used Census questionnaire for the 2010 U.S. Census. Thus many questions in ACS are very similar or identical to the Census questionnaire. The ACS contains more recent data, but does not include demographic information from all cities covered by the MSB survey. On the other hand, the 2000 U.S. Census data provides the necessary geographical coverage, but is not as recent as the ACS data.

For all cities that are represented in both the ACS and the 2000 Census, KPMG used the demographic data series to estimate an average state-wide growth rate between 1999 (when the 2000 Census was taken) and 2002 (when the 2003 ACS data was collected). KPMG then used these estimated growth rates to project the data series to their expected 2005 levels. For example, if we estimate (based on the 2000 Census and 2003 ACS data) that median household income in Burlington VT, increased 10% between 1999 and 2002, we projected that it would grow by another 10% between 2002 and 2005.

Next KPMG performed the following adjustments to the population of surveyed MSBs:

1. Reduced the population of potential MSBs by the overall percentage of surveyed businesses that reported being out of business.
2. Reduced the population of potential MSBs by the overall percentage of surveyed businesses that identified themselves as not providing any money services.
3. Reduced the population of potential MSBs by the overall percentage of surveys that covered multiple locations. Steps 1,2, and 3 reduced the original population of potential MSBs by 8.9%

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<sup>9</sup> The 2004 ACS was released on August 30, 2005.





4. Weighted the number of returned surveys by the corresponding population weights. For example, if we have received 5 surveys from New York, but the population of MSBs from New York is 20 (i.e. potential MSBs after applying adjustments 1, 2 and 3), then we weighted each of the 5 surveys by a factor of 4.

These adjustments update the population of potential MSBs with additional information available from the survey. After these adjustments, we have a first-stage estimate of the total number of MSBs for each city. KPMG then used regression modeling to relate the first-stage estimate of the population of MSBs to key demographic characteristics for each city. To obtain the national estimate of the total number of MSBs, KPMG used the state-level demographic data and the regression coefficients from the model relating the number of MSBs to city demographics to perform an out-of-sample forecast. For example, if the regression model estimates that cities with a population of 1,000,000 tend to have a total of 1,000 MSBs, then a state with a population of 6,000,000 will be projected to have approximately 6,000 MSBs. The national estimate is calculated as the sum of all state-level estimates. Using the percentage of surveyed respondents providing services within each of the six money services sectors, we projected the total number of MSBs by sector.

### ***Margin of Error***

KPMG used the standard deviation of the projected state-level total to quantify the degree of statistical uncertainty associated with the extrapolated total number of MSBs. The national total number of MSBs (both total and by sector) is reported as a range based on the lower and upper 95% confidence limit of the estimate.

### ***Total MSB Revenue***

Another important aspect of the MSB Industry study is to estimate the total percentage and dollar amount of revenue derived from the various financial services for each of the six MSB industry sectors. KPMG used the responses to question 6 of the survey to estimate the total dollar amount and total percentage for each of the six MSB industry sectors. Since the survey data for question 6 is reported as a range, we developed three different estimates using the following three parameters:

1. Lower bound of revenues for all respondents.
2. Upper bound of revenues for all respondents.
3. Midpoint of revenue for all respondents.





Based on the reported dollar amount (lower, upper or midpoint) for each respondent, we used the corresponding population weight (see items 1, 2, 3 and 4 on the previous page), to project the total dollar amount up to the city level. This first-stage revenue estimate is then used to relate the estimated total dollar amount for each city to the city demographics (such as total population, median income, etc). To obtain the national estimate of the total revenue for each money services sector, KPMG used the state-level demographic data and the regression coefficients from the model relating city revenue to demographics to perform an out-of-sample forecast (i.e. we used results for the cities that reported to predict results for all states). For example, if the model estimates that the total check cashing revenue is \$10 million for all MSBs in a city with 1 million population, then a state with 6 million population will be projected to have a total check cashing revenue of approximately \$60 million. The national estimate is then calculated as the sum of all state-level estimates.

### ***Extrapolation Results***

The following tables show the extrapolated total transaction volume for the MSB industry by service sector and the total projected number of MSBs by service sector. We used a ratio estimation method to project the total transaction volume at the national level. We first computed the ratio of MSB revenue over population for each sampled city, and then used the average ratio to project the national level estimate.

The projected number of MSBs by service sector is based on an econometric model, which relates the number of MSBs for each city to demographic characteristics of that city. The dependent variable is the total number of potential MSBs for each city, reduced by the overall share of businesses that are no longer in service, are not MSBs, or if the response received was for multiple locations. The demographic characteristics (except for the Traveler's Checks and Foreign Currency Exchange sectors) used are the total number of people living in that city/state with a certain income to poverty level ratio.

Our model is based on the hypotheses that the total number of people living in a geographic location is correlated with the demand for the MSB services and that people's income level relative to the poverty level is correlated with the demand for the MSB services. These hypotheses led us to the current regression model specification used for the prediction of the total number of MSBs. KPMG also tested various other hypotheses such as correlating the total number of MSBs with the minority population. Among all hypotheses tested by KPMG, the current regression model specification gives a more reasonable prediction of the size of the MSB industry, with most of the model coefficients showing statistical significance.

In the current regression model specification, both the dependent and the independent variables were transformed using the natural logarithm transformation in order to reduce the effect that outliers would have on the regression results. In addition to the





independent variables, we also included controls for state-specific factors. Once a model is estimated for each sector, we used the same demographic variables at the state level to project the state-level total. Due to the small number of observations we used total population as the independent variable for the Traveler’s Checks and Foreign Currency Exchange sectors.

Regression results for these models are provided in Section 3 “*Tables of Regression Models*” of the Appendix. Table 19 shows the results of the models used to estimate revenue by sector while Table 20 shows the estimated population of money services business for each sector.

**Table 19: Extrapolated Total Revenue for the MSB Industry Nation-wide by Service Sector**

	Service Sector	Projected Lower Bound		Projected Upper Bound	
		Transaction Volume	% of Total Transaction Volume	Transaction Volume	% of Total Transaction Volume
All Money Services	Check Cashing	\$79,538,089,784	28%	\$81,418,482,822	27%
	Foreign Currency Exchange	\$18,403,655,037	6%	\$18,416,347,639	6%
	Money Orders	\$67,148,146,694	24%	\$68,088,407,861	22%
	Traveler's Checks	\$14,776,247,565	5%	\$16,014,212,972	5%
	Stored Value	\$14,276,271,424	5%	\$15,137,325,882	5%
	Money Transmission (Domestic)	\$29,980,946,855	11%	\$30,070,100,324	10%
	Money Transmission (International)	\$41,817,133,429	15%	\$42,489,431,847	14%
	Subtotal for All Money Services	\$265,940,490,786	94%	\$271,634,309,347	89%
All Other Services (Excluding Money Services) <sup>10</sup>		\$17,699,208,748	6%	\$33,323,949,988	11%
<b>All Services</b>		<b>\$283,639,699,535</b>	<b>100%</b>	<b>\$304,958,259,335</b>	<b>100%</b>

<sup>10</sup> The other services include liquor, grocery, other retail and convenience services offered by MSBs.





**Table 20: Extrapolated Total Number of MSBs Nation-wide by Service Sector<sup>11</sup>**

Service Sector	Estimated Total Number of Service Providers	Standard Error	95% Confidence Interval	
			Lower Bound	Upper Bound
Check Cashing	101,712	1,945	97,900	105,524
Foreign Currency Exchange	8,167	62	8,046	8,288
Money Orders	93,570	1,695	90,248	96,892
Traveler's Checks	3,737	12	3,712	3,761
Stored Value	13,061	148	12,771	13,352
Money Transmission (Domestic)	53,894	884	52,162	55,626
Money Transmission (International)	67,477	1,134	65,255	69,699
<b>All Unique Businesses</b>	<b>203,207</b>	<b>4,277</b>	<b>194,825</b>	<b>211,589</b>

<sup>11</sup> The projected total number of operating businesses for each service sector is not mutually exclusive. That is, a business that offers check cashing service may also offer money order service. On the other hand, the projected total number of operating business in the row titled "All Services" represents the total number of unique operating businesses that offer at least one of the money services. Thus the total numbers of service providers for all service sectors do not sum up to the total number for "All Services".





