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For more information:

Ashley Murdie

Director of Communications

785.296.3538

ashley@treasurer.ks.gov

Treasurer Estes Announces Successful Ruling in Case Against U.S. Treasury

TOPEKA, Kan. — State Treasurer Ron Estes today announced an initial victory in Kansas' efforts to force the U.S. Treasury to deliver matured U.S. savings bonds to the state as unclaimed property. Judge Elaine Kaplan with the U.S. Court of Federal Claims denied the U.S. Treasury's request to dismiss *Estes v. United States*, No. 13-cv-01011 (Fed. Cl. filed Dec. 20, 2013.)

"This is certainly great news and a significant milestone towards our efforts to obtain the remaining bond money that rightfully belongs to the state of Kansas so that we can help return it to its original owners or their heirs," said Kansas State Treasurer Ron Estes. "We estimate that the U.S. Treasury is holding more than \$17 billion worth of U.S. savings bonds that are no longer earning interest, with \$150 million of this amount issued to residents of Kansas. The U.S. Treasury does not have a process to return these bonds as unclaimed property."

The U.S. Treasury Department has already allowed Kansas to redeem more than \$860,000 in matured U.S. Savings bonds that banks delivered to the State Treasurer's Office with the contents of unclaimed safe deposit boxes. Kansas became the first state in the country to obtain ownership and proceeds for U.S. savings bonds within its possession in November of 2013.

"Some of these bonds date back to World War I, and many of the original owners or their heirs are unaware that the U.S. Treasury is still holding their money," explained Estes.

Even though the U.S. Treasury Department has recognized the state's rights as owners of the bonds within its possession, they denied the state treasurer's request to redeem the remaining class of all matured U.S. savings bonds issued to owners with a last known address in Kansas.

The court's order rejected the U.S. Treasury's attempt to change its longstanding interpretation of its regulations establishing the procedures for redeeming U.S. Savings bonds, which would have limited all states' ability to take title to them only if the state possesses the bonds. The U.S. Treasury Department's records identify the owners of matured bonds, and this order will begin the process of requiring the U.S. Treasury to give access to this data so the state can identify bonds issued to Kansans.

"It's encouraging to see all the hard work and collaboration of this initiative's many supporters make headway," said Estes. "I want to thank Brett Millbourn with the law firm Walters Bender Strohbehn & Vaughan, P.C. and David Charles Frederick with Kellogg, Huber, Hansen, Todd, Evans & Figel, P.L.L. for their excellent work in the presentation of our arguments to the court and all my staff for their continued dedication to this case. It's been a lengthy process, years in the making, but we remain committed to seeing this through to the end."

“Eighteen states have now passed legislation allowing them to take title to and redeem matured savings bonds issued to their residents,” said Estes. “I’m proud that Kansas has been able to lead the way on this issue and that other states will be able to take advantage of our success in this case.”

Ron Estes is the 39th state treasurer for the state of Kansas and is the first state-wide elected official from the city of Wichita in 20 years. He was elected to serve as the Midwest Regional Vice President for the National Association of State Treasurers 2012-2013, and now serves on the College Savings Plans Network Executive Board and the National Association of Unclaimed Property Administrators Executive Board. Ron has also served as Sedgwick County Treasurer and as the treasurer for the Kansas County Treasurers’ Association. He was born in Topeka and is a fifth-generation Kansan. Ron and his wife, Susan, have three children.

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