

NEWS RELEASE

Luther Strange

Alabama Attorney General



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For More Information, contact:

Mike Lewis (334) 353-2199

Joy Patterson (334) 242-7491

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AG STRANGE JOINS 20 STATES IN COALITION TO RECLAIM ABANDONED, UNCLAIMED FUNDS FROM DELAWARE

MONTGOMERY – Alabama Attorney General Luther Strange has joined 20 other states today in an original action filed in the U.S. Supreme Court against the State of Delaware. The lawsuit alleges that Delaware has, at a minimum, \$200 million that rightfully belongs to its sister states under the federal Disposition of Abandoned Money Orders and Traveler’s Checks Act. The ultimate dollar figure that Delaware owes other states may be much higher.

The dispute between the 21 plaintiff states and Delaware is about which state is entitled to abandoned and unclaimed “official checks” sold by MoneyGram, a money transfer services company that operates in all 50 states and internationally. With Delaware’s acquiescence, guidance and direction, millions of dollars in unclaimed “official checks” have been wrongfully escheated, or turned over, to the State of Delaware. This error was based on the mistaken belief that such abandoned and unclaimed property is supposed to be turned over to the issuing company’s state of incorporation, in this case Delaware. Federal law and the law in each of the plaintiff states is clear that such abandoned and unclaimed property should be turned over to the state where the official check was purchased.

The coalition is asking the Supreme Court to declare that the plaintiff states, and not Delaware, are entitled to the hundreds of millions of dollars improperly turned over to Delaware, and to all future similar abandoned and unclaimed property. The coalition also is asking the Court to order the appropriate repayment to plaintiff states by Delaware.

“Quite simply, these funds are not the property of Delaware,” said Attorney General Strange. “Under state and federal law, the money from these unclaimed and abandoned ‘official checks’ is due to be returned to the states where they were purchased.”

On Feb. 10, 2015, an independent auditor completed an examination of abandoned “official checks” from MoneyGram in a select group of states and concluded that nearly \$200 million was owed to those states. The State of Alabama may be owed \$15 million in unclaimed “official checks.”

In addition to Alabama, states filing the action include Arkansas, Texas, Arizona, Colorado, Florida, Idaho, Indiana, Kansas, Kentucky, Louisiana, Michigan, Montana, Nebraska, Nevada, North Dakota, Ohio, Oklahoma, South Carolina, Utah and West Virginia.



501 Washington Avenue • Montgomery, AL 36104 • (334) 242-7300
www.ago.state.al.us