## 6. APPENDIX

### 1. STATISTICAL SAMPLING PLAN

This section summarizes KPMG's statistical survey methods leading to a sampling based representation of the profiles for the MSB industry. This section discusses the details of the survey sampling plan and its implementation, which formed the basis for extrapolating the results collected in the survey.

The information in this section is organized into the following subsections:<sup>12</sup>

- Objectives
- Information Received
- Compiling the MSB Population
- Survey Sampling Frame
- Pilot Survey

#### *Objectives*

The objective of KPMG's survey sampling plan was to estimate the business characteristics and profiles of the MSB industry within narrowly defined confidence bounds. The MSB industry survey was also used to determine the total number of existing MSBs for each of the six MSB categories<sup>13</sup> within the United States as well as their geographical distribution. KPMG used the information collected from the survey sample to determine the size of the six MSB industry segments within a narrowly defined margin of error or uncertainty. KPMG compiled the population list of potential MSBs to be surveyed using the MSB data and information provided by FinCEN.

The following sections address the data processing steps, relevant statistical concepts and theories that were utilized to accomplish the projection of the results collected in the survey to the entire MSB industry.

#### *Information Received*

FinCEN provided KPMG with eight electronic data files containing lists of potential MSBs. Each file includes a specific set of fields, even though all of them contain company name, street address, city, state and zip code. All files except FinCEN's Dun

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<sup>12</sup> This general outline of methodology can be found in Cochran, William B., *Sampling Techniques*, Wiley: New York, 1977, pp. 4-6.

<sup>13</sup> The six MSB categories are defined to be: 1) Check Cashers; 2) Money Order; 3) Foreign Currency exchangers; 4) Traveler's checks; 5) Stored value; 6) Money transmitters (domestic or international).







and Bradstreet data file also have a field containing the phone number of the potential MSB<sup>14</sup>. Table 21 below summarizes the data files provided by FinCEN.

**Table 21: Electronic Data Files Provided by FinCEN**

Description of the Data File	Total Number of Records in the Data File
MSB Outreach Data compiled by Burson /Direct Impact	10,530
The FinCEN MSB Registration List	19,943
IRS NBF I List	80,210
The electronic data gathered by the Burson-Marsteller study – part 1	15,033
The electronic data gathered by the Burson-Marsteller study – part 2	15,033
The electronic data from FinCEN's MSB Outreach contractor containing Info USA data used to supplement the State Licensee list	4,642
List of all businesses classified under the NAICS codes for potential MSBs provided by Dun & Bradstreet <sup>15</sup>	103,371
State Licensee List (as of year 2000)	28,692
<b>Total</b>	<b>277,454</b>

In order to include all potential MSBs in the sample population, KPMG provided FinCEN with a list of North American Industry Classification System (NAICS) Codes<sup>16</sup>

<sup>14</sup> The state, city, address and company name fields are generally well populated. Even when present, the phone number field is generally not well populated in some of the files (for example, phone number is missing for about 80% of the records in the NBF I data and for about 70% in the State Licensee List). Other records contained invalid or missing values for some other fields (such as a two digit zip code).

<sup>15</sup> As provided, the D&B file contained 103,358 lines. KPMG manually edited several lines that contained multiple records.

<sup>16</sup> The list NAICS codes provided to FinCEN was published by the U.S. Census website.



that may be related to potential MSBs. Table 22 below shows the list of NAICS codes provided to FinCEN. KPMG then requested FinCEN to provide all U.S. companies classified under these NAICS codes. In response to KPMG's request, FinCEN provided a data file, which contained all U.S. companies classified by Dun & Bradstreet under these NAICS codes.

**Table 22: List of NAICS Codes Related to Potential MSBs**

NAICS Code	NAICS Title
4451	Grocery Stores
44511	Supermarkets and Other Grocery (except Convenience) Stores
445110	Supermarkets and Other Grocery (except Convenience) Stores
44512	Convenience Stores
445120	Convenience Stores
44523	Fruit and Vegetable Markets
445230	Fruit and Vegetable Markets
44529	Other Specialty Food Stores
445299	All Other Specialty Food Stores
4453	Beer, Wine, and Liquor Stores
44531	Beer, Wine, and Liquor Stores
445310	Beer, Wine, and Liquor Stores
44611	Pharmacies and Drug Stores
446110	Pharmacies and Drug Stores
447	Gasoline Stations
4471	Gasoline Stations
44711	Gasoline Stations with Convenience Stores
447110	Gasoline Stations with Convenience Stores
44719	Other Gasoline Stations
447190	Other Gasoline Stations
451212	News Dealers and Newsstands
45322	Gift, Novelty, and Souvenir Stores
453220	Gift, Novelty, and Souvenir Stores
4539	Other Miscellaneous Store Retailers
45399	All Other Miscellaneous Store Retailers
453991	Tobacco Stores
453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)
522293	International Trade Financing
522294	Secondary Market Financing
522298	All Other Nondepository Credit Intermediation
5223	Activities Related to Credit Intermediation
52232	Financial Transactions Processing, Reserve, and Clearinghouse Activities
522320	Financial Transactions Processing, Reserve, and Clearinghouse Activities
52239	Other Activities Related to Credit Intermediation
522390	Other Activities Related to Credit Intermediation



NAICS Code	NAICS Title
5615	Travel Arrangement and Reservation Services
56151	Travel Agencies
561510	Travel Agencies
56159	Other Travel Arrangement and Reservation Services
561599	All Other Travel Arrangement and Reservation Services
72111	Hotels (except Casino Hotels) and Motels
721110	Hotels (except Casino Hotels) and Motels
72119	Other Traveler Accommodation
721191	Bed-and-Breakfast Inns
721199	All Other Traveler Accommodation

Besides the data files described in Table 21, FinCEN also provided KPMG with a list of ten cities that have a relatively high number of potential MSBs. KPMG surveyed a substantial number of potential MSBs located in these ten cities. The ten cities selected by FinCEN are:

1. Boston, MA
2. Chicago, IL
3. Detroit, MI
4. Houston, TX
5. Los Angeles, CA
6. Miami, FL
7. New York City, NY
8. Philadelphia, PA
9. Phoenix, AZ
10. San Francisco, CA

### ***Compiling the MSB Population***

To compile the sample population, KPMG first transferred each data file provided by FinCEN into STATA (a statistical analysis software). KPMG then combined all data files illustrated in Table 1 and kept only the state, city, address, zip code, phone number, company name, business name, owner (president or manager) name field and record identifier (if available). The resulting combined data file contains a total of 277,454 records, where each line item represents the name, address and other information of a potential MSB.

In compiling the population of potential MSBs, KPMG performed necessary data processing steps to improve the degree of consistency in the spelling of city names, company names and street designations. The data processing steps are illustrated as follows:

- KPMG standardized and in a small number of cases manually filled in state abbreviations if the state field was missing, but could be identified by other information provided, such as the city name and/or zip code. If the state abbreviation was missing and could not be reasonably inferred from other information provided, it was left empty.





