

286.11-027 Examinations and investigations.

- (1) The commissioner may conduct an examination or investigation of a licensee or any of its agents, as it relates to the business of money transmission.
- (2) The commissioner may conduct an examination or investigation in conjunction with representatives of other agencies of this state or agencies of another state or of the federal government. Instead of an examination, the commissioner may accept the examination report of an agency of this state or of another state or of the federal government or a report prepared by an independent licensed or certified public accountant. The reasonable expenses incurred by the department, other Kentucky agencies, agencies of another state, agencies of the federal government, or an independent licensed or certified accountant in making such examination, investigation, or report shall be borne by the licensee.
- (3) A joint examination or an acceptance of an examination report does not preclude the commissioner from conducting an examination as provided by law. A joint report or a report accepted under this subsection is an official report of the commissioner for all purposes.
- (4) A licensee or agent is deemed to consent to the commissioner's examination or investigation, whether or not prior notice is given to the licensee or agent, of the books, records, and business operations of the licensee or agent of the licensee.
- (5) A report of examination of a licensee under this section shall be considered confidential and privileged and not subject to disclosure under the Kentucky Open Records Act, KRS 61.870 to 61.884. However, a licensee may disclose a Kentucky report of examination to a financial institution upon written request from the financial institution for the purpose of assisting the financial institution in its compliance with the Bank Secrecy Act, 31 U.S.C. secs. 5311 to 5332 and 31 C.F.R. pt. 103. The licensee shall provide written notice to the commissioner of the disclosure of the Kentucky report of examination at the same time that disclosure is made to the financial institution.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 842, effective July 15, 2010. -- Created 2006 Ky. Acts ch. 247, sec. 14, effective April 24, 2006.

Legislative Research Commission Note (7/12/2006). This section was created in 2006 Ky. Acts ch. 247 as a new section of KRS Chapter 366A. Sec. 38 of that same bill also required that all sections of KRS Chapters 287, 288, 290, 291, 294, 366, 366A, and 368 be renumbered as sections of a single KRS chapter entitled the "Kentucky Financial Services Code." Therefore, the Statute Reviser, acting under KRS 7.136(1), has codified this section as a new section of KRS Chapter 286.