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Treasure hunter helps companies, residents recover 'lost' money

AARON ELSTEIN



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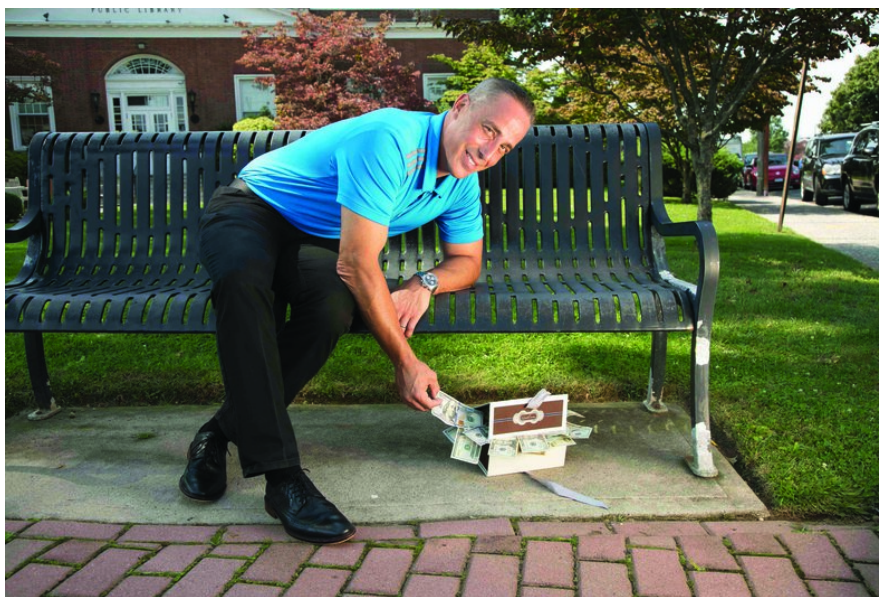
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Buck Ennis

Vale's Long Island-based company keeps 15% of the money it helps New York businesses reclaim.

A decade ago Jared Vale was an unemployment-tax consultant worried about becoming unemployed himself. On a flight one evening he came across a magazine article about reclaiming forgotten [bank accounts](#), insurance policies and customer refunds.

"When I got to the hotel, I typed my wife's name into a database and discovered she had money owed to her," Vale recalled. "When I typed in the words 'American Express,' a whole bunch of names showed up, and I thought, Holy cow, there's a business here."

Today Vale is a professional treasure hunter who helps companies find money they didn't even know they'd lost. He has unearthed \$15 million in cash for the [bankrupt Lehman Brothers](#), \$1 million in stock from the profit-sharing plan of a company acquired 20 years ago by textbook publisher Pearson and scores of other windfalls. His 15-employee firm, ValeU Group of Floral Park, Long Island, keeps 15% of what it uncovers in New York. Its annual revenue is about \$2 million.

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"The sums are a line item for a lot of corporate America," Vale said. "But when I say, 'Wouldn't you like to have 85% of your money in six months and you don't have to do any work to get it?' that's pretty interesting to them."



Accounting firm PwC estimates more than \$100 billion worth of unclaimed assets is hiding in plain sight around the country. New York is a prime hunting ground, with \$16.5 billion parked at the state comptroller's office, \$1 billion more than a year ago. By law, banks and other financial institutions must turn over to the state accounts that have been inactive for a period of time, sometimes as little as three years. The state earns interest from the dormant accounts until someone files a

claim.

Last year Comptroller Thomas DiNapoli's office received \$932 million in forgotten assets and returned \$430 million to rightful owners.

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"Reuniting owners with their lost money is one of the most gratifying aspects of my job," said DiNapoli, who sometimes arrives like a Publishers Clearing House official with an oversize check in an effort to publicize the existence of unclaimed funds and get New Yorkers to search for them. Last year he turned up at the Westchester County executive's office with **\$20,000**.