- KPMG standardized and in a small number of cases manually filled in city names if the city field was missing, but could be identified by the combination of state abbreviation and zip code. If the city name was missing and could not be reasonably inferred from other information provided, it was left empty. As part of this step KPMG also manually standardized city name variations containing “EAST”, “WEST”, “NORTH”, “SOUTH” for certain cities (i.e. “EAST BOSTON” is changed to “BOSTON”, “SOUTH SAN FRANCISCO” to “SAN FRANCISCO”, “PALM BEACH” to “WEST PALM BEACH” etc).
- KPMG standardized and cleaned the address field. For instance, KPMG ensured that “STREET” is spelled as “ST” for all addresses in which it appears, and similarly for other address designations.
- KPMG standardized and cleaned the company name field. For instance, KPMG ensured that “CORPORATION” is consistently spelled as “CORP” for all company names in which it appears, and similarly for other common company designations, such as “LLP”, “INC”, and etc. In general, KPMG used the business name instead of the company name whenever the business name was available. If both the business name and the company name were missing, we used the name of the owner, president, or manager if available. Otherwise the field was left empty.
- KPMG cleaned the zip code field. In some cases the zip code field had a non-standard number of digits (less than five, or more than five but less than nine). If a record with a four or eight digit zip code came from MA, NJ, CT, RI, NH, ME or VT, and did not start with a zero, KPMG added a leading zero to the zip code, since zip codes in those states start with a zero. KPMG then truncated all zip codes with more than five digits to five digits and replaced all zip codes with less than five digits with blanks.
- KPMG standardized and cleaned phone numbers. KPMG replaced all phone numbers containing letters or equaling “0” with blanks. If the phone number field had less than 10 digits, KPMG left it unchanged.

After conducting the above data processing steps, KPMG narrowed down the population of potential MSBs by performing the following exclusions:

- Kept only records from U.S. states and territories affiliated with the United States.<sup>17</sup>
- Excluded records with missing address or city name.

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<sup>17</sup> For instance, Puerto Rico, Guam, American Samoa, Northern Mariana Islands and Virgin Islands were also included.





- Excluded banks, credit unions, and loan and savings associations based on the company name field.
- Excluded records with invalid address or company name<sup>18</sup>.

After the exclusions described above, the total number of MSBs contained in the remaining combined population data is reduced from 277,454 to 265,862. These MSBs spread over a total of 13,691 unique state and city combinations.

### ***Survey Sampling Frame***

KPMG used a two-stage sampling design to select a random sample of approximately 24,000 potential MSBs for the survey. In the first stage, KPMG selected a sample of cities to be surveyed. In the second stage, KPMG randomly selected a sample of potential MSBs from each sampled city. The sections below describe the two-stage sampling design in detail.

Prior to the selection of cities to be surveyed, KPMG reviewed the combined population list of MSBs and found that some MSBs were listed more than once. KPMG identified duplicate records based on the following fields: state, city, address, company name, zip code (if available) and phone (if available). KPMG first sorted the population data by state, city, address, zip code, company and phone number, and then kept one unique data record for each unique combination of these six fields. Next, KPMG sorted the data by state, city, address, zip code and phone number, and then kept one unique record for each unique combination of these five fields if the phone number was not missing. After the mechanical removal of duplicated records, the remaining combined population data contains a total number of 193,225 MSBs spreading over 13,691 unique state and city combinations. The distribution of potential MSBs across the U.S. states and territories is given in Table 23 below.

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<sup>18</sup> Those are records for which the company name or address is equal to “SAME” or “STREET”, or variations such as “SAME AS ABOVE,” etc.





**Table 23: Distribution of Potential MSBs Across the U.S. States and Territories**

	<b>State</b>	<b>Total Number of Potential MSBs</b>
1	California	30,636
2	Texas	12,864
3	Florida	10,122
4	New York	8,869
5	New Jersey	8,036
6	Illinois	7,735
7	Pennsylvania	7,471
8	Michigan	6,845
9	Washington	6,646
10	North Carolina	6,105
11	Maryland	6,060
12	Massachusetts	5,491
13	Georgia	5,092
14	Ohio	4,691
15	Mississippi	3,904
16	Indiana	3,689
17	Tennessee	3,666
18	Colorado	3,638
19	Arizona	3,421
20	Alabama	2,968
21	Kentucky	2,801
22	Oregon	2,709
23	Virginia	2,705
24	Oklahoma	2,682
25	Missouri	2,633
26	Nevada	2,596
27	Wisconsin	2,484
28	Minnesota	2,471
29	South Carolina	2,438
30	Louisiana	2,177
31	Puerto Rico	2,030
32	Arkansas	1,620
33	Iowa	1,420
34	New Mexico	1,368
35	District of Columbia	1,281
36	Utah	1,269
37	Connecticut	1,147
38	Kansas	1,070
39	Idaho	1,068
40	Nebraska	992
41	Delaware	879



	State	Total Number of Potential MSBs
42	Hawaii	828
43	West Virginia	809
44	Rhode Island	588
45	Montana	564
46	Alaska	450
47	Maine	428
48	New Hampshire	381
49	Wyoming	336
50	South Dakota	334
51	North Dakota	328
52	Vermont	246
53	Guam	69
54	Northern Mariana Islands	50
55	Virgin Islands	24
56	American Samoa	1
	<b>Total</b>	<b>193,225</b>

*First Stage – Selection of Cities to be Surveyed*

In selecting the sample of cities to be surveyed, KPMG first ranked all cities based on the total number of potential MSBs and selected the top 118 cities. These 118 cities include the list of 10 cities provided by FinCEN. In addition to the 118 cities, KPMG also selected another 29 cities that have a relatively large population of minorities speaking the languages listed in the survey<sup>19</sup>. To identify the 29 cities, KPMG used data from the 2000 Census available from the Bureau of Census website. The data comes from Table PCT10 (*Age by Language Spoken at Home for the Population 5+ Years*) of the *Census 2000 Summary File 3*. The additional 29 cities were selected using counts for the population above 17 years of age. Except for Somolian (included in the “Other African Languages” category) and Kurdish<sup>20</sup>, the Census data has separate counts for all the other languages listed in the survey. For each language, KPMG kept only the top five state city combinations (based on the population speaking that language). KPMG also excluded state city combinations that have less than 50 potential MSBs.

<sup>19</sup>The minority languages listed in the survey are: Spanish, Arabic, Tagalog/Phillipine, Somolian, Chinese, Korean, Russian, Vietnamese, Kurdish and Farsi.

<sup>20</sup> KPMG approximated the number of Kurdish language speakers with counts from the “Other Indo-European” category, as Kurdish is considered to be part of the Indo-European language group.



KPMG then selected an additional 13 cities with the highest number of potential MSBs from the 13 states that were not represented in the sample of cities selected so far. In order to identify these 13 top cities for the 13 not-yet-represented states, KPMG reviewed the combined population list of MSBs for the 13 states and found that some MSBs were listed more than once. KPMG identified duplicate records based on the following fields: state, city, address, company name, zip code (if available) and phone (if available). KPMG first sorted the data from the 13 states by state, city, address, zip code, company and phone number, and then kept one unique data record for each unique combination of these six fields. Next, KPMG sorted the data by state, city, address, zip code and phone number, and then kept one unique record for each unique combination of these five fields if the phone number was not missing. After the mechanical removal of duplicates, KPMG also reviewed the remaining data manually to remove more duplicated records.

In total, for the first stage, KPMG selected a sample of 160 cities to be surveyed, where 118 cities have a relatively high number of potential MSBs, 29 cities have a relatively high population of minorities, and 13 cities from the unsampled states. The large sample size of cities to be surveyed will help improve the statistical precision of the projection of survey results to the entire MSB industry.

#### *Second Stage – Sampling of MSBs from Each Surveyed City*

From each of the 160 sampled cities, KPMG selected a sample of potential MSBs to be surveyed. The overall sample size of potential MSBs to be surveyed was approximately 24,000. Prior to selecting the sample of MSBs from each selected city, KPMG conducted a manual review of the MSB population list for the 160 sampled cities. To the extent possible, KPMG removed the remaining duplicated records based on the manual review of the address, company name, zip code and phone number.

