



OFFICE OF ILLINOIS STATE TREASURER

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Illinois Treasurer Frerichs Convinces Radio Shack To Surrender Uncashed Rebates Worth \$140,000

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SPRINGFIELD – Radio Shack will surrender \$140,000 in uncashed rebates owed to more than 5,000 Illinois residents, state Treasurer Michael Frerichs said today.

Frerichs pursued Radio Shack because rebates checks are unclaimed property if not paid out within five years. Returning unclaimed property is a role of the Treasurer's Office.

"Big Corporations should not use rebate promotions as a bait-and-switch scheme," Frerichs said. "This settlement allows us to actively locate the people who were wronged and return their money to them."

Radio Shack agreed to the settlement after the Treasurer's auditors determined that the electronics store chain and its rebate fulfillment provider, Global Fulfillment Services, a subsidiary of Minnesota's Young America Corp., failed to report unclaimed rebate checks. The rebates were used to incentivize various purchases between 2002 and 2008.

Radio Shack had a contract with Global Fulfillment Services to process the rebate checks. In the event that an individual did not receive the rebate check or did not cash the check, Global Fulfillment Services kept the proceeds as revenue. That "leakage" was considered part of Global Fulfillment Services payment for processing the rebates on behalf of Radio Shack. Therefore, Radio Shack and Global Fulfillment Services retained the value of unclaimed rebates owed to Illinois residents. Doing so violates the Illinois Uniform Disposition of Unclaimed Property Act (765 ILCS 1025 *et seq.*)

The amount of these Radio Shack unclaimed property rebates typically range from \$20-\$100. However, it could take weeks for the information to be properly recorded and entered into the unclaimed property records database. The database can be found at www.illinoistreasurer.gov under the I-Cash program. Currently, there is more than \$2 billion in unclaimed property. **The Treasurer's Office never charges a fee to help locate and return unclaimed property.**

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The consumer protection issue involving Radio Shack, Global Fulfillment Services, and Young America for failing to report unclaimed rebate checks is similar to allegations Frerichs brought earlier this year against cell phone provider Sprint. In the Sprint case, the allegations include and the same clearinghouse partner, Young America. The Sprint lawsuit involves 32,000 Illinois residents and \$2.7 million in uncashed rebates.

Attorney General Lisa Madigan's office represented the Treasurer's Office in the settlement negotiations with Radio Shack. The legal filings occurred in Cook County Circuit Court, consolidated cases 2011 L 050923 and 2011 L 050924.

About the Illinois Treasurer

The Illinois Treasurer is the state's chief investment officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secure retirement. As the state's Chief Investment Officer, he actively manages approximately \$25 billion. The portfolio includes \$13 billion in state funds, \$7 billion in college savings plans and \$5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns \$28 to the state for every \$1 spent in operations. The Treasurer's Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

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