

MANAGING YOUR MONEY **\$**

Have You Checked Your Safe Deposit Box Lately?

by *Arkadi Kuhlmann*

(NAPSA)—If you're like most Americans, you probably don't keep track of every single one of your assets on a regular basis. You might have family heirlooms in an out-of-state safe deposit box, which you haven't opened in years. Or stock that's slowly appreciating in a past brokerage account you never use anymore.



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Be careful. Someone might take that money right out of your bank—and it would be perfectly legal.

In an increasingly common revenue grab, state governments troll for low-activity bank accounts and seize this “unclaimed property.”

How could such a travesty occur?

States have what's known as an “escheatment” or unclaimed property law, which requires businesses to hand over abandoned financial assets to the government. Escheatable assets—including safe deposit boxes, savings accounts, stocks, and uncashed payroll checks—qualify as abandoned after a prespecified period of inactivity, the length of which varies by state.

The government is then supposed to identify and contact the rightful owners and reunite them with their property.

That's the theory. In practice, state governments have taken to using the escheatment process as a fundraising tool. They now hire private contractors to go after abandoned assets—and pay them

commission! After collection, most states make just a halfhearted attempt to contact the rightful owners. And states sell off the assets as quickly as possible.

Nationwide, the total value of the escheated properties in state custody is over \$35 billion. Less than a third will ever wind up back with its rightful owner.

ING Direct has been forced to turn over nearly 15,000 “abandoned” accounts valued at nearly \$4 million. Most account holders will never see their money again. The rest will get it back at a loss, as escheated assets generally don't collect interest.

Many of the accounts were designated to minors, set up by parents for distant expenses such as college. Never mind the fact that these accounts are left alone on purpose—that's how they grow.

Escheatment laws are also out of touch with modern banking. With online accounts, many customers simply sit back and let their wealth grow. Shockingly, this means forfeiture, as escheatment laws require proactive contact steps.

People with unclaimed assets include such hard-to-find people as Angelina Jolie, Brad Pitt, Willie Mays and Los Angeles mayor Antonio Villaraigosa.

It's high time for legislators to recognize that a law intended to protect consumers is doing just the opposite. Legislators are literally banking on people losing track of their assets. Escheatment provisions are enabling state-perpetrated theft.

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