After the manual review of the data, the resulting population list of potential MSBs for the 160 selected cities contains 46,319 potential MSBs<sup>21</sup>. Table 25 below shows the selected 118 top cities with a relatively high number of MSBs, and the total number of potential MSBs from each of the 118 cities. Table 26 below shows the additional 29 cities with a relatively high population of minorities, and the total number of potential MSBs from each of the 29 cities. Table 27 below shows the total number of potential MSBs from each of the 13 cities for the 13 not-yet-represented states. The 42,869 potential MSBs listed in Table 25 together with the 2,526 potential MSBs listed in Table 26, and the additional 924 potential MSBs listed in Table 27 served as the sampling frame for the survey. KPMG sampled 24,000 MSBs to be surveyed from the sampled population of 46,319 potential MSBs. The distribution of the potential MSBs across the U.S. states is given in Table 24 below.

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<sup>21</sup> Due to the volume of the data and inconsistency in the data fields, the manual review of the population list is unlikely to remove all duplicates existing in the population list.







**Table 24: Distribution of Potential MSBs by State for the Selected 160 Cities**

	<b>State</b>	<b>Total Number of Potential MSBs</b>
1	California	8,968
2	Texas	4,525
3	New York	3,008
4	Florida	2,893
5	Washington	1,798
6	Illinois	1,659
7	Pennsylvania	1,561
8	Michigan	1,546
9	Maryland	1,469
10	North Carolina	1,393
11	Arizona	1,335
12	Nevada	1,323
13	New Jersey	1,176
14	Ohio	1,143
15	Colorado	1,113
16	Massachusetts	822
17	District of Columbia	792
18	Georgia	745
19	Indiana	696
20	Oklahoma	640
21	Missouri	638
22	Tennessee	608
23	Minnesota	550
24	Virginia	543
25	Oregon	515
26	Puerto Rico	462
27	New Mexico	380
28	Wisconsin	377
29	South Carolina	327
30	Louisiana	309
31	Kentucky	297
32	Alabama	296
33	Hawaii	282
34	Utah	259
35	Mississippi	212
36	Nebraska	209
37	Delaware	193
38	Rhode Island	192
39	Kansas	141
40	Idaho	124





	State	Total Number of Potential MSBs
41	Iowa	113
42	Alaska	108
43	Arkansas	99
44	Connecticut	93
45	Montana	71
46	North Dakota	65
47	South Dakota	64
48	Wyoming	51
49	West Virginia	45
50	Maine	44
51	New Hampshire	31
52	Vermont	16
<b>Total</b>		<b>46,319</b>

**Table 25: Population Size of Potential MSBs for the Selected Top 118 Cities**

	Selected City and State	Total Number of Potential MSBs
1	Houston, TX	1,803
2	Chicago, IL	1,659
3	Los Angeles, CA	1,397
4	Baltimore, MD	1,311
5	Philadelphia, PA	1,180
6	Las Vegas, NV	1,136
7	Miami, FL	1,106
8	New York, NY	999
9	Detroit, MI	986
10	Dallas, TX	916
11	Phoenix, AZ	848
12	San Jose, CA	845
13	Washington, DC	792
14	Sacramento, CA	655
15	San Diego, CA	639
16	Denver, CO	633
17	Brooklyn, NY	619
18	San Francisco, CA	610
19	Atlanta, GA	605
20	Seattle, WA	590
21	Indianapolis, IN	570
22	Bronx, NY	526
23	Portland, OR	515





	<b>Selected City and State</b>	<b>Total Number of Potential MSBs</b>
24	Fresno, CA	514
25	Charlotte, NC	441
26	Orlando, FL	415
27	St Louis, MO	391
28	Stockton, CA	389
29	Pittsburgh, PA	381
30	Albuquerque, NM	380
31	Milwaukee, WI	377
32	Tampa, FL	361
33	Jacksonville, FL	358
34	Bakersfield, CA	345
35	Fort Worth, TX	340
36	Minneapolis, MN	334
37	Cleveland, OH	333
38	Memphis, TN	329
39	Austin, TX	324
40	Newark, NJ	324
41	Oklahoma City, OK	320
42	Tulsa, OK	320
43	San Antonio, TX	306
44	Tacoma, WA	299
45	Louisville, KY	297
46	Cincinnati, OH	296
47	Oakland, CA	296
48	Spokane, WA	286
49	Honolulu, HI	282
50	Nashville, TN	279
51	Tucson, AZ	278
52	Salt Lake City, UT	259
53	Fort Lauderdale, FL	254
54	Aurora, CO	249
55	Santa Ana, CA	247
56	Kansas City, MO	247
57	Buffalo, NY	247
58	Vancouver, WA	245
59	Hialeah, FL	241
60	Long Beach, CA	239
61	Bellevue, WA	234
62	Colorado Springs, CO	231
63	Elizabeth, NJ	230
64	Greensboro, NC	229
65	El Paso, TX	224
66	St Paul, MN	216





	<b>Selected City and State</b>	<b>Total Number of Potential MSBs</b>
67	Jersey City, NJ	216
68	Jackson, MS	212
69	Anaheim, CA	211
70	Omaha, NE	209
71	Mesa, AZ	209
72	Boston, MA	209
73	Columbus, OH	203
74	San Juan, PR	198
75	Arlington, TX	196
76	Wilmington, DE	193
77	Providence, RI	192
78	Paterson, NJ	192
79	Raleigh, NC	190
80	Lawrence, MA	188
81	Reno, NV	187
82	West Bloomfield, MI	185
83	Irving, TX	184
84	Durham, NC	184
85	Richmond, VA	183
86	Columbia, SC	181
87	Fayetteville, NC	179
88	Springfield, MA	178
89	Modesto, CA	176
90	New Orleans, LA	176
91	Birmingham, AL	175
92	Winston Salem, NC	170
93	North Hollywood, CA	170
94	Toledo, OH	169
95	Riverside, CA	169
96	Rochester, NY	162
97	West Palm Beach, FL	158
98	Camden, NJ	158
99	Silver Spring, MD	158
100	El Cajon, CA	154
101	Salinas, CA	154
102	Van Nuys, CA	152
103	Charleston, SC	146
104	Hayward, CA	146
105	Everett, WA	144
106	Akron, OH	142
107	Wichita, KS	141
108	Marietta, GA	140
109	Santa Rosa, CA	140





	Selected City and State	Total Number of Potential MSBs
110	Worcester, MA	139
111	Oxnard, CA	136
112	Warren, MI	134
113	Alexandria, VA	134
114	Baton Rouge, LA	133
115	San Bernardino, CA	132
116	Fort Wayne, IN	126
117	Mobile, AL	121
118	Dorchester, MA	108
	<b>Total</b>	<b>42,869</b>

**Table 26: Population Size of Potential MSBs for the 29 Selected Cities With a High Minority Population**

	Selected City and State	Total Number of Potential MSBs
1	Corpus Christi, TX	149
2	Sterling Heights, MI	146
3	Flushing, NY	134
4	Virginia Beach, VA	128
5	El Monte, CA	113
6	Jamaica, NY	105
7	Ponce, PR	102
8	Arlington, VA	98
9	Garden Grove, CA	96
10	Bayamon, PR	96
11	Dearborn, MI	95
12	Fremont, CA	94
13	Torrance, CA	93
14	Staten Island, NY	91
15	Vallejo, CA	89
16	Laredo, TX	83
17	Fullerton, CA	78
18	Milpitas, CA	77
19	Westminster, CA	75
20	Glendale, CA	73
21	Yonkers, NY	67
22	Carolina, PR	66
23	Irvine, CA	62
24	Daly City, CA	61
25	Carson, CA	60
26	Astoria, NY	58





	<b>Selected City and State</b>	<b>Total Number of Potential MSBs</b>
27	Irvington, NJ	56
28	Cerritos, CA	45
29	Santa Monica, CA	36
<b>Total</b>		<b>2,526</b>

**Table 27: Population Size of Potential MSBs for the Additional 13 Selected Cities**

	<b>Selected City and State</b>	<b>Total Number of Potential MSBs</b>
1	Boise, ID	124
2	Des Moines, IA	113
3	Anchorage, AK	108
4	Little Rock, AR	99
5	Hartford, CT	93
6	Billings, MT	71
7	Fargo, ND	65
8	Sioux Falls, SD	64
9	Cheyenne, WY	51
10	Huntington, WV	45
11	Portland, ME	44
12	Manchester, NH	31
13	Burlington, VT	16
<b>Total</b>		<b>924</b>

### *Pilot Survey*

KPMG tested the survey instrument using a pilot sample of ten MSBs from New York City. KPMG implemented the pilot survey in February 2005.





