



CITY OF PHILADELPHIA

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May 28, 2009

Honorable Rob Dubow,
Director of Finance
Municipal Services Building, 13th Floor
1401 John F. Kennedy Boulevard
Philadelphia, PA 19102

Dear Mr. Dubow:

In our fiscal 2001 and 2002 City Treasurer's Report, we recommended that the city's fiscal agent return all unclaimed bond payments to the city that are two or more years past the payment due date. Our recommendation was based on a legal opinion from the City Solicitor (attached) indicating that unclaimed bond payment funds should not be escheated to the state.

According to the city's investment policy, "any excess in the sinking fund unclaimed after the due date for two years shall be repaid to the city for its general purposes or applied as may be provided in the bond ordinance, but such repayment of unclaimed moneys shall not discharge such claim which shall continue subject to applicable law."

At June 30, 2008, unclaimed bond payment funds held by the city's fiscal agent amounted to \$13.6 million, most of which has been unclaimed for two or more years. Given the city's financial crisis, we again recommend that the city follow its investment policy by requesting its fiscal agent to return all unclaimed bond payment funds two or more years past the payment due date. The funds could then be deposited into a city account where interest will be earned free of fiscal agent fee offsets.

Very truly yours,

ALAN BUTKOVITZ

AB/p

Enclosure

cc: Honorable Michael A. Nutter, Mayor, City of Philadelphia