

KEN PAXTON

Texas Attorney General Joins Arkansas in Challenge to the State of Delaware to Get Back Millions of Dollars in Unclaimed Money from MoneyGram Checks

Thursday, June 9, 2016 – Washington, D.C.

Texas Attorney General Ken Paxton announces Texas has joined Arkansas' Attorney General Leslie Rutledge in co-leading a 21 State coalition to file a lawsuit at the U.S. Supreme Court against the State of Delaware. The suit being filed later today alleges violations to the Federal Dispositions Act. With this legal action, Texas and Arkansas seek to revert an estimated \$150 million from the State of Delaware to their rightful owners in 21 states affected by the unlawful practice.

"Thanks to the diligent and methodical work from the Arkansas AG Rutledge's office, it was determined how Delaware, for its financial gain, completely disregarded the Act and kept millions of dollars from Texas, Arkansas and 19 other states," said Texas Attorney General Ken Paxton. We are committed to get this money for unclaimed MoneyGram checks reverted to the States, claiming what rightfully belongs to our taxpayers."

In the lawsuit, Texas and Arkansas ask the Supreme Court to hear the interstate dispute, and determine the applicability of the Act. In their legal challenge, the States allege Delaware and MoneyGram have violated the Act by escheating all un-presented and uncashed MoneyGram checks to the State of Delaware instead of the State in which such money order, traveler's check or other written instrument was purchased.

According to the lawsuit, the State of Delaware and MoneyGram have routinely ignored the law. An audit commissioned by a coalition of states determined that MoneyGram, against what is required by law, routinely rendered the amounts of money collected in unclaimed checks to the State of Delaware, and Delaware in turn kept all moneys for its financial gain. Furthermore, the audit concluded that Delaware owes over \$150 million to the coalition States. Texas could be owed more than \$ 10 million and if all 49 states were to claim what is rightfully theirs, the amount could reach the \$400 million.

The states part of the coalition are: Arkansas, Texas, Alabama, Arizona, Colorado, Florida, Idaho, Indiana, Kansas, Kentucky, Louisiana, Michigan, Montana, Nebraska, Nevada, North Dakota, Ohio, Oklahoma, South Carolina, Utah, West Virginia.

For a copy of the lawsuit, click here: https://www.texasattorneygeneral.gov/files/epress/33086_pdf_Bronni.pdf

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