**2. SUMMARY TABLES FOR ALL MSB SECTORS**

Sector/Daily number of Transactions	Response Rate	Mean
Check Cashing	54%	136
Foreign Currency Exchange	3%	108
Money Orders	57%	47
Traveler's Checks	2%	21
Stored Value	6%	44
Money Transmission(domestic)	35%	51
Money Transmission(international)	42%	100
All Money Services	28%	84

Q4: Please indicate your best estimate of the total daily number of transactions by type of services in Column 1.

Sector/ Size of Transactions	Less than \$100	\$100 to 499	\$500 to \$1,000	\$1,001 to \$2,999	\$3,000 or More
Check Cashing	8%	60%	15%	5%	13%
Foreign Currency Exchange	35%	45%	7%	6%	7%
Money Orders	11%	64%	9%	7%	9%
Traveler's Checks	41%	35%	15%	2%	7%
Stored Value	36%	50%	4%	1%	8%
Money Transmission(domestic)	10%	65%	14%	6%	5%
Money Transmission(international)	6%	64%	17%	6%	6%
All Money Services	11%	62%	13%	6%	9%

Q4: Please also indicate the average size of daily transactions per customer by checking the appropriate box for each type of money services that you provide.

Sector/Transaction Limit	No Limit	Less than \$500	\$500 to \$1,000	\$1,001 to \$2,999	\$3,000 or More
Check Cashing	5%	24%	27%	15%	29%
Foreign Currency Exchange	19%	33%	20%	4%	24%
Money Orders	4%	31%	26%	21%	17%
Traveler's Checks	2%	67%	12%	7%	12%
Stored Value	0%	40%	20%	28%	11%
Money Transmission(domestic)	7%	20%	17%	15%	40%
Money Transmission(international)	6%	18%	19%	19%	38%
All Money Services	5%	25%	23%	18%	28%

Q5: Please indicate the daily transaction limit, if any, per customer by checking the appropriate box for each type of money services that you provide.





Sector/Transaction Volume	Less than \$10,000	\$10,000 to \$24,999	\$25,000 to \$49,999	\$50,000 to \$99,999	\$100,000 to \$499,999	\$500,000 to \$1,000,000	More Than \$1,000,000
Check Cashing	19%	9%	7%	10%	50%	1%	3%
Foreign Currency Exchange	48%	12%	6%	9%	19%	6%	1%
Money Orders	30%	8%	9%	9%	40%	2%	2%
Traveler's Checks	62%	7%	12%	5%	7%	0%	7%
Stored Value	50%	10%	5%	5%	27%	0%	2%
Money Transmission(domestic)	37%	15%	10%	12%	26%	1%	0%
Money Transmission(international)	33%	13%	9%	10%	30%	1%	3%
All Money Services	31%	11%	9%	10%	37%	1%	2%
All Services	11%	4%	3%	5%	22%	15%	40%

*Q6: Please indicate your best estimate of the total amount of the annual gross transactions you receive by checking the appropriate box for each type of service that you provide. By "annual gross transactions" we mean the sum of all your receipts for the money services you provided in the last year. This includes the fees you charged and the face values of the instruments you sold and/or the amount of funds transferred.*

Sector/Transaction Fees	No Fee	% Fee	Fixed Fee	Median (Fixed Fee)	Median (% Fee)	Mean (Fixed Fee)	Mean (% Fee)
Check Cashing	6%	84%	10%	\$2.00	1%	\$4.91	2%
Foreign Currency Exchange	8%	64%	28%	\$4.97	6%	\$15.26	6%
Money Orders	2%	4%	94%	\$0.70	1%	\$1.44	2%
Traveler's Checks	52%	36%	12%	\$2.50	1%	\$3.17	3%
Stored Value	12%	10%	78%	\$2.00	10%	\$3.37	12%
Money Transmission (domestic)	2%	30%	68%	\$12.95	6%	\$13.39	8%
Money Transmission (international)	1%	32%	67%	\$10.00	5%	\$13.83	7%
All Money Services	4%	38%	58%	\$1.00	2%	\$5.95	3%

*Q7: Please indicate the transaction fees that you charge by checking the appropriate box for each type of money services that you provide. If the transaction fee is a fixed percentage of total transaction amount, please indicate as such and provide the percentage in Column 2; if the transaction fee is a fixed fee, please indicate as such and provide the fixed fee in Column 4.*







### 3. TABLES OF REGRESSION MODELS

#### Check Cashing Sector

Number of obs 198

R-squared 0.781

Dep. Variable: ln(Number of Businesses Offering Check Cashing Services)	Coef.	Robust Std. Error	t-Statistic	P> t	[95% Conf.Interval]	
ln(Number with income at least 200% above the poverty level)	0.285	0.091	3.130	0.002	0.105	0.465
ln(Number with income between 150% and 200% above the poverty level)	0.018	0.103	0.180	0.859	-0.185	0.222
ln(Number with income between 50% and 150% above the poverty level)	0.480	0.111	4.310	0.000	0.260	0.700
ln(Number with income less than 50% above the poverty level)	0.102	0.090	1.140	0.256	-0.075	0.279
Constant	-4.836	0.507	-9.540	0.000	-5.837	-3.834

#### Foreign Currency Exchange Sector

Number of obs 38

R-squared 0.318

Dep. Variable: ln(Number of Businesses Offering Foreign Currency Exchange Services)	Coef.	Robust Std. Error	t-Statistic	P> t	[95% Conf.Interval]	
ln(Total population)	0.377	0.107	3.520	0.001	0.160	0.594
Constant	-0.694	1.378	-0.500	0.618	-3.489	2.101

#### Money Orders Sector

Number of obs 205

R-squared 0.791

Dep. Variable: ln(Number of Businesses Selling Money Orders)	Coef.	Robust Std. Error	t-Statistic	P> t	[95% Conf.Interval]	
ln(Number with income at least 200% above the poverty level)	0.261	0.084	3.110	0.002	0.095	0.426
ln(Number with income between 150% and 200% above the poverty level)	0.018	0.101	0.170	0.863	-0.183	0.218
ln(Number with income between 50% and 150% above the poverty level)	0.479	0.106	4.520	0.000	0.269	0.688
ln(Number with income less than 50% above the poverty level)	0.089	0.083	1.060	0.289	-0.076	0.254
Constant	-4.335	0.445	-9.750	0.000	-5.214	-3.457





**Traveler's Checks Sector**

Number of obs 40  
 R-squared 0.109

MSBnumber	Coef.	Robust Std. Error	t-Statistic	P> t	[95% Conf.Interval]	
Ln(Total population)	0.167	0.079	2.110	0.041	0.007	0.327
Constant	1.747	1.006	1.740	0.091	-0.290	3.784

**Stored Value Cards Sector**

Number of obs 73  
 R-squared 0.508

ln(Number of Businesses Offering Stored Value Cards)	Coef.	Robust Std. Error	t-Statistic	P> t	[95% Conf.Interval]	
ln(Number with income at least 200% above the poverty level)	0.475	0.229	2.070	0.046	0.010	0.941
ln(Number with income between 150% and 200% above the poverty level)	0.251	0.237	1.060	0.297	-0.230	0.733
ln(Number with income between 50% and 150% above the poverty level)	-0.401	0.282	-1.420	0.164	-0.973	0.172
ln(Number with income less than 50% above the poverty level)	0.225	0.164	1.380	0.178	-0.107	0.558
Constant	-2.244	1.194	-1.880	0.068	-4.668	0.179

