

Arkansas and Texas Lead Coalition Against Delaware to Reclaim Money

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LITTLE ROCK – Arkansas Attorney General Leslie Rutledge and Texas Attorney General Ken Paxton today are co-leading a group of 21 states in an original action filing in the U.S. Supreme Court against the State of Delaware. At a minimum, Delaware has approximately \$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 property 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 is also asking the Court to order the appropriate repayment to plaintiff states by Delaware.

"Arkansas taxpayers have been robbed," said Attorney General Rutledge. "Delaware is simply not entitled to unclaimed monies that lawfully belong to 49 other states. I am committed to working with my colleagues to guarantee that this money is properly returned to the taxpayers. I am also very appreciative of the hard work of Auditor Andrea Lea's office for originally identifying this issue and diligently working with us to try to recover the sums owed to the State."

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 Arkansas is owed over \$850,000 in unclaimed "official checks."

Arkansas and Texas are joined in today's filing by Alabama, Arizona, Colorado, Florida, Idaho, Indiana, Kansas, Kentucky, Louisiana, Michigan, Montana, Nebraska, Nevada, North Dakota, Ohio, Oklahoma, South Carolina, Utah and West Virginia.

About Attorney General Leslie Rutledge

Leslie Carol Rutledge is the 56th Attorney General of Arkansas. She is the first woman and first Republican in Arkansas history to be elected to the office. Since taking office, she has begun a Mobile Office program, a Military and Veterans Initiative, a Metal Theft Prevention program and a Cooperative Disability Investigations program. She has led efforts to teach Internet safety, combat domestic violence and make the office the top law firm for Arkansans. Rutledge also re-established and co-chairs the National Association of Attorneys General Committee on Agriculture.

A native of Batesville, she is a graduate of the University of Arkansas and the University of Arkansas at Little Rock William H. Bowen School of Law. Rutledge clerked for the Arkansas Court of Appeals, was Deputy Counsel for Gov. Mike Huckabee, served as a Deputy Prosecuting Attorney in Lonoke County and subsequently was an Attorney at the Department of Human Services before serving as Counsel at the Republican National Committee. Rutledge and her husband, Boyce, have a home in Pulaski County and a farm in Crittenden County.

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