

# Update on Delaware's Unclaimed Property Audit and SOS VDA Program

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On September 29, 2017, Jeffrey W. Bullock, Delaware's Secretary of State, issued an update on Delaware's unclaimed property audit and Delaware's Secretary of State Voluntary Disclosure Agreement Program (the "SOS VDA Program").

The update indicates that, within the next two weeks, the Delaware Department of State will begin mailing notices to holders of unclaimed property who have been identified as likely being out of compliance with Delaware law as it relates to reporting dormant, abandoned or unclaimed property. Holders that do not enroll in the SOS VDA Program within 60 days of the mailing of the notice will be referred to the State Escheator for examination. If an audit notice is issued, the Department of State will have no legal ability to accept a holder into the SOS VDA Program.

Delaware's SOS VDA Program was put in place to respond to concerns about Delaware's ongoing audit program, and to encourage more companies to come into compliance with their legal responsibilities as they relate to abandoned property. Through recent changes in the law, Delaware is providing every company with an opportunity to voluntarily comply prior to being issued an examination notice.

Earlier this year, on February 2, 2017, Delaware's new unclaimed property statute was signed into law and provides the opportunity to convert an unclaimed property audit (which is conducted by

the Department of Finance and State Escheator) into the SOS VDA Program (which is conducted by the Department of State) for virtually every company currently under a Delaware unclaimed property audit as of July 22, 2015. This feature was added to the law in response to numerous requests to offer companies under audit a quicker, cheaper and less onerous option to come into compliance with Delaware's abandoned property laws.

## **About the Authors:**

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