**Domestic Money Transmissions Sector**

Number of obs 181  
 R-squared 0.722

ln(Number of Businesses Offering Domestic Money Transmission Services)	Coef.	Robust Std. Error	t-Statistic	P> t	[95% Conf.Interval]	
ln(Number with income at least 200% above the poverty level)	0.352	0.098	3.590	0.000	0.158	0.546
ln(Number with income between 150% and 200% above the poverty level)	-0.070	0.109	-0.650	0.518	-0.286	0.145
ln(Number with income between 50% and 150% above the poverty level)	0.432	0.117	3.690	0.000	0.200	0.664
ln(Number with income less than 50% above the poverty level)	0.060	0.089	0.670	0.504	-0.116	0.236
Constant	-4.079	0.549	-7.430	0.000	-5.166	-2.992





**International Money Transmissions Sector**

Number of obs 182  
 R-squared 0.720

<b>ln(Number of Businesses Offering International Money Transmission Services)</b>	<b>Coef.</b>	<b>Robust Std. Error</b>	<b>t-Statistic</b>	<b>P&gt; t </b>	<b>[95% Conf.Interval]</b>	
ln(Number with income at least 200% above the poverty level)	0.381	0.094	4.060	0.000	0.196	0.567
ln(Number with income between 150% and 200% above the poverty level)	-0.123	0.102	-1.210	0.229	-0.325	0.079
ln(Number with income between 50% and 150% above the poverty level)	0.328	0.112	2.920	0.004	0.106	0.550
ln(Number with income less than 50% above the poverty level)	0.197	0.087	2.270	0.025	0.025	0.369
Constant	-3.928	0.560	-7.020	0.000	-5.036	-2.820

**All Sectors**

Number of obs 242  
 R-squared 0.846

<b>ln(Number of Businesses Offering At Least One Money Service)</b>	<b>Coef.</b>	<b>Robust Std. Error</b>	<b>t-Statistic</b>	<b>P&gt; t </b>	<b>[95% Conf.Interval]</b>	
ln(Number with income at least 200% above the poverty level)	0.341	0.071	4.800	0.000	0.201	0.481
ln(Number with income between 150% and 200% above the poverty level)	-0.017	0.089	-0.190	0.846	-0.193	0.158
ln(Number with income between 50% and 150% above the poverty level)	0.511	0.091	5.640	0.000	0.332	0.690
ln(Number with income less than 50% above the poverty level)	0.124	0.075	1.660	0.098	-0.023	0.271
Constant	-5.258	0.388	-13.540	0.000	-6.024	-4.492





**4. EXTRAPOLATION RESULTS BY STATE**

**Table 28: Estimated Number of Service Providers by State<sup>22</sup>**

State	Check Cashing	Foreign Currency Exchange	Money Orders	Traveler's Checks	Stored Value	Money Transmission		All Unique Locations
						Domestic	International	
Alaska	183	78	185	54	184	129	177	289
Alabama	1,828	161	1,725	74	208	1,036	1,237	3,512
Arkansas	1,319	133	1,271	68	155	721	843	2,406
Arizona	2,246	179	2,101	78	268	1,186	1,361	4,295
California	10,623	353	9,201	105	765	4,771	6,064	23,671
Colorado	1,613	163	1,507	74	298	912	1,236	3,105
Connecticut	1,048	145	997	71	224	680	885	1,983
District of Columbia	240	70	246	51	74	176	226	395
Delaware	363	85	364	56	111	245	311	610
Florida	5,343	271	4,776	93	535	2,594	3,146	11,134
Georgia	3,196	208	2,917	83	393	1,603	2,078	6,400
Hawaii	476	99	473	60	122	330	409	831
Iowa	1,061	136	1,023	69	185	635	730	1,925
Idaho	661	104	655	61	111	409	466	1,147
Illinois	3,901	237	3,513	88	467	2,027	2,696	8,114
Indiana	2,049	181	1,914	78	287	1,140	1,342	3,950
Kansas	992	133	963	68	155	621	681	1,798
Kentucky	1,670	155	1,578	73	224	926	1,140	3,167
Louisiana	1,867	160	1,758	74	232	999	1,231	3,551
Massachusetts	1,775	182	1,651	78	318	1,056	1,365	3,480
Maryland	1,618	174	1,517	77	294	959	1,177	3,108
Maine	543	101	531	60	153	358	514	972
Michigan	3,462	217	3,152	84	370	1,819	2,333	7,090
Minnesota	1,600	168	1,511	75	251	943	1,090	3,037
Missouri	1,904	176	1,772	77	322	1,052	1,353	3,680
Mississippi	1,411	136	1,348	69	156	805	1,034	2,671
Montana	436	89	439	57	101	273	310	721
North Carolina	3,325	205	3,060	82	296	1,715	2,025	6,656
North Dakota	282	76	289	53	73	203	232	463
Nebraska	738	112	726	63	118	481	553	1,320
New Hampshire	396	100	395	60	129	286	334	676
New Jersey	2,408	206	2,218	83	350	1,390	1,721	4,820
New Mexico	973	117	955	64	108	577	623	1,731
Nevada	984	129	946	67	202	572	713	1,777
New York	5,910	276	5,243	94	548	2,885	3,762	12,645
Ohio	3,588	227	3,253	86	442	1,831	2,339	7,300
Oklahoma	1,389	146	1,317	71	223	786	1,004	2,606

<sup>22</sup> The survey was designed to estimate the overall MSB industry size. The extrapolation results by state may not have the same level of statistical precision as the estimate of the overall MSB industry size.





State	Check Cashing	Foreign Currency Exchange	Money Orders	Traveler's Checks	Stored Value	Money Transmission		All Unique Locations
						Domestic	International	
Oregon	1,354	148	1,283	71	244	761	959	2,518
Pennsylvania	3,772	234	3,410	87	453	1,942	2,492	7,746
Puerto Rico	2,194	153	2,076	72	152	1,001	1,370	4,152
Rhode Island	436	93	433	58	133	287	379	749
South Carolina	1,736	157	1,639	73	223	951	1,156	3,288
South Dakota	341	82	345	55	88	236	276	566
Tennessee	2,225	178	2,068	77	299	1,168	1,472	4,307
Texas	7,562	297	6,659	97	598	3,441	4,420	16,283
Utah	987	128	956	67	167	586	679	1,775
Virginia	2,293	194	2,123	80	337	1,270	1,551	4,498
Vermont	216	76	221	53	97	164	204	352
Washington	2,339	182	2,163	78	306	1,268	1,669	4,634
Wisconsin	1,802	173	1,684	76	289	1,028	1,293	3,482
West Virginia	818	114	799	63	132	506	614	1,470
Wyoming	216	71	221	51	92	156	203	350
<b>Total</b>	<b>101,712</b>	<b>8,167</b>	<b>93,570</b>	<b>3,737</b>	<b>13,061</b>	<b>53,894</b>	<b>67,477</b>	<b>203,207</b>





