

## **State sues Treasury Department**

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The federal government still owes Americans some \$16.7 billion it borrowed to finance World War II. A handful of states, Montana among them, say that money should be given to them until the rightful owners can be found.

Montana is one of six states taking part in a lawsuit against the Treasury Department to have that money put into the state's unclaimed property system.

"Given that these bonds were sold to Montanans or sold in Montana, the money ought to be returned to us because we have more of a mechanism to get it to its rightful owners," said Attorney General Steve Bullock.

Montana's share of the money is around \$55 million - "real money," Bullock said.

The lawsuit began in 2004, and then-Attorney General Mike McGrath signed Montana on in 2007. New Jersey, Kentucky, Missouri, North Carolina and Oklahoma are the other states taking part. The case is expected to be heard in a New Jersey court in coming weeks.

The states claim the federal government has made no proactive effort to locate the bondholders. The Treasury Web site does include a database of savings bonds, but that database goes back to only 1974.

A Treasury Department spokeswoman could not be reached for comment.

The case raises interesting questions about state versus federal authority. Bullock said the 10th Amendment of the Constitution - which says any powers not specifically delegated to the federal government are reserved for the states - gives the states the right to the unclaimed money.

"Unclaimed property has never been the role of the federal government," he said.

Dan Bucks, director of Montana's Department of Revenue, which handles unclaimed property of all kinds for the state, said the money from the war bonds would be treated just like anything else that comes through the Abandoned Property Division.

"We would handle those as any other unclaimed property," he said. "We would advertise the names and the last known addresses of the owners, and seek to return that money to the owners."

Montana's Abandoned Property Division holds unclaimed property of all kinds, including utility deposits, abandoned or forgotten bank accounts or safe deposit box contents, insurance policies and other private property.

There's no sunset or expiration date on any of it - rightful owners or their legal heirs can step up at any time. But until they do, the state can earn interest on the unclaimed funds, and that interest goes into the state's general fund.

Winning the lawsuit against the federal government would more than double the size of the state's unclaimed property account, which currently sits somewhere north of \$30 million.

"The federal government is sitting on this money and is not doing anything to return it, and they have no mechanism to return it," Bucks said. "The federal government is not cooperating with the legal structure that has been set up to return this to its rightful owners."