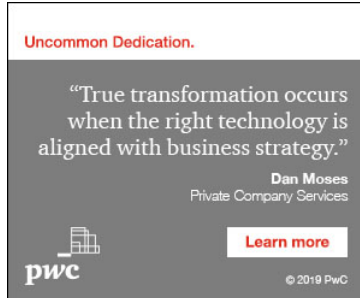
A [state database](#) contains a long list of prominent New Yorkers with unclaimed funds, including Carl Icahn, Derek Jeter, Rupert Murdoch, Morgan Stanley CEO James Gorman, President Donald Trump and his children Ivanka and Eric.

Although filing a claim is simple, some folks refrain for fear of triggering an audit—a concern state officials said is unjustified.

Most abandoned accounts hold less than \$100, according to DiNapoli's office, which never discloses the exact amounts people are owed.

Big sums do exist, however. The comptroller's office revealed that its largest unclaimed account holds \$8 million. In 2012 New York regulators began requiring life insurers to check a list of recent deaths and pay beneficiaries who had not filed a claim. Some \$262 million was retrieved, and 7,525 New Yorkers got payouts averaging \$12,744.

Even as states prod institutions to find owners of unclaimed cash, New York and other locales have stepped up efforts to take custody of it.



"It's become a major source of revenue for certain states," said Hollis Hyans, a senior counsel at law firm Morrison & Foerster.

In Delaware, where more than 1 million companies are incorporated, abandoned assets account for one-eighth of the state's revenue.

Financial institutions used to hold dormant accounts for as long as 30 years before turning them over, but the time period has steadily shrunk. In 2011, when New York

was facing a budget crunch, the state cut it to three years from five for most accounts. The following year its revenue from abandoned assets spiked to about \$800 million. The amount has since settled around \$450 million annually.

Declines ahead

The state Division of the Budget notes, however, that such revenues are expected to decline because the Securities and Exchange Commission is pushing holders of dormant accounts to reach out to customers. To keep the cash flowing, in 2017 New York tweaked a program that entices companies to report unclaimed funds to Albany by halving the reach-back period to 10 years and charging no interest or penalties if funds are reported promptly.

The changes have turned up more missing money. At the same time, more entrepreneurs are trying to get their hands on it.

In 2015 two attorneys at the Washington, D.C., office of the Ferraro Law Firm, which specializes in asbestos-related class actions, helped launch the company Raw Data Analytics. It filed a whistleblower lawsuit on behalf of New York state accusing JPMorgan Chase of not relinquishing unclaimed funds to the comptroller in a timely manner.



Randall Fox, the plaintiffs' lawyer and a former head of the state attorney general's taxpayer protection bureau, said Chase held \$60 million worth of unclaimed assets longer than it should have, depriving the state of about \$12 million in interest income over roughly two years.

"It's money that could have gone to pay for better roads, bridges and infrastructure but instead went to Chase," said Fox, whose client could pocket 25% of any recovery.

Chase argued that it was not required to pay interest unless the state asked, but this month a judge ruled the law is "abundantly clear" and denied the bank's motion to dismiss the case. Neither Chase nor DiNapoli's office would comment.

As for Vale, he said he tends to run into two issues: Fraudsters sometimes approach him with bogus claims of the "Will you help me find my lost fortune?" variety, so he's reluctant to take on individual clients. And some

ValeU Group helps companies, residents recover 'lost' money

potential customers take him for a debt collector rather than someone out to find their missing money.

For individual New Yorkers, he added, it's never been easier to recover funds: Simply go to the comptroller's office [website](#) and type in your name. A quick search showed that the *Crain's* photographer who took Vale's picture for this story has unclaimed money. So does *Crain's* art director and the owner of Crain Communications.

Vale said it typically takes individuals 15 days to get a check after filing a claim.

"I go to the park to play handball with my friends and get them money using my phone," he said. "I have a great job."

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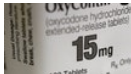
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