**Table 29: Estimated Total Transaction Volume of Money Services by State<sup>23</sup>**

State	Check Cashing (\$)	Foreign Currency Exchange (\$)	Money Orders (\$)	Traveler's Checks (\$)	Stored Value (\$)	Money Transmission (\$)		All Services (\$)
						Domestic	International	
Alaska	174,630,178	40,406,220	147,427,388	32,442,051	31,344,326	65,824,790	91,811,778	622,746,300
Alabama	1,204,779,678	278,763,919	1,017,106,682	223,818,837	216,245,597	454,127,521	633,412,654	4,296,348,415
Arkansas	734,779,665	170,014,537	620,320,313	136,504,237	131,885,414	276,966,547	386,310,249	2,620,287,763
Arizona	1,609,216,671	372,343,220	1,358,543,025	298,953,419	288,837,889	606,575,285	846,045,315	5,738,605,670
California	9,662,906,322	2,235,819,280	8,157,679,585	1,795,133,582	1,734,392,588	3,642,318,815	5,080,270,900	34,458,758,733
Colorado	1,239,367,341	286,766,870	1,046,306,496	230,244,386	222,453,728	467,164,933	651,597,111	4,419,691,010
Connecticut	922,771,074	213,512,301	779,027,603	171,428,480	165,627,944	347,827,696	485,146,692	3,290,681,370
District of Columbia	133,947,015	30,992,882	113,081,592	24,884,106	24,042,115	50,489,751	70,422,614	477,666,627
Delaware	224,052,644	51,841,672	189,151,133	41,623,546	40,215,152	84,454,007	117,795,629	798,991,085
Florida	4,783,020,852	1,106,703,292	4,037,951,964	888,569,243	858,503,191	1,802,903,419	2,514,672,174	17,056,665,568
Georgia	2,390,348,396	553,082,774	2,017,994,966	444,068,745	429,043,023	901,013,696	1,256,725,150	8,524,188,886
Hawaii	333,238,145	77,105,194	281,328,404	61,907,563	59,812,830	125,610,197	175,199,882	1,188,356,014
Iowa	774,005,306	179,090,630	653,435,630	143,791,409	138,926,015	291,752,191	406,933,121	2,760,169,787
Idaho	381,300,802	88,226,012	321,904,163	70,836,439	68,439,584	143,726,850	200,468,814	1,359,751,601
Illinois	3,370,589,376	779,892,556	2,845,540,174	626,173,739	604,986,226	1,270,503,996	1,772,086,632	12,019,812,902
Indiana	1,654,385,590	382,794,480	1,396,675,814	307,344,709	296,945,247	623,601,177	869,792,864	5,899,681,936
Kansas	720,983,683	166,822,399	608,673,382	133,941,278	129,409,177	271,766,314	379,057,015	2,571,090,100
Kentucky	1,100,971,065	254,744,510	929,468,721	204,533,715	197,613,015	414,998,086	578,835,299	3,926,157,933
Louisiana	1,190,509,599	275,462,084	1,005,059,505	221,167,803	213,684,264	448,748,582	625,910,163	4,245,460,078
Massachusetts	1,660,872,828	384,295,508	1,402,152,511	308,549,880	298,109,640	626,046,466	873,203,529	5,922,815,988
Maryland	1,487,208,749	344,112,825	1,255,540,729	276,287,307	266,938,718	560,585,835	781,899,677	5,303,514,879
Maine	348,807,321	80,707,616	294,472,311	64,799,938	62,607,337	131,478,814	183,385,373	1,243,877,039
Michigan	2,673,131,098	618,513,504	2,256,727,557	496,602,910	479,799,618	1,007,605,307	1,405,398,094	9,532,616,428
Minnesota	1,356,852,211	313,950,713	1,145,490,312	252,070,225	243,541,057	511,449,472	713,364,755	4,838,652,203
Missouri	1,532,519,774	354,596,965	1,293,793,488	284,704,997	275,071,583	577,665,293	805,721,938	5,465,097,911
Mississippi	766,091,514	177,259,524	646,754,599	142,321,219	137,505,570	288,769,180	402,772,447	2,731,948,524
Montana	248,048,307	57,393,828	209,408,903	46,081,358	44,522,127	93,498,890	130,411,344	884,561,693
North Carolina	2,295,361,831	531,104,625	1,937,804,810	426,422,545	411,993,909	865,209,628	1,206,785,984	8,185,458,587
North Dakota	164,449,073	38,050,499	138,832,231	30,550,648	29,516,922	61,987,143	86,459,064	586,439,600
Nebraska	461,715,378	106,832,469	389,792,262	85,775,516	82,873,175	174,038,178	242,746,760	1,646,516,925
New Hampshire	345,548,178	79,953,510	291,720,858	64,194,469	62,022,354	130,250,319	181,671,880	1,232,254,656
New Jersey	2,322,365,175	537,352,703	1,960,601,743	431,439,111	416,840,732	875,388,221	1,220,982,986	8,281,754,845
New Mexico	515,199,997	119,207,829	434,945,383	95,711,661	92,473,116	194,198,575	270,866,286	1,837,247,697
Nevada	673,447,971	155,823,508	568,542,484	125,110,296	120,877,004	253,848,287	354,065,125	2,401,573,645
New York	5,036,913,938	1,165,449,495	4,252,295,182	935,736,419	904,074,396	1,898,605,429	2,648,156,409	17,962,070,246
Ohio	3,014,275,849	697,448,142	2,544,730,926	559,979,329	541,031,602	1,136,195,806	1,584,754,873	10,749,168,084
Oklahoma	927,339,956	214,569,456	782,884,774	172,277,267	166,448,012	349,549,883	487,548,781	3,306,974,397
Oregon	963,490,664	222,934,067	813,404,152	178,993,192	172,936,693	363,176,466	506,555,007	3,435,890,945

<sup>23</sup> The survey was designed to estimate the overall transaction volume for the MSB industry. The extrapolation results by state may not have the same level of statistical precision as the overall estimate.





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State	Check Cashing (\$)	Foreign Currency Exchange (\$)	Money Orders (\$)	Traveler's Checks (\$)	Stored Value (\$)	Money Transmission (\$)		All Services (\$)
						Domestic	International	
Pennsylvania	3,239,934,133	749,661,329	2,735,237,583	601,901,164	581,534,950	1,221,255,040	1,703,394,667	11,553,885,018
Puerto Rico	1,061,937,523	245,712,864	896,515,579	197,282,230	190,606,895	400,284,851	558,313,422	3,786,960,949
Rhode Island	279,183,860	64,598,024	235,694,355	51,865,589	50,110,640	105,235,070	146,780,854	995,593,765
South Carolina	1,121,563,959	259,509,328	946,853,783	208,359,375	201,309,229	422,760,335	589,662,008	3,999,593,970
South Dakota	203,041,355	46,980,045	171,412,851	37,720,158	36,443,841	76,534,049	106,748,948	724,063,014
Tennessee	1,580,511,496	365,701,369	1,334,309,361	293,620,694	283,685,605	595,755,207	830,953,576	5,636,240,537
Texas	6,102,703,681	1,412,053,692	5,152,062,907	1,133,734,298	1,095,372,725	2,300,342,330	3,208,495,135	21,762,768,546
Utah	654,828,232	151,515,242	552,823,211	121,651,200	117,534,952	246,829,795	344,275,801	2,335,174,047
Virginia	1,984,584,052	459,196,347	1,675,438,037	368,687,573	356,212,485	748,065,602	1,043,394,634	7,077,198,179
Vermont	162,999,059	37,714,992	137,608,092	30,281,271	29,256,660	61,440,577	85,696,720	581,268,727
Washington	1,672,975,831	387,095,921	1,412,370,184	310,798,325	300,282,005	630,608,550	879,566,680	5,965,976,344
Wisconsin	1,459,806,518	337,772,452	1,232,407,046	271,196,638	262,020,299	550,256,887	767,492,960	5,205,796,159
West Virginia	479,084,157	110,851,286	404,455,442	89,002,214	85,990,693	180,585,135	251,878,391	1,708,455,492
Wyoming	135,492,713	31,350,528	114,386,511	25,171,259	24,319,552	51,072,384	71,235,264	483,178,720
<b>Total</b>	<b>79,538,089,784</b>	<b>18,403,655,037</b>	<b>67,148,146,694</b>	<b>14,776,247,565</b>	<b>14,276,271,424</b>	<b>29,980,946,855</b>	<b>41,817,133,429</b>	<b>283,639,699,535</b>





**5. SURVEY QUESTIONNAIRE**

**OMB #1506-0044**

**Department of the Treasury (FinCEN)  
 2005 Money Services Business Industry Survey**

**In this survey, money services businesses (MSBs) are defined to include check cashing, currency exchange, issuance, sale or redemption of money orders, traveler checks, or stored value, for more than \$1,000 to one person in a day, and money transmission at any amount. Stored value is defined as funds or monetary value represented in digital electronics format (whether or not specially encrypted) and stored or capable of storage on electronic media in such a way as to be retrievable and transferable electronically.**

1. Company information:

Company name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Please indicate all types of businesses that you operate at this location by checking the appropriate boxes below. Please check all boxes that apply.

