

JEB SPAULDING
STATE TREASURER

RETIREMENT DIVISION
TEL: (802) 828-2305
FAX: (802) 828-5182



UNCLAIMED PROPERTY DIVISION
TEL: (802) 828-2407

ACCOUNTING DIVISION
TEL: (802) 828-2301
FAX: (802) 828-2884

STATE OF VERMONT
OFFICE OF THE STATE TREASURER

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For more information or interview, contact: Jeb Spaulding at 802-828-1452

Spaulding Leads National Savings Bond Reunification Effort

Treasurer seeking to reunite Vermonters with unclaimed U.S. Bonds

Montpelier - Would you believe Vermonters could own \$26 million in unclaimed matured U.S. savings bonds that are sitting in the U.S. Treasury and no longer earning interest? Well, that is the official estimate and State Treasurer Jeb Spaulding thinks something should be done about it. Spaulding, Chair of the Unclaimed Property Committee for the National Association of State Treasurers, is leading a national lobbying effort to have Congress pass legislation that would utilize unclaimed property programs in the states to reunite owners with unclaimed savings bonds.

The U.S. Treasury Department reports that the public holds more than 33 million matured but unredeemed savings bonds with a value of approximately \$14 billion. Many owners of these bonds are unaware that their bonds have matured; the original owners may have died, or otherwise have failed to redeem the bonds.

According to Spaulding, "Treasury does not have the capacity or the incentive to do the kind of outreach necessary to find many of these people, so the money just sits in the general treasury and offsets outstanding U.S. debt."

"On the other hand, every state has an extensive unclaimed property program utilizing advertising, booths at major fairs, and easily searchable data bases. It only makes sense that states be used to return savings bonds, but Treasury says they don't have the legal authority to work with us. That is why we are pursuing legislation," he explained.

Operation Rightful Owner, a cooperative effort between the National Association of State Treasurers and the National Association of Unclaimed Property Administrators, proposes to empower the states to act on behalf of the U.S. Treasury to find lost owners of savings bonds and facilitate payment of their claims. Under the program, states will receive payment for reasonable

costs of administration and incentive payments based on their success in finding the owners of matured unredeemed bonds.

Spaulding led a national Web-facilitated seminar from his office in Montpelier on Tuesday to keep officials around the country informed about the development of the legislation.

“Right now we are in negotiations with designated representatives of the House Ways & Means Committee and are working through their questions and concerns about our proposal. We hope to have agreement on legislation in a month or so. At that point, my counterparts and I will lobby our congressional delegation in hopes of gaining their support,” Spaulding said.

The amount of money paid to Vermonters in unclaimed property claims tripled in fiscal year 2005. More than 7,800 unclaimed property claims were paid, totaling approximately \$6.5 million.

Financial property, such as insurance policies, paychecks, stocks, tax refunds, and bank certificates, becomes unclaimed after a business or non-profit entity loses contact with a customer for a period of years. The property is sent to the Treasurer’s office to protect the funds and centralize search efforts to locate property owners. The State never assumes ownership of the unclaimed funds; the funds are held in trust and invested for the benefit of state residents until the rightful owner or heir is found.

The Treasurer encourages all Vermonters to search the State’s unclaimed property Web site at missingmoney.vermont.gov. Citizens may call the Unclaimed Property Division at 802-828-2407 or toll-free in Vermont 1-800-642-3191. There is no time limit to file a claim, nor is there any fee for this service through the Treasurer’s Office. There are heir-finder services that sometimes contact possible owners and offer to locate property, from Vermont and other states, for a fee. Treasurer Spaulding encourages Vermonters to contact his office first – the State process will not cost them a penny.

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