



STATE OF WASHINGTON

DEPARTMENT OF REVENUE
OFFICE OF THE DIRECTOR

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September 26, 2023

TO: Sarah Bannister
Secretary of the Senate
Washington State Senate

Bernard Dean
Chief Clerk
Washington State House of Representatives

Rob Duff, Executive Director, Policy & Outreach
Office of the Governor

FROM: Drew Shirk, Director
Department of Revenue

SUBJECT: REPORT ON THE UNCLAIMED PROPERTY PROGRAM

The Department of Revenue is submitting this report to the Legislature and Governor as required by [RCW 63.30.670](#), passed during the 2022 Legislative Session.

The statute requires the following data on Washington's Unclaimed Property Program for the previous fiscal year:

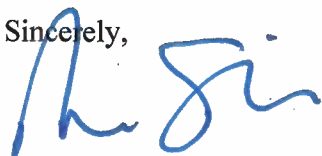
1. **The total amount and value of all property paid or delivered under this chapter to the administrator, separated into:**
 - The part voluntarily paid or delivered; and
 - The part paid or delivered as a result of an examination under [RCW 63.30.580](#), separated into the part recovered as a result of an examination conducted by:
 - A state employee; and
 - A contractor under [RCW 63.30.650](#).
2. **The name of and amount paid to each contractor under [RCW 63.30.650](#) and the percentage the total compensation paid to all contractors under [RCW 63.30.650](#) bears to the total amount paid or delivered to the administrator as a result of all examinations performed under [RCW 63.30.650](#).**

3. **The total amount and value of all property paid or delivered by the administrator to persons that made claims for property held by the administrator under this chapter and the percentage the total payments made and value of property delivered to claimants bears to the total amounts paid and value delivered to the administrator**

4. **The total amount of claims made by persons claiming to be owners which:**
 - Were denied;
 - Were allowed; and
 - Are pending.

If you have any questions or need the report in an alternate format, please contact Steve Ewing, Legislative and External Affairs Liaison, Executive Division, at (360) 534-1545.

Sincerely,



Drew Shirk
Director

cc: David Schumacher, Director, Office of Financial Management
Pat Sullivan, Executive Director, Legislative Affairs, Office of the Governor
Roselyn Marcus, Assistant Director, Office of Financial Management
Rachel Knutson, Senior Budget Assistant, Office of Financial Management

Unclaimed Property 2023 Report to the Governor and the Legislature



Introduction

[Revised Code of Washington \(RCW\) 63.30.670](#) requires the Department of Revenue to submit an annual report on Washington's Unclaimed Property (UCP) program covering the prior fiscal year to the Governor and the Legislature no later than three months after the end of the state fiscal year. This report fulfills that obligation.

The Washington State Department of Revenue (department) administers Washington's UCP program as a free public service that reunites property and assets with rightful owners or their heirs. To date, the program has returned over \$1.3 billion to rightful owners.

The UCP program's primary function is to act as a consumer protection program. In addition, the department is committed to educating and providing guidance to businesses and other organizations who hold unclaimed property to ensure compliance with the state's UCP laws.

Unclaimed property is money or other property held by an organization that has lost contact with the owner for an extended period. At that point, the property is considered lost, forgotten, or abandoned and must be turned over to the department's UCP program.

Common types of unclaimed property include:

- Checking and savings accounts.
- Uncashed payroll checks.
- Utility and security deposits.
- Safe deposit box contents.

Unclaimed property does not include real estate, vehicles, and most other physical property.

Businesses and other organizations holding unclaimed property (Holders) are required to report that property to the state of the owner's last known address. Except for travelers checks and money orders, Holders are required to report the name, last known address (if any), last activity date, description of the property, identifying number (if any), and amount due.

Washington's self-funded, non-appropriated UCP program acts as a custodian for the owners of abandoned property. The department holds UCP funds in perpetuity until the rightful owner or heir comes forward to claim the funds. In FY23, the program received a record \$322 million in

unclaimed property and returned a record \$138.9 million to the rightful owners. Currently, there is over \$1.9 billion of unclaimed property remaining available to be claimed.

Fiscal Year 2023 Highlights

New Money Match Program

In the first quarter of 2023, the department began automatically returning certain unclaimed property to Washingtonians after verifying ownership. This new program, called Money Match, is statutorily authorized under [RCW 63.30.530](#). The department utilizes LexisNexis data to verify owners against reports filed by holders, and then sends a letter to validate the address. Once the department verifies the owner and their address, a check is then issued to owners without requiring them to file a claim or submit documentation. This effectively removes barriers and makes it easier for people to be reunited with their property. To date the program has issued 9,000 checks totaling \$1.2 million.

Safe Deposit Box Auction

The department is statutorily required to sell the contents of abandoned safe deposit box contents at auction and the proceeds are held for the owner indefinitely. The most recent auction was held in November 2022. The auction was online bidding only with a two day in-person public preview. The department auctioned the contents of over 500 boxes. The gross proceeds from the sale were \$559,667. Popular items at the auction were an 1860 Abraham Lincoln campaign button, which sold for \$1,201, and a diamond ring that sold for \$15,000.

Annual Report

Property Paid or Delivered

Annually, over 25,000 businesses report unclaimed property to Washington. The department employs four full-time auditors who audit in-state businesses. In addition, the department contracts with seven vendors that audit companies located outside the state. These vendors are paid on a contingent fee basis for the audits they conduct, meaning they are paid a percentage of the property they find that is ultimately remitted to the department. Audits may include shares of stock. The contingent fee for contractor audits containing shares of stock is based on the value of the shares on the date they are transferred into the state's name. In FY23, the department paid \$738,822.95 to contractor auditors. This compensation totaled 2.8% of the money and value of shares remitted from contract auditors totaling \$26 million.

Amounts Paid or Delivered Fiscal Year (FY) 2023

	Dollars Received	Number of Shares
Total property	\$321,981,936	10,815,737.5320

Voluntarily Paid	\$298,682,881	10,618,419.4880
State Employee Examinations	\$878,754	0.0000
Contract Auditor Examinations	\$22,420,301	197,318.0440 (value of shares used to determine the audit fee: \$3,581,215)

Payments to Contract Auditors

Contractor	Amount Paid FY23
Kroll Government Solutions, LLC	\$627,780.65
Kelmar Associates, LLC	\$109,944.96
Treasury Services Group, LLC	\$1,097.34
Innovative Advocates Group, Inc.	\$0
Discovery Audit Services, LLC	\$0
Audit Services US, LLC	\$0
EECS, LLC	\$0
Total	\$738,822.95

Claims

In FY23 the department reunited a record \$138.9 million in unclaimed property with the rightful owners, or 43.1% of the total value of property received for the year. The amount paid was a 55.4% increase over the previous fiscal year. The following amounts show the total paid along with the total value of claims where the claim was denied. The pending claims are those that have been received and are still being reviewed by claim examiners.

Status of Claim	Dollar Value
Allowed	\$138.9 million
Denied	\$7.4 million
Pending	\$11.9 million

These numbers do not include the value of shares of stock returned to the owner. Shares are sold as soon as possible after receipt by the department; however, owners have the option to receive their shares if they have not been sold.

The denied amount includes claims that were found to be potentially fraudulent. These claims totaled \$3.26 million or over half of the total claims denied for the year.