- <sub>1</sub> Money services business (as defined above)    <sub>2</sub> Convenience store    <sub>3</sub> Liquor store  
<sub>4</sub> Grocery store/super market    <sub>5</sub> Retail store    <sub>6</sub> Other, please specify below:

\_\_\_\_\_

2. Are money services your primary business?    <sub>1</sub> Yes    <sub>2</sub> No

Please provide the total number of employees for your business: \_\_\_\_\_

3. An "agent" is a separate business entity from the issuer of an MSB product or service that the issuer authorizes, through written agreement or otherwise, to sell its instruments or, in the case of funds transmission, to sell its send and receive transfer services. A person who is solely an employee of the MSB is not an agent of that MSB.

a. Is your business an agent for another MSB?

<sub>1</sub> Yes    <sub>2</sub> No    If yes, how many MSBs are you an agent for: \_\_\_\_\_

b. Does your business have agents?







<sub>3</sub> Yes      <sub>4</sub> No      If yes, how many agents do you have: \_\_\_\_\_

4. Please indicate your best estimate of the total daily number of transactions by type of services in Column 1. Please also indicate the average size of daily transactions per customer by checking the appropriate box for each type of money services that you provide.

	(Column 1) Total Number of Money Service Transactions Per Day	Average Size of Daily Transactions Check the appropriate box for each service				
		Less than \$100	\$100 to \$499	\$500 to \$1,000	\$1,001 to \$2,999	\$3,000 or More
a. Check cashing	_____	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>
b. Foreign currency exchange	_____	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>
c. Money orders	_____	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>
d. Traveler's checks	_____	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>
e. Stored value	_____	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>
f1. Money transmission (domestic)	_____	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>
f2. Money transmission (international)	_____	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>

5. Please indicate the daily transaction limit, if any, per customer by checking the appropriate box for each type of money services that you provide.

Service/Transaction Limit	Less than \$500	\$500 to \$1,000	\$1,001 to \$2,999	\$3,000 or More
a. Check cashing	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>
b. Foreign currency exchange	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>
c. Money orders	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>
d. Traveler's checks	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>
e. Stored value	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>
f1. Money transmission (domestic)	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>
f2. Money transmission (international)	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>

6. Please indicate your best estimate of the total amount of the annual gross transactions you receive by checking the appropriate box for each type of service that you provide. By "annual gross transactions" we mean the sum of all your receipts for the money services you provided in the last year. This includes the fees you charged and the face values of the instruments you sold and/or the amount of funds transferred.

Annual Revenue / Service	Less than \$10,000	\$10,000 to \$24,999	\$25,000 to \$49,999	\$50,000 to \$99,999	\$100,000 to \$499,999	\$500,000 to \$1,000,000	More than \$1,000,000
a. Total revenue for all services you provide, regardless of money services or not.	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>	<input type="checkbox"/> <sub>6</sub>	<input type="checkbox"/> <sub>7</sub>
b. Check cashing	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>		





Annual Revenue / Service	Less than \$10,000	\$10,000 to \$24,999	\$25,000 to \$49,999	\$50,000 to \$99,999	\$100,000 to \$499,999	\$500,000 to \$1,000,000	More than \$1,000,000
c. Foreign currency exchange	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>		
d. Money orders	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>		
e. Traveler's checks	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>		
f. Stored value	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>		
g1. Money transmission (domestic)	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>		
g2. Money transmission (international)	<input type="checkbox"/> <sub>1</sub>	<input type="checkbox"/> <sub>2</sub>	<input type="checkbox"/> <sub>3</sub>	<input type="checkbox"/> <sub>4</sub>	<input type="checkbox"/> <sub>5</sub>		

7. Please indicate the transaction fees that you charge by checking the appropriate box for each type of money services that you provide. If the transaction fee is a fixed percentage of total transaction amount, please indicate as such and provide the percentage in Column 2; if the transaction fee is a fixed fee, please indicate as such and provide the fixed fee in Column 4.

Transaction Fees / Service	Check if transaction fee is a percentage of total transaction amount	(Column 2) And please provide the typical Percentage	Or, check if the transaction fee is a fixed fee	(Column 4) And please provide the typical transaction fee (in U.S. dollars)
a. Check cashing	<input type="checkbox"/> <sub>1</sub>	____%	<input type="checkbox"/> <sub>2</sub>	\$____.
b. Foreign currency exchange	<input type="checkbox"/> <sub>1</sub>	____%	<input type="checkbox"/> <sub>2</sub>	\$____.
c. Money orders	<input type="checkbox"/> <sub>1</sub>	____%	<input type="checkbox"/> <sub>2</sub>	\$____.
d. Traveler's checks	<input type="checkbox"/> <sub>1</sub>	____%	<input type="checkbox"/> <sub>2</sub>	\$____.
e. Stored value	<input type="checkbox"/> <sub>1</sub>	____%	<input type="checkbox"/> <sub>2</sub>	\$____.
f1. Money transmission (domestic)	<input type="checkbox"/> <sub>1</sub>	____%	<input type="checkbox"/> <sub>2</sub>	\$____.
f2. Money transmission (international)	<input type="checkbox"/> <sub>1</sub>	____%	<input type="checkbox"/> <sub>2</sub>	\$____.

8. Informal Value Transfer System (IVTS) is a term used to describe a money or value transfer system that operates informally as a business to transfer money. IVTSs are found in various cultures, and include hawala, hundi, fei ch'ien, hoe kuan, hui k'aun, and many others. IVTS provides an alternative remittance system, particularly for persons who may be outside the reach of the traditional financial sector. An IVTS works by transferring money without actually moving it. The basic IVTS transaction involves a sender, two trusted intermediaries, and a recipient. For example, a U.S. resident who wants to send money to a friend in Country B would give it to a U.S. IVTS, who typically gives the sender a code or identification mechanism. The U.S. IVTS then contacts a local IVTS in Country B, for example by telephone, fax, or e-mail, and the sender contacts the intended recipient to convey the code. The local IVTS in Country B then delivers the specified funds to the recipient upon presentation of the code.

A. Do you provide your customers the type of services similar to IVTS described in the paragraph above?

<sub>1</sub> Yes      <sub>2</sub> No





B. Please provide your best estimate of the total number of IVTS service providers (including yourself if you identify yourself as an IVTS) within 3 miles radius of your business.

- <sub>1</sub> 1                      <sub>2</sub> 2 to 5                      <sub>3</sub> 6 to 10                      <sub>4</sub> More than 10

9. What languages do your customers speak? Please check those that are most commonly spoken by your customers. Please check no more than the 3 or 4 languages most frequently spoken.

- <sub>1</sub> English    <sub>2</sub> Spanish    <sub>3</sub> Arabic    <sub>4</sub> Tagalog/Phillipine    <sub>5</sub> Somolian    <sub>6</sub> Chinese
- <sub>7</sub> Korean    <sub>8</sub> Russian    <sub>9</sub> Vietnamese    <sub>10</sub> Kurdish    <sub>11</sub> Farsi
- <sub>12</sub> Other, please specify:

