California wants to find owners of millions of dollars worth of goods

By Claudia Buck, Sacramento Bee

It’s a cross between grandma’s attic and Fort Knox.

In a tiny, unmarked room inside the state’s unclaimed property office in Rancho Cordova, there’s a veritable treasure trove just waiting for the right people to claim it.

Set up like a department store jewelry counter, the 200-square-foot room is rimmed with glass cases displaying an eye-popping, yet oddball, collection of unclaimed goods.

There’s everything from a well-aged bottle of cognac to Hank Aaron baseball cards, from glittering diamonds and jade jewelry to American Indian beaded belts, from a $100,000 stack of gold ingots to a single sardine can.

All of it belongs to Californians who either died or simply forgot about a long-ago safe deposit box.

And collectively, it represents just a fraction of the $6.1 billion in money and property that California is holding until the rightful owners come forward.

Standing amid the abandoned riches one recent weekday, state Controller John Chiang said his mission is simple: to get rid of it. “Our first objective … is to reunite people with their property,” he said.

Over the past six years, Chiang’s office has ramped up its efforts to do so. In fiscal year 2011, it sent more than 1 million notices to Californians that their property was about to be sent to the state. In that same period, it took in $557

million and returned $207 million to claimants.

By law, unclaimed property – from banks, financial institutions, utilities and other money holders – must be transferred to the state for safekeeping if there's been no activity on an account for three years. That includes stock shares, uncashed payroll checks, utility refunds, life insurance payouts. It's intended to prevent banks or others from taking unclaimed funds into their own accounts.

Chiang says it's not surprising that so much winds up in the state's hands. The popular TV show "Storage Wars," where the contents of unclaimed storage units are auctioned off, is telling, he says. "People have a lot of stuff and it's easy to lose track of."

Since 2003, the state no longer auctions off the contents of safe deposit boxes or other property.

Some of what's been abandoned is purely sentimental: crocheted baby booties, children's books and sepia-toned family photographs.

Some is pop-cultural: a 1988 Michael Jackson concert ticket; old Hollywood movie star photos of Clint Eastwood, Marilyn Monroe, John Travolta, the Marx Brothers.

Some is historical: a Civil War diary; an 1865 New York Herald announcing President Abraham Lincoln's assassination; an early 1900s check from the Bank of Italy's Sacramento branch; a 1906 newspaper headlined "SF in Ruins" printed on the only press to survive the earthquake; a letter from a nuclear engineer aboard the USS Nautilus, the first submarine to reach the North Pole.

And, of course, hundreds of baseball, basketball and football trading cards, from Mickey Mantle to Gale Sayers to Kareem Abdul-Jabbar.

And it’s not just California that’s sitting on unclaimed property. Nationwide, about $41.7 billion is waiting to be returned, according to the National Association of Unclaimed Property Administrators. In fiscal 2011, 2.5 million claims worth $2.25 billion were returned to owners nationwide.

In California, most of the financial accounts are turned over to the state in June and December. Safe deposit boxes – about 4,000 a year – are turned over on a bank-by-bank schedule. Just last week, a box yielded a collection of Robert Kennedy campaign photos from the 1960s.

All of the property is either in a highly secured vault room or the tiny display space, both of which are accessed only through multiple locked doors. Entry requires dual key swipes by two employees. Once inside, surveillance cameras monitor every movement.

But while the storage area is virtually impenetrable, it’s easy for anyone to search for unclaimed property, in California or other states.

And just about anyone could be on the state’s list. Former first lady Maria Shriver has $12.17 in unclaimed wages from Sony Pictures Entertainment. Gov. Jerry Brown has 18 shares of U.S. Bancorp stock, plus $61.26 in fractional shares, waiting for him to claim.

“I’m sure we have sent a notice to him,” said Gary Qualset, unclaimed property division chief. He said Capitol officials and legislators as well as local governments get alerted to unclaimed property.

Until the owners file their claims, all money stays in the state’s general fund. Since 2003, the state no longer pays interest on funds it holds. Shares of stock and mutual funds are cashed out after 18 months and the proceeds held.

With a staff of 250, the state’s unclaimed property office

issues payouts daily to individuals and institutions. Last year, the average return was $728.

Amounts vary from as small as $1 to one of the largest: a pair of solid-gold candlesticks valued at about $1 million that were left in an elderly couple's safe deposit box. The couple's intended heir: the University of California system and UCLA's nursing school. After UC's ownership was established, an armored car came to collect the candlesticks, Qualset said.

Controller Chiang says his most memorable return was a Medal of Honor that was awarded by President Harry Truman to a World War II Navy officer for heroism during the bombing of Pearl Harbor. The medal sat in his late daughter's safe deposit for years, until it was transferred to the state in 2006. After locating the officer's extended family members, the medal was returned to them at a Navy ceremony in San Diego.

Some consumers have complained that the process to reclaim their property is cumbersome and not worth the effort.

But Chiang said there's a reason that verification is strict: "We're seeing increasing instances of fraud," he said, by people using forged documents. Sometimes, a legitimate heir comes forward to claim a parent's money but conveniently forgets there are siblings entitled to a share.

In all cases, the state does extensive research and requires proof of ownership, such as Social Security numbers and certified death certificates.

There's no fee or charge for calling California's unclaimed property unit or using its "claimit.ca.gov" website. But so-called "asset locators" or "heir finders" will offer to find and claim property for you – for a fee. By law, they cannot charge more than 10 percent of the returned property's value.

Clearly, at $6.1 billion, there's still a lot of stuff in the

state’s attic.

“The goal is to return it all,” said Qualset. “That’s what all the staff is working on since 1959.”