OFFICE OF ILLINOIS STATE TREASURER

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Treasurer Frerichs Secures $2.3 Million from Sprint

32,000 People Eligible to Claim Uncashed Rebates Checks

SPRINGFIELD –Sprint will pay $2.3 million and provide the names of 32,000 customers who did not cash rebate checks sent to them between 2003 and 2011, Illinois State Treasurer Michael Frerichs and Sprint said today. The agreement resolves disputed claims in ongoing litigation, and there has been no finding of wrongdoing on the part of Sprint.

The out-of-court settlement means Frerichs' office can begin to locate individuals so that they can claim their check. These rebates typically were used as an incentive to purchase a data plan, product or service.

"Rebates are used to encourage individuals to purchase a product or service. Too many times, however, that hook becomes a dizzying maze that seems to shield a payment rather than fulfill a promise," Frerichs said.

"We are happy to resolve this issue," said Dave Tovar, Sprint vice president. "We value our customers and have continued to invest in network enhancements in Chicago, Chicagoland, Springfield, and throughout the state over the last year in order to provide them and those switching to Sprint with an excellent network experience."

The lawsuit Frerichs pursued earlier this year alleged Sprint and its clearinghouse vendor, Young America Corp. of Minnesota, wrongfully kept the rebate money. The treasurer's office asserts that rebates are considered unclaimed property if not paid within five years and must be reported and paid to the state treasury so they can be returned to their owner.

Sprint had available to it the names of individuals who qualified for, but did not cash, the rebate checks. The settlement calls for Sprint to provide these names to the treasurer's office. The names will be included in the state treasurer's unclaimed property database, which can be searched at the treasurer's office or www.illinoistreasurer.gov/ICASH. The treasurer's office never charges a fee to search or collect unclaimed property.

The Illinois treasurer's office is the custodian of unclaimed property including lost bank accounts, insurance policy proceeds, and forgotten safe deposit boxes. Items are surrendered after private entities have been unable to locate the owners after five years. 637**16

The treasurer's office uses audits to confirm compliance with Illinois' unclaimed property laws. When an audit determines a company is in violation of the unclaimed property act, Frerichs seeks a reasonable solution. Litigation is pursued as a last resort.

The initial lawsuit covered the years between 2003 and 2008, the same period that the auditors reviewed. Per Frerichs' request, and in an effort to reach a reasonable resolution, Sprint agreed to extend the period to 2011 based on the five-year reporting window called for in the state's unclaimed property act.

Sprint is one of the largest providers of digital wireless and cellular telephone and data services in the United States. Young America is one of the largest rebate clearinghouses in the world.

Attorney General Lisa Madigan's office represented Frerichs. The lawsuit was filed in Cook County Circuit Court, case number 2016-CH-01864.

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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